

HALF YEAR REPORT

31 December 2016

Investors Central Limited

ACN 143 097 385

Investors Central Limited ABN 34 143 097 385

Interim report - 31 December 2016

Contents

	Page
Directors' report	1
Interim financial statements	
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated balance sheet	6
Condensed consolidated statement of changes in equity	7
Condensed consolidated statement of cash flows	8
Notes to the condensed consolidated financial statements	9
Directors' declaration	13
Independent audit report to the members	14

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Investors Central Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial statements are the consolidated interim financial statements of the consolidated entity consisting of Investors Central Limited and its subsidiaries. The interim financial statements are presented in the Australian currency.

Investors Central Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is:

Investors Central Limited

C/- Carey Accountants

141 Sturt Street,

Townsville, Queensland, 4810.

Its principal place of business is:

Investors Central Limited

Unit 2D & 2C

125 Dalrymple Road,

Garbutt, Queensland, 4812.

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Investors Central Limited and the entities it controlled at the end of, or during, the half-year 31 December 2016.

Directors

The following persons held office as directors of Investors Central Limited during the financial period:

Executive Directors

Jamie Edward McGeachie (appointed 13 April 2010)
Jason William Ryan (appointed 18 December 2012)
Quinton Cowen (appointed 18 December 2012)
Stephen Paul Jones (appointed 18 December 2012)

Non-Executive Director

Andrew Peter Kemp (appointed 22 August 2014)

Principal activities

During the period the principal continuing activities of the Group consisted of:

- public capital raising to fund the continued expansion of our automotive lending business, Fin One Pty Ltd trading as Finance One, and
- provision of consumer and commercial motor vehicle and caravan loans by Finance One.

Review of operations

The profit from ordinary activities after income tax amounted to \$1,148,236 (2015: \$913,425).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2016 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Remuneration report

The directors present the Investors Central Limited 31 December 2016 half-year remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this period.

(a) Policy for determining the nature and amount of key management personnel remuneration

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Management. The Board assesses the appropriateness of remuneration packages, given trends in comparative companies. Remuneration packages comprise fixed remuneration and may include bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the individual. At the date of this report the Consolidated Entity has not entered into any agreements with Directors or Senior Management which include performance based components. As such there is no relationship between the consolidated entity's financial results, market price of its equity securities, dividends declared or paid during the financial period, or other capital returns to shareholders to the remuneration paid to Directors. No options were issued to Directors or senior executives during the financial period in respect of remuneration.

Remuneration report (continued)

(b) Details of remuneration

The following tables show details of the remuneration received by the directors and the key management personnel of the Group for the current and previous financial period.

Name	Short-term employee benefits			Post-em ployment benefits	Long- term benefits	Total
	Cash salary and fees	Cash bonus	Non- monetary benefits	Super- annuation	Annual and long service leave	
	\$	\$	\$	\$	\$	
Managing Director - Jamie McGeachie*^	95,060	-	1,902	-	-	96,962
Manager - Jason Ryan	83,152	-	-	7,790	1,252	92,194
Manager - Quinnton Cowen*	69,458	-	-	6,650	-	76,108
Manager - Stephen Jones	44,172	-	-	4,196	-	48,368
Non-Exec.Director – Andrew Kemp ^	22,715	-	-	-	-	22,715
Total key management personnel compensation	314,557	-	1,902	18,636	1,252	336,347

Name	Short-term employee benefits			Post-em ployment benefits	Long- term benefits	Total
	Cash salary and fees	Cash bonus	Non- monetary benefits	Super- annuation	Annual and long service leave	
	\$	\$	\$	\$	\$	
Managing Director - Jamie McGeachie*^	89,258	-	4,807	-	-	94,065
Manager - Jason Ryan	83,385	-	-	7,921	3,252	94,558
Manager - Quinnton Cowen*	62,999	-	-	5,815	-	68,814
Manager - Stephen Jones	35,902	-	-	3,410	-	39,312
Non-Exec.Director – Andrew Kemp ^	22,715	-	-	-	-	22,715
Total key management personnel compensation	294,259	-	4,807	17,146	3,252	319,464

* Key management personnel are remunerated by McGeachie Group Pty Ltd a related entity of director Jamie McGeachie.

^ Amounts inclusive of GST

(c) Director's shareholding

(i) *Ordinary shares*

The following table sets out the director's relevant interest in shares of the Company or a related body corporate as at the date of this report. There have been no changes since the prior year.

