

ASX Announcement



21 February 2013

The Manager
Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Appendix 4D and 31 December 2012 Half Year Financial Report

Attached for release to the market are:

- Appendix 4D
- Results announcement
- 31 December 2012 half year financial report

Yours faithfully

A handwritten signature in blue ink, appearing to read "Lionel Baldwin", with a horizontal line underneath.

Lionel Baldwin
Company Secretary

21 February 2013

Oceania Capital Partners Limited – Results for Announcement to the market (Appendix 4D) for the period ended 31 December 2012

Oceania Capital Partners Limited announces the following results for the Company and its controlled entities (together the Consolidated Entity) for the half year ended 31 December 2012.

Results for announcement to the market

Extracted from the 31 December 2012 Half Year Financial Report	Six months to 31/12/2012 \$A'000	Six months to 31/12/2011 \$A'000	Change %
Revenue from ordinary activities	2,922	5,715	(48.9)
Net profit (loss) from ordinary activities after tax attributable to members ²	1,851	819	126.0
Net profit (loss) after tax attributable to members	1,851	819	126.0

The current period result includes:

- interest income earned on funds held on interest bearing deposit with banking institutions of \$0.4 million (2011 - \$4.6 million);
- an equity accounted profit contribution of \$2.5 million from Baycorp (2011 - \$1.1 million); and

The comparative period results included:

- an accounting gain of \$2.7 million recognised upon realisation of the investment held in iSOFT Group Limited;
- a loss of \$3.2 million before tax reflecting the net impact on the Consolidated Entity's result following receipt of the determination issued by the independent expert in connection with the dispute over the Signature completion date adjustment statements. The effect of the determination has been recognised notwithstanding that the Sellers are still reviewing the determination and considering next steps.

Please refer to the accompanying results announcement and 31 December 2012 Half Year Financial Report for further information.

Dividends for half year ended 31 December 2012

No interim dividend has been declared (2011 – nil).

Net Tangible Assets per Share at 31 December 2012

	31/12/2012	31/12/2011
	\$A per share ²	\$A per share ¹
Net Assets per Share³	2.46	2.35
Less intangible assets	-	-
Net Tangible Assets per Share³	2.46	2.35

1 based on 91,921,295 issued shares at 31 December 2011.

2 based on 35,307,209 issued shares at 31 December 2012.

3 after providing at 31 December 2011 for the 30.0 cents per share pro-rata return of capital that was paid on 5 January 2012 and providing for the expert's determination in connection with the Signature completion date adjustment statements dispute.

Pro forma net assets per share following completion of capital management initiatives

On 6 February 2012, the number of issued shares reduced to 25,677,757 following completion of the equal access off-market buy-back and cancellation of 66,243,538 shares. On a pro-forma basis the net assets per share at 31 December 2011 would be approximately \$2.85, after allowing for \$170.0m of cash reserves used to pay for both the return of capital and the share buy-back.

On 27 December 2012 a total of 9,629,452 shares were issued pursuant to the Entitlement Offer announced on 22 November 2012. Excluding this issue, the net tangible assets per share would be approximately \$2.81 after exclusion of the net cash received for the issue.

The remainder of the information requiring disclosure to comply with ASX Listing Rule 4.3A is contained in the accompanying results announcement and 31 December 2012 Half Year Financial Report.

21 February 2013

Half Year Results Announcement

Financial result and position

Oceania Capital Partners Limited (“OCP”) today announced a net profit after tax of \$1.85 million for the six months ended 31 December 2012. This profit was driven by investment returns in the period, with our investment in both Baycorp and Keybridge contributing to this result.

The half year was also characterised by a number of capital transactions:

- Following the disposal by Baycorp of its investment in Collection House Limited (CLH), the proceeds were distributed to Baycorp shareholders by way of a dividend, of which OCP received approximately \$4.9m. As OCP equity accounts its investment in Baycorp, this receipt was treated as a reduction in the carrying amount of the investment.
- In December 2012 OCP successfully completed an entitlement offer, issuing approximately 9.6 million new shares and raising net funds of approximately \$14.8 million.

