

Oceania Capital Partners Limited

ABN: 52 111 554 360

Half-year Financial Report

30 September 2013

Oceania Capital Partners Limited
Half-year Financial Report – 30 September 2013
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Oceania Capital Partners Limited
Directors' Report
for the half-year ended 30 September 2013

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 30 September 2013 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

Operating and financial review

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.

The Consolidated Entity's current investments are:

- 52.76% interest in Baycorp Holdings Pty Ltd – a receivables management company
- 95% interest in EON Broadcasting Pty Ltd – the operator of two commercial FM radio stations on the Queensland Sunshine Coast
- 20% interest in Keybridge Capital Limited – an ASX listed investment vehicle

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

Comparative figures

The half year of the Consolidated Entity has changed from 31 December to 30 September following a change in year-end in the prior period. The comparative figures for the Statement of Profit or Loss, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity and related notes are for the six months ended 31 December 2012.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 30 September 2013

Results for the period

The loss before tax of the Consolidated Entity for the half year ended 30 September 2013 was \$7.6 million (six months ended 31 December 2012 profit of \$1.9 million).

The current six month period result includes:

- Revenue of \$3.6 million and profit before tax of \$0.9 million from the operations of EON Broadcasting Pty Ltd;
- Interest income of \$0.3 million;
- A downward fair value adjustment to the carrying value of the investment on Keybridge of \$0.3 million; and,
- An equity accounted loss contribution of \$7.1 million from Baycorp, of which \$5.3 million relates to the impairment of goodwill by Baycorp and a further \$1.8 million relates to downward fair value adjustments of Purchased Debt Ledgers by Baycorp.

The prior period results (for the six months ended 31 December 2012) included:

- Interest income of \$0.4 million;
- An upward fair value adjustment to the carrying value of the investment in Keybridge of \$0.1 million; and,
- An equity accounted profit from Baycorp of \$2.5 million;

Financial position

At 30 September 2013 the Consolidated Entity had net assets of \$76.0 million down from \$82.7 million at 31 March 2013. This reduction is largely as a result of the Consolidated Entity's equity accounted share of the Baycorp's loss over the six months to 30 September 2013, which has seen a reduction in the carrying value of the Consolidated Entity's investment in Baycorp from \$37 million at March 2013 to \$30.8 million at 30 September 2013.

At balance date the Consolidated Entity had cash at bank or on deposit of \$22.3 million (31 March 2013:\$17.7 million). Deposits are interest bearing and held with major Australian banking institutions.

The Consolidated Entity had no borrowings at 30 September 2013.

Dividends

No final dividend for the period ended 31 March 2013 was proposed or declared.

No interim dividend has been proposed or declared for the period ended 30 September 2013.

Events subsequent to reporting date

Subsequent to balance date EON Broadcasting Pty Ltd ("EON"), a subsidiary of the Company, entered into a \$6 million term loan facility with Bank of Queensland Limited ("BOQ"). The loan bears interest at market rates and is repayable over four years. Security provided for the loan includes a general charge over the assets of Sunshine Coast Broadcasters Pty Ltd in favour of BOQ. The proceeds from the loan are available to fund the investment activities of the Consolidated Entity.

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.

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 30 September 2013.

Oceania Capital Partners Limited
Directors' Report
for the half-year ended 30 September 2013

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.

A handwritten signature in blue ink, appearing to read 'Ian Tsicalas', written in a cursive style.

Ian Tsicalas
Chairman

Dated at Sydney this 14th day of November 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 30 September 2013, 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, 14 November 2013

Oceania Capital Partners Limited
Consolidated Statement of Profit or Loss
for the half-year ended 30 September 2013