	31 December 2016	30 June 2016
	\$	\$
Managing Director - Jamie McGeachie	2,527,367	2,527,367

Remuneration report (continued)

(c) Director's shareholding (continued)

(ii) Redeemable preference shares

Details of redeemable preference shares held directly, indirectly or beneficially by key management personnel are as follows:

	31 December 2016	30 June 2016
	\$	\$
Managing Director - Jamie McGeachie	2,550,000	2,045,000
Manager - Jason Ryan	650,000	500,000
Manager - Quintton Cowen	247,000	242,000
Manager - Stephen Jones	25,000	25,000
Non-Executive Director - Andrew Kemp	991,000	991,000
	4,463,000	3,803,000

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor

Jessups Accountants and Business Advisors continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the *Corporations Act 2001*.

On behalf of the directors



 Jamie Edward McGeachie
 Director



 Quintton Cowen
 Director

Townsville
 27 February 2017

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE
DIRECTORS OF INVESTORS CENTRAL LIMITED AND CONTROLLED ENTITY

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 there have been no contraventions of:

- i. The auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Jessups



Rodger Dunstan
Director

Dated: 27/02/2017

1/19 Stanley Street
Townsville QLD 4810

Investors Central Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year 31 December 2016

	Notes	31 December 2016	31 December 2015
		\$	\$
Interest income	2	7,212,384	4,972,316
Fee income		2,900,920	2,167,477
Other income		11,191	3,833
Revenue from continuing operations		10,124,495	7,143,626
Interest expense		(4,752,092)	(3,189,453)
Employee benefits expense		(1,074,733)	(678,938)
Depreciation and amortisation expense		(64,138)	(33,340)
Doubtful and bad debts expense		(985,092)	(798,369)
Accountancy fees		(28,930)	(15,345)
Advertising expenses		(163,168)	(269,074)
Management fees		(415,208)	(294,809)
Consultancy fees		(130,102)	(113,593)
Other expenses		(866,916)	(443,081)
Profit before income tax		1,644,116	1,307,624
Income tax expense		(495,880)	(394,199)
Profit for the period		1,148,236	913,425
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		1,148,236	913,425
Profit is attributable to:			
Owners of Investors Central Limited		1,148,236	913,425
Total comprehensive income for the period is attributable to:			
Owners of Investors Central Limited		1,148,236	913,425

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Investors Central Limited
Condensed consolidated balance sheet
As at 31 December 2016

	Notes	31 December 2016 \$	30 June 2016 \$
ASSETS			
Current assets			
Cash and cash equivalents		11,602,807	8,525,224
Loans and other receivables	3	17,823,525	16,814,498
Current tax receivables		-	33
Other current assets		31,266	28,833
Total current assets		<u>29,457,598</u>	<u>25,368,588</u>
Non-current assets			
Loans and other receivables	3	51,407,508	40,545,206
Property, plant and equipment		179,306	140,526
Deferred tax assets		1,828,704	1,588,738
Intangible assets		166,858	170,024
Total non-current assets		<u>53,582,376</u>	<u>42,444,494</u>
Total assets		<u>83,039,974</u>	<u>67,813,082</u>
LIABILITIES			
Current liabilities			
Trade and other payables		1,436,045	1,187,212
Borrowings	4	5,047,998	5,445,897
Deferred revenue		3,525,498	3,172,712
Current tax liabilities		506	-
Provisions		80,747	68,175
Total current liabilities		<u>10,090,794</u>	<u>9,873,996</u>
Non-current liabilities			
Borrowings	4	65,922,597	52,074,807
Provisions		36,753	22,685
Total non-current liabilities		<u>65,959,350</u>	<u>52,097,492</u>
Total liabilities		<u>76,050,144</u>	<u>61,971,488</u>
Net assets		<u>6,989,830</u>	<u>5,841,594</u>
EQUITY			
Contributed equity		2,527,367	2,527,367
Other reserves		(1,420,082)	(1,420,082)
Retained earnings		5,882,545	4,734,309
Total equity		<u>6,989,830</u>	<u>5,841,594</u>

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

Investors Central Limited
Condensed consolidated statement of changes in equity
For the half-year 31 December 2016