At 31 December 2012 OCP had cash resources of some \$36m (including the \$5m that remains in escrow until 29 April 2013, subject to any further warranty claims in respect of the disposal of Signature Security).

No interim dividend has been declared in respect of the half year.

The net asset value per share as at 31 December 2012 of \$2.46 per OCP share, on reported carrying values at that date, is set out in the following table:

	Carrying value at 31 December 2012		Basis for Carrying amount
	\$m	\$ / share ¹	
Baycorp	45.8	1.30	Equity accounted
Keybridge Capital	5.2	0.15	Mark to market
Cash and cash equivalents	31.4	0.89	Actual
Restricted cash held in escrow ²	5.1	0.14	Actual
Other net assets (liabilities)	(0.5)	(0.02)	Actual
Total net Assets¹	87.0	2.46	

1: Based on 35,307,209 ordinary shares on issue.

2: Proceeds from the sale of Signature Security Group held in escrow, to be released after 29 April 2013, subject to any warranty claims.

Baycorp

Baycorp has shown some pleasing operational improvement in the half year under review. As is shown in the following table comparing half-on-half financial performance over the last four half year periods, Baycorp had a considerably stronger half year than the preceding two half years, with EBIT up over 20% as compared to the prior corresponding period (1H12). As reported at the time, the second half of FY12 was a very difficult trading period for Baycorp.

The half-on-half comparisons of profitability are shown in the following table:

Baycorp profit and loss summary data

\$ millions 6 months ending	1H13	2H12	1H12	2H11
	31-Dec-12	30-Jun-12	31-Dec-11	30-Jun-11
Total revenue	29.91	26.50	29.37	28.55
PDL net revenue	17.29	15.16	17.84	15.94
Contingency, FFS, legal and other	12.62	11.34	11.53	12.61
Operating expenditure	-22.15	-20.47	-22.74	-20.64
EBITDA	7.76	6.04	6.63	7.91
Depreciation	-0.41	-0.53	-0.51	-0.47
EBIT (refer notes 2 and 3)	7.35	5.51	6.12	7.44
EBIT margin	24.59%	20.79%	20.82%	26.05%

Notes:

1. PDL net revenue includes PDL interest income, over/under collect, PDL sales and PDL fair value movements
2. EBIT does not include dividend income from CLH shares or mark to market movements in CLH shares through the period
3. EBIT in FY12 does not include goodwill impairment in that period for comparison purposes)

Source: Baycorp management accounts (1H13 not audited)

The resulting EBIT for the 6 months of \$7.35 million was achieved through:

- solid overall performance of the Australian and New Zealand contingency and fee for service business units;
- continued strong New Zealand purchased debt performance; and
- successful secondary debt sale in the half.

The cash flow performance of the business is summarised on a half-on-half basis below, with the current half returning to a level of free cashflow from operations (\$27 million) consistent with the recent previous halves other than the poor 2H12:

Baycorp cashflow summary data
\$ millions
6 months ending

	1H13	2H12	1H12	2H11
	31-Dec-12	30-Jun-12	31-Dec-11	30-Jun-11
Total cash receipts	50.10	44.20	50.50	47.70
Cash receipts from PDLs	38.30	33.20	38.20	35.70
Cash receipts from contingency etc	11.80	11.00	12.30	12.00
Total cash payments	-23.10	-21.50	-23.70	-20.50
Operating cashflow before int and tax	27.00	22.70	26.80	27.20
Capital expenditure - PDL	-16.68	-28.10	-22.70	-16.70
Capital expenditure - Fixed Assets	-0.08	0.00	-0.70	-0.50

Source: Baycorp management accounts (1H13 not audited)

The cash collected in the PDL business in Australia and New Zealand is performing at a higher level than the previous 6 month period (2H12) and at a similar level to the previous corresponding period (1H12). Cash derived from the contingency business continues its consistent delivery of around \$12 million per half. This part of the business continues to see margin pressure but Baycorp's business in this area is being underpinned by government and semi-government work being won and consistently delivered in Australia and New Zealand.