		Six months ended 30 September 2013 \$'000	Six months ended 31 December 2012 \$'000
Revenue from sales		3,550	-
Interest income		312	378
Total revenue		<u>3,862</u>	<u>378</u>
(Decrease) increase in fair value of financial assets		(334)	144
Share of (loss) profit of jointly controlled entities	5	(7,142)	2,544
Other operating income		30	-
Due diligence, capital management and transaction costs		(38)	(14)
Broadcast production costs		(243)	-
Employee benefits expense		(2,061)	(678)
Selling expenses		(483)	-
Promotions and marketing		(36)	-
Administration and other operating expenses		(1,116)	(446)
Total (loss) profit before tax and depreciation		<u>(7,561)</u>	<u>1,928</u>
Depreciation		(65)	(6)
(Loss) profit before income tax		<u>(7,626)</u>	<u>1,922</u>
Income tax benefit (expense)		295	(71)
(Loss) profit after income tax		<u>(7,331)</u>	<u>1,851</u>
Attributable to:			
Equity holders of the parent entity		(7,343)	1,851
Non-controlling interests		12	-
(Loss) profit for the period		<u>(7,331)</u>	<u>1,851</u>
		Cents	Cents
(Losses) earnings per share attributable to ordinary equity holders of the Company			
Basic	3	(20.80)	7.15
Diluted	3	(20.80)	7.15

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

Oceania Capital Partners Limited
Consolidated Statement of Comprehensive Income
for the half-year ended 30 September 2013

	Six months ended 30 September 2013 \$'000	Six months ended 31 December 2012 \$'000
Profit (loss) for the period	(7,331)	1,851
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Share of reserves of jointly controlled entities	988	(104)
Income tax relating to items that may be reclassified subsequently	<u>(296)</u>	<u>31</u>
Other comprehensive income for the period, net of income tax	692	(73)
Total comprehensive income for the period	<u><u>(6,639)</u></u>	<u><u>1,778</u></u>
Attributable to:		
Equity holders of the parent entity	(6,651)	1,778
Non-controlling interests	<u>12</u>	<u>-</u>
	<u><u>(6,639)</u></u>	<u><u>1,778</u></u>

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Oceania Capital Partners Limited
Consolidated Statement of Financial Position
as at 30 September 2013

	<i>Note</i>	30 September 2013 \$'000	31 March 2013 \$'000
Current assets			
Cash and cash equivalents		22,278	17,741
Trade and other receivables		1,378	1,950
Other financial assets	4	-	5,080
Total current assets		<u>23,656</u>	<u>24,771</u>
Non-current assets			
Other financial assets	4	5,601	5,503
Investments accounted for using the equity method	5	30,846	37,000
Property, plant and equipment		546	510
Intangible assets		16,334	16,334
Deferred tax assets		56	52
Total non-current assets		<u>53,383</u>	<u>59,399</u>
Total assets		<u>77,039</u>	<u>84,170</u>
Current liabilities			
Trade and other payables		642	1,079
Current tax liabilities		62	113
Employee benefits		205	216
Total current liabilities		<u>909</u>	<u>1,408</u>
Non-current liabilities			
Employee benefits		111	104
Total non-current liabilities		<u>111</u>	<u>104</u>
Total liabilities		<u>1,020</u>	<u>1,512</u>
Net assets		<u>76,019</u>	<u>82,658</u>
Equity			
Issued capital	7	243,466	243,466
Reserves		25,603	24,911
Accumulated losses		(193,412)	(186,069)
Total equity attributable to equity holders of the parent entity		<u>75,657</u>	<u>82,308</u>
Non-controlling interests		362	350
Total equity		<u>76,019</u>	<u>82,658</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 30 September 2013

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 April 2013	243,466	25,690	(779)	(186,069)	82,308	350	82,658
(Loss) profit for the period	-	-	-	(7,343)	(7,343)	12	(7,331)
Other comprehensive income for the period, net of tax	-	-	692	-	692	-	692
Total comprehensive income (loss) for the half year	-	-	692	(7,343)	(6,651)	12	(6,639)
Balance at 30 September 2013	243,466	25,690	(87)	(193,412)	75,657	362	76,019

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 for the period	-	-	-	1,851	1,851	-	1,851
Other comprehensive loss for the period, net of tax	-	-	(73)	-	(73)	-	(73)
Total comprehensive (loss) income for the half year	-	-	(73)	1,851	1,778	-	1,778
Transactions with owners in their capacity as owners:							
Shares issued net of transaction costs	14,831	-	-	-	14,831	-	14,831
Balance at 31 December 2012	243,471	25,690	(1,079)	(181,072)	87,010	-	87,010