	Share capital	Business combination under common control	Retained earnings	Total equity
	\$	\$	\$	\$
Balance at 1 July 2015	2,527,367	(1,420,082)	2,810,705	3,917,990
Profit for the period	-	-	913,425	913,425
Total comprehensive income for the period	-	-	913,425	913,425
Balance at 31 December 2015	2,527,367	(1,420,082)	3,724,130	4,831,415
Balance at 1 July 2016	2,527,367	(1,420,082)	4,734,309	5,841,594
Profit for the period	-	-	1,148,236	1,148,236
Total comprehensive income for the period	-	-	1,148,236	1,148,236
Balance at 31 December 2016	2,527,367	(1,420,082)	5,882,545	6,989,830

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Investors Central Limited
Condensed consolidated statement of cash flows
For the half-year 31 December 2016

	Notes	31 December 2016 \$	31 December 2015 \$
Cash flows from operating activities			
Interest received		7,190,948	4,967,118
Interest paid		(4,545,428)	(3,008,880)
Receipts from customers (inclusive of goods and services tax)		2,335,719	1,473,595
Payments to suppliers and employees		(3,019,330)	(2,024,712)
		<u>1,961,909</u>	<u>1,407,121</u>
(Increase)/decrease in operating assets:			
New customer loans		(22,342,235)	(17,271,753)
Repayment of customer loans		10,800,545	6,959,429
		<u>(11,541,690)</u>	<u>(10,312,324)</u>
Net cash (outflow) from operating activities before income tax		(9,579,781)	(8,905,203)
Income tax paid		(647,870)	(659,297)
Net cash (outflow) from operating activities		(10,227,651)	(9,564,500)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(62,061)	(21,651)
Acquisition of intangible assets		(37,691)	(60,301)
Net cash (outflow) from investing activities		(99,752)	(81,952)
Cash flows from financing activities			
Proceeds from issues of preference shares		14,427,611	9,558,175
Payment for transaction costs related to share issue		(73,626)	(17,563)
Payments to preference share holders		(948,999)	(145,000)
Net cash inflow from financing activities		13,404,986	9,395,612
Net increase (decrease) in cash and cash equivalents		3,077,583	(250,840)
Cash and cash equivalents at the beginning of the financial year		8,525,224	6,439,613
Cash and cash equivalents at end of period		11,602,807	6,188,773

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This condensed consolidated interim report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Investors Central Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The historical cost basis has been used.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) Segment reporting

The consolidated entity operates in one business and geographical segment, being a used automotive lending business in Australia.

2 Interest income

	31 December 2016	31 December 2015
	\$	\$
From continuing operations		
Cash and cash equivalent interest income	53,592	43,285
Loans and advances to customers interest income	7,158,792	4,929,031
	7,212,384	4,972,316

3 Loans and other receivables

	31 December 2016			30 June 2016		
	Current	Non- current	Total	Current	Non- current	Total
	\$	\$	\$	\$	\$	\$
Loans receivable	18,421,157	53,210,824	71,631,981	17,373,548	41,938,519	59,312,067
Provision for impairment	(624,293)	(1,803,316)	(2,427,609)	(577,197)	(1,393,313)	(1,970,510)
	17,796,864	51,407,508	69,204,372	16,796,351	40,545,206	57,341,557
Other receivables	26,661	-	26,661	18,147	-	18,147
	17,823,525	51,407,508	69,231,033	16,814,498	40,545,206	57,359,704

3 Loans and other receivables (continued)

(a) Contractual maturity analysis

	31 December 2016	30 June 2016
	\$	\$
Not longer than 3 months	3,720,130	4,198,399
Longer than 3 months and not longer than 1 year	14,701,027	13,175,149
Longer than 1 year but not longer than 5 years	52,528,508	41,719,667
Longer than 5 years	682,316	218,852
	71,631,981	59,312,067

(b) Impaired trade receivables

Movements in the provision for impairment of receivables are as follows:

	31 December 2016	30 June 2016
	\$	\$
At 1 July	1,970,510	1,182,780
Provision for impairment recognised during the year	457,099	787,730
At period end	2,427,609	1,970,510

(c) Past due but not impaired

	31 December 2016		30 June 2016	
	Carrying amount	Past Due	Carrying amount	Past Due
	\$	\$	\$	\$
30 to 90 days	4,568,060	419,312	4,115,146	352,213
90 to 180 days	1,814,149	424,873	1,770,009	370,051
> 180 days	1,527,647	848,175	1,225,936	608,565
	7,909,856	1,692,360	7,111,091	1,330,829

(d) Credit quality - security held against loans

	31 December 2016	30 June 2016
	\$	\$
Secured by mortgage over motor vehicle	71,631,981	59,312,067
Value of collateral held at fair value	48,403,481	41,217,011

The value of collateral held was determined by reference to the wholesale value of motor vehicles held as collateral at date of loan origination reduced by 22.5% for each year since loan origination. From 1 July 2013 the reduction rate of collateral held was increased to 32.5%.