Cash expended on PDL purchasing (\$16.68 million) in the half is below previous periods but is not materially below the long term average of annual purchasing of around \$40 million per annum. To a certain extent, this is a lever in this business that can be adjusted having regard to the internal requirements of the business and to the external market conditions. As can be seen from the summary balance sheet information below, Baycorp has a very healthy PDL balance on its books to continue to collect and as the major competitors appear to have been on a re-stocking drive, it has been a period in which Baycorp has adopted a cautious approach in bidding for new PDLs in the half year under review. One effect of this cautious approach to purchasing is that cash has built up in the business, strengthening the balance sheet capacity of the business. Baycorp is very much in the market to acquire additional PDLs and it is constantly looking for opportunities which deliver shareholder value.

Baycorp's balance sheet remains very strong, as is seen in the summarised figures below:

Baycorp balance sheet summary data
\$ millions
Position as at

	31-Dec-12	31-Dec-11	31-Dec-10
PDL asset balance (carrying value)	92.26	88.10	87.80
Net debt	39.50	39.10	41.90
Net assets	91.94	107.30	105.10
Net debt/Equity	42.96%	36.44%	39.87%
Net debt/(Net debt plus Equity)	30.05%	26.71%	28.50%
PDL cash collected/Ending PDL carrying value	41.51%	43.36%	43.05%

Source: Baycorp management accounts (1H13 not audited)

During the half year, Baycorp paid a dividend of \$9.5m to its shareholders, resulting in a reduction in net assets. Notwithstanding this distribution the balance data reflects the health of the Baycorp business.

Keybridge Capital Limited (KBC)

As at 31 December 2012 OCP had increased its holding in KBC to close to 20% and effective 2 January 2013 gained board representation with the appointment of Robert Moran to the KBC board.

For more details on KBC's half year performance shareholders are referred to KBC's financial half year results report, which is expected to be released to the market on or about 20 February 2013 (ASX:KBC).

Change of balance date

As previously announced, OCP has aligned its balance date with that of its majority shareholder. The new financial year end is 31 March. OCP will for the first time report its results for the period ended 31 March 2013. This report will cover the nine month period from 1 July 2012 to 31 March 2013. Thereafter OCP will report on the six months to September and the year to March, in each reporting cycle.

Investment activities

OCP continues to actively engage in exploring investment opportunities, with the stated investment strategy of investing in operating businesses, whether owned privately or through a listed company, with no pre-determined emphasis on any particular sector or geographical focus.

Further information on the financial results and performance is contained in the Appendix 4D and Half Year Financial Report released today.

For further information, please contact:

Robert Moran
Managing Director
Oceania Capital Partners Limited
Tel: 02 8243 2200

Oceania Capital Partners Limited

ABN: 52 111 554 360

Half-year Financial Report

31 December 2012

Oceania Capital Partners Limited
Half-year Financial Report – 31 December 2012
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Oceania Capital Partners Limited
Directors' Report
for the half-year ended 31 December 2012

The Directors present their report together with the financial report of the Consolidated Entity comprising Oceania Capital Partners Limited ("the Company" or "OCP") and its controlled entities (together "the Consolidated Entity") for the half year ended 31 December 2012 and the Auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the reporting period are:

<i>Current Directors</i>	<i>Appointed</i>
Ian Tsicalas (Chairman)	25 July 2007
Robert Moran (Managing Director)	25 July 2007
Michael Brogan	10 August 2007
Michael Jacobson	1 March 2012
Brian Scheiner	1 March 2012

Principal Activity

The principal activity of the Company during the course of the current and prior reporting periods was investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary objective has been investing capital in businesses which have characteristics of resilience and will grow over the investment period, enabling a successful, profitable exit for the Company.