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 30 September 2013

	Six months ended 30 September 2013 \$'000	Six months ended 31 December 2012 \$'000
Cash flows from operating activities		
Receipts from customers	3,875	-
Payments to suppliers and employees	(4,532)	(1,034)
Interest received	328	370
Other operating income	15	-
Income taxes (paid) refunded	(56)	1,368
Net cash (used in) generated by operating activities	<u>(370)</u>	<u>704</u>
Cash flows from investing activities		
Loan advanced to minority shareholder of subsidiary	(276)	-
Proceeds from realisation of financial assets	5,080	-
Payments for property, plant and equipment	(101)	-
Dividend from equity accounted investments	-	4,967
Payment for acquisition of other financial assets	(147)	(2,748)
Net cash generated by investing activities	<u>4,556</u>	<u>2,219</u>
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	-	14,832
Proceeds from the issue of shares in subsidiary	350	-
Net cash generated by financing activities	<u>350</u>	<u>14,832</u>
Net increase in cash and cash equivalents	4,536	17,755
Cash and cash equivalents at beginning of period	<u>17,742</u>	<u>13,686</u>
Cash and cash equivalents at end of period	<u>22,278</u>	<u>31,441</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 30 September 2013

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 half year of the Consolidated Entity has changed from 31 December to 30 September following a change in year-end in the prior period. The comparative figures for the Statement of Profit or Loss, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Equity and related notes are for the six months ended 31 December 2012. The comparative figures for the Statement of Profit or Loss, Statement of Comprehensive Income and Cash Flow Statement and related notes do not include the results of operations of Sunshine Coast Broadcasters Pty Ltd, which was acquired effective 1 March 2013.

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.

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 Consolidated Entity's 2013 annual financial report for the financial period ended 31 March 2013.

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 period ended 31 March 2013.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

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 segments during the reporting period were:

- Financial Services - receivables management
- Commercial Radio Broadcasting – operation of FM radio stations

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.

The Financial Services segment relates to the Consolidated Entity's equity accounted joint venture in Baycorp Holdings Pty Ltd. Note 5 contains more detailed financial information on Baycorp.

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.

Segment revenues and results

The following is an analysis of the Consolidated Entity's revenue and results by reportable segment for the half year:

	Segment operating revenue		Segment profits (losses)	
	Six months ended 30 September 2013 \$'000	Six months ended 31 December 2012 \$'000	Six months ended 30 September 2013 \$'000	Six months ended 31 December 2012 \$'000
Commercial radio broadcasting	3,550	-	927	-
Financial Services - share of loss of equity accounted joint venture	-	-	(7,142)	2,544
Unallocated	-	-	(334)	144
	<u>3,550</u>	<u>-</u>	<u>(6,549)</u>	<u>2,688</u>
Interest income			312	378
Central administration and employee costs			<u>(1,389)</u>	<u>(1,144)</u>
Profit (loss) before tax			<u>(7,626)</u>	<u>1,922</u>

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the half-year. Segment profit represents the profit earned by each segment without allocation of central costs, director's salaries, investment income finance costs and income tax expense. The share of profits (losses) of joint ventures are allocated to the relevant segment.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

2. Segment reporting (continued)

Segment assets

	30 September 2013 \$'000	31 March 2013 \$'000
Commercial radio broadcasting	19,611	19,595
Financial services	30,846	37,000
Unallocated	26,582	27,575
	<u>77,039</u>	<u>84,170</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- (1) All assets are allocated to reportable segments other than current and deferred tax assets. Any goodwill is allocated to reportable segments.
- (2) All liabilities are allocated to reportable segments other than current and deferred tax liabilities.

3. Earnings per share

	Six months ended 30 September 2013	Six months ended 31 December 2013
	Cents	Cents
Basic (loss) earnings per share	(20.80)	7.15
Diluted (loss) earnings per share	(20.80)	7.15
	Number	Number
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share	35,307,209	25,887,093
	\$'000	\$'000
(Loss) profit for the period attributable to ordinary equity holders	(7,343)	1,851
(Losses) earnings used in the calculation of basic and diluted earnings per share	(7,343)	1,851

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

4. Other financial assets

	30 September	31 March
	2013	2013
	\$'000	\$'000
<i>Current</i>		
Restricted cash	-	5,080
<i>Non-current</i>		
Loan advanced to minority shareholder of subsidiary	284	-
Other financial assets, at fair value through profit and loss	5,317	5,503
	5,601	5,503

Restricted cash refers to \$5.0 million of the cash proceeds received from the sale of the investment in Signature Security Group that was held in an escrow account and released to the Consolidated Entity on 3 May 2013.