3 Loans and other receivables (continued)

(d) Credit quality - security held against loans (continued)

The Group may not have sufficient security over the borrower's assets to recover the full amount of the loan and/or interest repayments payable to it under the loan. In most cases, borrowers will provide their motor vehicle as security for their loan. If a borrower fails to make their loan repayments, the Group may be forced to take possession of the motor vehicle. Normally, the Group would seek to immediately sell the vehicle via wholesale second hand motor vehicle markets. Often motor vehicles are sold via wholesale second hand markets at significantly less than the price at which they are sold by car dealers. In addition, motor vehicles are depreciating assets, and therefore, the value of motor vehicles will also erode over time. Accordingly, if the Group is forced to take possession of the motor vehicle and sell it on wholesale motor vehicle markets, the Group may receive less for the vehicle than the amount owing under the loan.

4 Borrowings

	31 December 2016			30 June 2016		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Unsecured						
Redeemable preference shares	5,047,998	66,153,308	71,201,306	5,445,897	52,276,797	57,722,694
Costs related to share issue	-	(230,711)	(230,711)	-	(201,990)	(201,990)
Total unsecured borrowings	<u>5,047,998</u>	<u>65,922,597</u>	<u>70,970,595</u>	<u>5,445,897</u>	<u>52,074,807</u>	<u>57,520,704</u>

(a) Contractual maturity analysis

Contractual maturities of financial liabilities	Not longer than 1 year \$	Between 1 and 2 years \$	Between 2 and 3 years \$	Between 3 and 4 years \$	Between 4 and 5 years \$	Total contractual cash flows \$	Carrying amount (assets)/ liabilities \$
At 31 December 2016							
Non-derivatives							
Redeemable preference shares	15,125,382	15,805,033	23,161,804	22,977,139	30,251,227	107,320,585	71,201,306
At 30 June 2016							
Non-derivatives							
Redeemable preference shares	5,802,567	7,894,523	14,711,090	21,737,363	36,603,292	86,748,835	57,722,694

4 Borrowings (continued)

(b) Redeemable preference shares

Redeemable preference shares have been issued with fixed terms of 12 - 60 months and interest paid between 8 and 16% p.a. dependent on the fixed investment term and the principal investment amount.

Preference shareholders have the right to receive notice of and to attend any meeting of Shareholders but will only be entitled to vote in the following circumstances:

- (a) On a proposal which affects the rights attached to Preference Shares, to reduce the share capital of the Company, to wind up the Company or for the disposal of the whole of the property, business and undertaking of the Company;
- (b) On a resolution to approve the terms of a buy-back agreement;
- (c) During a period in which money owing on preference shares is in arrears; or
- (d) During the winding up of the Company.

5 Contingencies

The Group had no contingent liabilities at 31 December 2016 (30 June 2016: nil).

6 Related party transactions

(a) Transactions with other related parties

In addition to the disclosures in the remuneration report included in the Directors report, the following transactions occurred with related parties:

	31 December 2016	31 December 2015
	\$	\$
McGeachie Group Pty Ltd, a company associated with Jamie McGeachie a director of the company, provided corporate services, administration, accounting, rent and business operation support services.	259,553	169,448

7 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

In the directors' opinion:

- (a) the interim financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Jamie Edward McGeachie
Director



Quinton Cowen
Director

Townsville
27 February 2017

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
INVESTORS CENTRAL LIMITED AND CONTROLLED ENTITY**

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Investors Central Limited and controlled entity (the consolidated entity), which comprises the condensed consolidated balance sheet as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion:

- (a) the accompanying financial report of Investors Central Limited and controlled entity is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its financial performance for the half-year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to the audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Investors Central Limited and controlled entity, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation

of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the consolidated entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.


- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Dated: 27/02/2017

1/19 Stanley Street
TOWNSVILLE QLD 4810


R. Dunstan
(Registered Company Auditor)
RCA No.: 6834