Significant Changes in the State of Affairs

With a view to support its investment activities the Company announced a capital raising, in the form of an entitlement offer, on 22 November 2012. Pursuant to the Entitlement Offer the Company raised \$14.9 million (before costs). Further details are provided in the **Cash Reserves and Capital Management** section of this report.

The company has further increased its investment in Keybridge Capital Limited ("KBC") during the period, and now holds close to 20% of the issued capital of that company. Effective 2 January 2013 Robert Moran was appointed to the board of KBC as an OCP representative.

There were no other significant changes in the affairs of the Consolidated Entity during the financial period.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 31 December 2012

Operating and Financial Review

Result for the period

The net profit after tax of the Consolidated Entity for the half year ended 31 December 2012 was \$1,851,000 (31 December 2011: \$819,000).

The current period result includes:

- interest income earned on funds held on interest bearing deposit with banking institutions of \$0.4 million (2011: \$4.6 million); and,
- an equity accounted profit contribution of \$2.5 million from Baycorp (2011: \$1.1 million).

The prior period results included:

- an accounting gain of \$2.7 million recognised upon realisation of the investment held in iSOFT Group Limited;
- a loss of \$3.2 million before tax reflecting the net impact on the Consolidated Entity's result following receipt of the determination issued by the independent expert in connection with the dispute over the Signature completion date adjustment statements.

Cash reserves and capital management

At balance date the Consolidated Entity had cash at bank or on deposit of \$31.4 million. Deposits are interest bearing and held with major Australian banking institutions.

A further amount of \$5.0 million of the cash proceeds received from the sale of the investment in Signature Security Group is held in an escrow account by an approved escrow agent, to be released on 29 April 2013 subject to any outstanding claims, including warranty claims. The directors of the Consolidated Entity are not aware of any outstanding warranty claims as at the date of this report. This amount is included as part of other financial assets in the Consolidated Statement of Financial Position.

On 22 November 2012 the Company announced a partially underwritten 3 for 8 Entitlement Offer at an issue price of \$1.55 per share. As a result of the Entitlement Offer a total of 9,629,452 fully paid ordinary shares were issued by the Company on 27 December 2012, raising \$14.9m before costs.

Borrowings

The Consolidated Entity had no borrowings at 31 December 2012.

Dividends

No final dividend for 2011/2012 was proposed or declared.

No interim dividend has been proposed or declared for the period ended 31 December 2012.

Change of Balance date

On 24 August 2012 the Company announced a change in its balance date from 30 June to 31 March. The first reporting under the new timetable will be at 31 March 2013, relating to the nine month period from 1 July 2012. Thereafter half and full year reporting will then be for each six month period ending September and each twelve month period ending 31 March.

Events subsequent to reporting date

The directors are not aware of any other matter or circumstance that has occurred since the end of the financial period that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial periods.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 31 December 2012

Likely Developments and Prospects

The Company will continue its strategy of seeking to make investments in opportunities as identified by the Board of Directors and to add value to these over time.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the period ended 31 December 2012.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.



Ian Tsicalas
Chairman

Dated at Sydney this 21st day of February 2013

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF OCEANIA CAPITAL PARTNERS LIMITED

As lead auditor for the review of Oceania Capital Partners Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Oceania Capital Partners Limited and the entities it controlled during the period.