Other financial assets refers to the Consolidated Entity's investment in Keybridge Capital Limited ("KBC"). The Consolidated Entity's shareholding represents 19.63% of KBC's issued shares at 30 September 2013 (31 March 2013: 19.32%). Following the appointment of a representative of the Consolidated Entity to the board of KBC during the prior financial period, KBC was considered to be an associate of the Consolidated Entity. Utilising an exemption available under AASB 128, the directors of the Consolidated Entity have elected to continue to designate the investment in KBC as "Other Financial Assets, at fair value through profit or loss". Accordingly the value of the shares was assessed at 30 September 2013 having regard to the KBC share price.

5. 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.

		Economic ownership interest	
		30 September	31 March
Name of entity	Principal activity	2013	2013
		%	%
Baycorp Holdings Pty Limited	Receivables Management	52.76	52.55

The Consolidated Entity's ownership interest in Baycorp Holdings Pty Limited (Baycorp) increased to 52.76% during the period to 30 September 2013 as a result of Baycorp using excess cash resources to buy back and cancel shares held by a minority shareholder. Notwithstanding ownership above 50%, the Consolidated Entity does not have the capacity to control the activities and decision making of Baycorp as the investment is a jointly controlled entity under the terms of a Shareholders' Agreement. Accordingly, this investment is accounted for using the equity method of accounting.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

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 (loss)	
	30 September	31 December
	2013	2012
	\$'000	\$'000
Baycorp Holdings Pty Limited	(7,142)	2,544
	<u>(7,142)</u>	<u>2,544</u>

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

	30 September	31 March
	2013	2013
	\$'000	\$'000
Carrying amount at the beginning of the financial period	37,000	48,327
Share of net equity accounted (losses) profits after tax	(7,142)	2,145
Impairment of carrying value of investment	-	(4,888)
Share of post acquisition movements in reserves	988	324
Less: dividends received from equity accounted investments	-	(8,908)
Carrying amount at the end of financial period	<u>30,846</u>	<u>37,000</u>

6. Taxation

At 30 September the Consolidated Entity had estimated unused tax losses of \$189.6 million (31 March 2013: \$189 million) for which no deferred tax asset has been recognised. The future utilisation of these losses is dependent on satisfying tax loss integrity rules at that time.

7. Issued capital

	30 September	30 September
	2013	2013
	Number	\$'000
Issued share capital	<u>35,307,209</u>	<u>243,466</u>

There were no movements in the issued share capital of the Company in the current half year period. During the prior financial period, pursuant to an entitlement offer, the Company issued 9,629,452 fully paid ordinary shares, raising \$14.9 million.

Oceania Capital Partners Limited
Notes to the Consolidated Financial Statements
for the half-year ended 30 September 2013

8. Contingent liabilities

The Consolidated Entity had no material contingent liabilities at 30 September 2013.

9. Events subsequent to balance date

Subsequent to balance date EON Broadcasting Pty Ltd ("EON"), a subsidiary of the Company, entered into a \$6 million term loan with Bank of Queensland Limited ("BOQ"). The loan bears interest at market rates and is repayable over four years. Security provided for the loan includes a general charge over the assets of Sunshine Coast Broadcasters Pty Limited in favour of BOQ. The proceeds from the loan are available to fund the investment activities of the Consolidated Entity.

Other than as disclosed above and 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 30 September 2013

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

- (a) the financial statements and notes set out on pages 7 to 17 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 30 September 2013 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
Chairman

Dated at Sydney this 14th day of November 2013

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Oceania Capital Partners Limited

We have reviewed the accompanying half-year financial report of Oceania Capital Partners Limited, which comprises the consolidated statement of financial position as at 30 September 2013, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 the company 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 30 September 2013 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

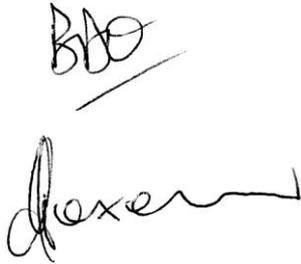
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Oceania Capital Partners Limited, would be in the same terms if 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 30 September 2013 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



Grant Saxon

Partner

Sydney, 14 November 2013