Grant Saxon

Partner

BDO East Coast Partnership

Sydney, 21 February 2013

Oceania Capital Partners Limited
Consolidated Statement of Profit or Loss
for the half-year ended 31 December 2012

	<i>Note</i>	31 December 2012	31 December 2011
		\$'000	\$'000
Continuing Operations:			
Interest income		378	4,636
Total revenue		378	4,636
Increase in fair value of financial assets		144	-
Share of profit of jointly controlled entities	4	2,544	1,079
Total operating income		3,066	5,715
Due diligence, capital management and transaction costs		(14)	(801)
Employee benefits expense		(678)	(1,421)
Other operating expenses		(446)	(1,393)
Total profit before tax and depreciation		1,928	2,100
Depreciation		(6)	(8)
Total profit before tax		1,922	2,092
Income tax expense		(71)	(1,730)
Profit after income tax expense		1,851	362
Discontinued Operations:			
Profit from discontinued operations, net of income tax		-	457
Profit for the period		1,851	819
Attributable to:			
Equity holders of the parent entity		1,851	819
Non-controlling interests		-	-
Profit for the period		1,851	819
Total:		Cents	Cents
Basic earnings per share attributable to ordinary equity holders		7.15	0.89
Diluted earnings per share attributable to ordinary equity holders		7.15	0.89
Continuing operations:			
Basic earnings per share attributable to ordinary equity holders		7.15	0.39
Diluted earnings per share attributable to ordinary equity holders		7.15	0.39

The above Consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
 Consolidated Statement of Profit or Loss and Other Comprehensive Income
 for the half-year ended 31 December 2012

<i>Note</i>	31 December 2012	31 December 2011
	\$'000	\$'000
Profit (loss) for the period	1,851	819
Other Comprehensive Income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of reserves of jointly controlled entities	(104)	(141)
Income tax relating to items that may be reclassified subsequently	31	42
Other comprehensive income for the period, net of income tax	(73)	(99)
Total comprehensive income for the period	1,778	720
Attributable to:		
Equity holders of the parent entity	1,778	720
Non-controlling interests	-	-
	1,778	720

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Financial Position
as at 31 December 2012

	<i>Note</i>	31 December 2012 \$'000	30 June 2012 \$'000
Current assets			
Cash and cash equivalents		31,441	13,686
Other receivables		103	168
Other financial assets	3	5,067	5,032
Current tax assets		-	1,369
Total current assets		<u>36,611</u>	<u>20,255</u>
Non-current assets			
Other financial assets	3	5,159	2,268
Investments accounted for using the equity method	4	45,800	48,327
Property, plant and equipment		20	26
Total non-current assets		<u>50,979</u>	<u>50,621</u>
Total assets		<u>87,590</u>	<u>70,876</u>
Current liabilities			
Trade and other payables		458	376
Employee benefits		89	73
Total current liabilities		<u>547</u>	<u>449</u>
Non-current liabilities			
Employee benefits		33	26
Total non-current liabilities		<u>33</u>	<u>26</u>
Total liabilities		<u>580</u>	<u>475</u>
Net assets		<u>87,010</u>	<u>70,401</u>
Equity			
Issued capital	6	243,471	228,640
Reserves		24,611	24,684
Accumulated losses		(181,072)	(182,923)
Total equity		<u>87,010</u>	<u>70,401</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Changes in Equity
as at 31 December 2012

Attributable to owners of Oceania Capital Partners Limited

Consolidated	Contributed equity \$'000	Equity reserve \$'000	Share of reserves of interests in joint ventures using the equity method \$'000	Retained earnings (accum- ulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total Equity \$'000
Balance at 1 July 2012	228,640	25,690	(1,006)	(182,923)	70,401	-	70,401
Profit (loss) for the period	-	-	-	1,851	1,851	-	1,851
Other comprehensive income for the period, net of tax	-	-	(73)	-	(73)	-	(73)
	228,640	25,690	(1,079)	(181,072)	72,179	-	72,179
Transactions with owners in their capacity as owners:							
Shares issued net of transaction costs	14,831	-	-	-	14,831	-	14,831
	14,831	-	-	-	14,831	-	14,831
Balance at 31 December 2012	243,471	25,690	(1,079)	(181,072)	87,010	-	87,010

Attributable to owners of Oceania Capital Partners Limited

Consolidated	Contributed equity \$'000	Equity reserve \$'000	Share of reserves of interests in joint ventures using the equity method \$'000	Retained earnings (accum- ulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total Equity \$'000
Balance at 1 July 2011	398,640	25,690	(905)	(180,901)	242,524	18	242,542
Profit (loss) for the period	-	-	-	819	819	-	819
Other comprehensive income for the period, net of tax	-	-	(99)	-	(99)	-	(99)
	398,640	25,690	(1,004)	(180,082)	243,244	18	243,262
Transactions with owners in their capacity as owners:							
Provision for return of capital to shareholders	(27,576)	-	-	-	(27,576)	-	(27,576)
	(27,576)	-	-	-	(27,576)	-	(27,576)
Balance at 31 December 2011	371,064	25,690	(1,004)	(180,082)	215,668	18	215,686

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Cash Flow Statement
for the half-year ended 31 December 2012

	31 December 2012	31 December 2011
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(1,034)	(2,504)
Interest received	370	5,260
Other operating income	-	9
Income taxes (paid) refunded	1,368	(2,000)
Net cash from operating activities	<u>704</u>	<u>765</u>
Cash flows from investing activities		
Proceeds from realisation of financial assets	-	84,532
Payments for due-diligence and other transaction costs	-	(754)
Dividend from equity accounted investments	4,967	-
Payment for acquisition of other financial assets	(2,748)	-
Net cash from investing activities	<u>2,219</u>	<u>83,778</u>
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	14,832	-
Funds for return of capital deposited with share registry	-	(27,576)
Payments for capital management proposals	-	(629)
Net cash from financing activities	<u>14,832</u>	<u>(28,205)</u>
Net increase in cash and cash equivalents	17,755	56,338
Cash and cash equivalents at 1 July	13,686	102,546
Cash and cash equivalents at 31 December	<u>31,441</u>	<u>158,884</u>
Cash and cash equivalents are allocated to:		
Continuing operations	31,441	158,884
	<u>31,441</u>	<u>158,884</u>

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The Consolidated Entity comprises Oceania Capital Partners Limited ("the Company" or "OCP"), and its controlled entities (together referred to as the "Consolidated Entity").

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

New or revised Standards and Interpretations that are first effective in the current reporting period

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Consolidated Entity include: amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

- (a) Items that will not be reclassified subsequently to profit or loss and
- (b) Items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

Estimates

The preparation of the half year financial report requires management to make judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the half year financial report, including the key sources of estimation uncertainty were the same as those applied in the Consolidated Entity's last annual financial statements for the year ended 30 June 2012. The only exception is the current period estimate of the provision for taxation and the current period recognition of additional deferred tax assets in respect of losses (note 5).

2. Segment reporting

Operating segments are determined based on the industry sectors in which the Consolidated Entity has invested which is consistent with the business plan to invest in operating businesses. The primary operating segment during the reporting period was:

- Financial Services - Receivables management

In the prior half year period, the Consolidated Entity also had a Healthcare Technology segment (until 29 July 2011) and a Security segment, the investment that comprised this operating segment was sold with completion occurring on 29 April 2011 and final determination of the outcome of a dispute arising with the purchaser in February 2012.

Segment information is disclosed in a manner that reflects the management information reviewed by the Chief Operating Decision Maker and on a financial reporting basis to reflect that the Consolidated Entity does not fully own and, therefore, does not consolidate all the businesses in which it has invested.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis.

The Consolidated Entity operates in one geographical area being the Asia Pacific region.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

2. Segment reporting (continued)

(a) Business segment basis

	Financial Services	Total
	\$'000	\$'000
31 December 2012		
External revenues		
Business segment revenue	27,304	27,304
Inter-segment revenue	-	-
Business segment EBITDA	8,247	8,247
Business segment EBIT	7,353	7,353
31 December 2011		
External revenues		
Business segment revenue	29,372	29,372
Inter-segment revenue	-	-
Business segment EBITDA	6,628	6,628
Business segment EBIT	6,116	6,116

Comparative Business segment basis results for the Financial Services operating segment have been re-presented to reflect changes in reporting by the business.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

2. Segment reporting (continued)

(b) Consolidated entity basis

	Financial Services \$'000	Other \$'000	Total \$'000
31 December 2012			
External revenues			
Reported revenues	-	378	378
Inter-segment revenues	-	-	-
Share of profit of jointly controlled entities	2,544	-	2,544
Other income	-	144	144
Total reported operating income	<u>2,544</u>	<u>522</u>	<u>3,066</u>
Interest income	-	378	378
Financing costs	-	-	-
Depreciation and amortisation	-	(6)	(6)
Profit before financing costs, tax and discontinued operations			
Share of profit of jointly controlled entities	2,544	-	2,544
Other reportable segment profit before financing costs and tax	-	(622)	(622)
Total reported profit (loss) before financing costs, tax and discontinued operations	<u>2,544</u>	<u>(622)</u>	<u>1,922</u>
Financing costs	-	-	-
Income tax benefit (expense)	-	(71)	(71)
Profit (loss) from discontinued operations or classified as held for sale, net of income tax	-	-	-
Profit (loss) for the period	<u>2,544</u>	<u>(693)</u>	<u>1,851</u>

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

2. Segment reporting (continued)

	Healthcare Technology (discontinued) \$'000	Financial Services \$'000	Security (discontinued) \$'000	Other \$'000	Total \$'000
31 December 2011					
External revenues					
Reported revenues	-	-	-	4,636	4,636
Other income	-	1,079	-	109	1,188
Total reported operating income	-	1,079	-	4,745	5,824
Interest income	-	-	-	4,636	4,636
Financing costs	-	-	-	-	-
Depreciation and amortisation	-	-	-	(8)	(8)
Profit before financing costs, tax and discontinued operations					
Share of profit of jointly controlled entities	-	1,079	-	-	1,079
Other reportable segment profit before financing costs and tax	-	-	-	1,013	1,013
Total reported profit (loss) before financing costs, tax and discontinued operations	-	1,079	-	1,013	2,092
Financing costs	-	-	-	-	-
Income tax expense	-	-	-	(1,730)	(1,730)
Profit (loss) from discontinued operations or classified as held for sale, net of income tax	2,660	-	(2,203)	-	457
Profit (loss) for the period	2,660	1,079	(2,203)	(717)	819

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

2. Segment reporting (continued)

(c) Reconciliations

	31 December 2012	31 December 2011
	\$'000	\$'000
Business segment revenue	27,304	29,372
Less: Financial Services revenue	(27,304)	(29,372)
Plus: Share of profit of jointly controlled entities	2,544	1,079
Plus: Other revenue and income	522	4,745
Total reported operating income	3,066	5,824
Business segment EBIT	7,353	6,116
Less: Financial Services EBIT	(7,353)	(6,116)
Plus: Share of profit of jointly controlled entities	2,544	1,079
Plus: Other profit (loss) before financing costs and tax	(622)	1,013
Total reported profit (loss) before financing costs, tax and discontinued operations	1,922	2,092

(d) Segment assets

	31 December 2012	30 June 2011
	\$'000	\$'000
Financial services	45,800	48,327
Unallocated assets	41,790	22,549
	87,590	70,876

3. Other financial assets

	31 December 2012	30 June 2012
	\$'000	\$'000
<i>Current</i>		
Restricted cash	5,067	5,032
<i>Non-current</i>		
Other financial assets at fair value through profit and loss	5,159	2,268

Restricted cash refers to \$5.0 million of the cash proceeds received from the sale of the investment in Signature Security Group that is held in an escrow account (together with interest thereon). The escrow monies are to be released on 29 April 2013 subject to any outstanding claims, including warranty claims. The directors of the Consolidated Entity are not aware of any outstanding warranty claims as at the date of this report.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

4. Investments accounted for using the equity method

The Consolidated Entity accounts for investments in jointly controlled entities using the equity method. Investments are in companies incorporated in Australia unless otherwise specified.

Name of entity	Principal activity	Economic ownership interest	
		31 December 2012	30 June 2012
		%	%
Baycorp Holdings Pty Limited	Receivables Management	52.55	52.55

The Consolidated Entity's ownership interest in Baycorp Holdings Pty Limited (Baycorp) increased to 52.55% during the 2011 financial year as a result of Baycorp using excess cash resources to buy back and cancel shares held by a minority shareholder. Notwithstanding the increase in ownership above 50.0%, the Consolidated Entity does not have the capacity to control the activities and decision making of Baycorp as the investment remains a jointly controlled entity under the terms of the Shareholders' Agreement. Accordingly, the equity method of accounting continues to be applied.

The equity accounted results for the period and the carrying amounts of investments in jointly controlled entities at balance date are:

Name of entity	Contribution to net profit	
	31 December 2012	31 December 2011
	\$'000	\$'000
Baycorp Holdings Pty Limited	2,544	1,079
	2,544	1,079

The movements in carrying amounts of investments in associates and jointly controlled entities during the period are:

	31 December 2012	30 June 2012
Carrying amount at the beginning of the financial period	48,327	52,934
Share of net equity accounted profits after tax	2,544	(4,463)
Share of post acquisition movements in reserves	(104)	(144)
Less: dividends received from equity accounted investments	(4,967)	-
Carrying amount at the end of financial period	45,800	48,327

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2012

5. Taxation

At 31 December 2012 the Consolidated Entity had recognised deferred tax assets of \$0.8 million (30 June 2012 : \$1.5 million) in respect of tax losses. Deferred tax assets in respect of tax losses have been recognised to the extent of deferred tax liabilities of the Consolidated Entity. At 31 December the Consolidated Entity had estimated unused tax losses of \$182.5 million (30 June 2012 : \$188.6 million). The future utilisation of these losses is dependent on satisfying tax loss integrity rules at that time.

6. Issued capital

	31 December 2012	31 December 2012
	Shares	\$'000
Opening balance	25,677,757	228,640
Ordinary shares issued and net transaction costs associated with Entitlement Offer	<u>9,629,452</u>	<u>14,831</u>
	<u>35,307,209</u>	<u>243,471</u>

On 22 November 2012 the Company announced a partially underwritten 3 for 8 Entitlement Offer at an issue price of \$1.55 per share. As a result of the Entitlement Offer a total of 9,629,452 fully paid ordinary shares were issued by the Company on 27 December 2012, raising \$14.9m (before costs of \$94,000, net of tax).

7. Commitments

The Company had previously committed to provide additional equity funding to Baycorp Holdings Pty Ltd (Baycorp) to assist with the acquisition of debt ledgers. During the current financial period the Company was released from this commitment.

8. Contingent Liabilities

The Consolidated Entity had no material contingent liabilities at 31 December 2012.

9. Events subsequent to balance date

Effective 2 January 2012 Robert Moran was appointed to the board of Keybridge Capital Limited, as a representative of OCP.

Other than above and as disclosed elsewhere in this financial report there are no other significant events subsequent to the end of the financial period.

Oceania Capital Partners Limited
Directors' Declaration
for the half-year ended 31 December 2012

In the opinion of the Directors of Oceania Capital Partners Limited:

- (a) the financial statements and notes set out on pages 7 to 19 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that Oceania Capital Partners Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Ian Tsicalas
Director

Dated at Sydney this 21st day of February 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oceania Capital Partners Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Oceania Capital Partners Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising Oceania Capital Partners Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Oceania Capital Partners Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Oceania Capital Partners Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Oceania Capital Partners Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Oceania Capital Partners Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in black ink that reads 'BDO'. The letters are stylized and connected, with a horizontal line underneath the 'O'.

A handwritten signature in black ink that reads 'Grant Saxon'. The signature is written in a cursive, flowing style.

Grant Saxon

Partner

Sydney, 21 February 2013