

Oceania Capital Partners Limited

Annual Report 2015



Oceania Capital Partners Limited  
ABN 52 111 554 360

02	Chairman's Report
04	Corporate Governance Statement
07	Directors' Report
10	Remuneration Report
14	Lead Auditor's Independence Declaration
15	Consolidated Income Statement
16	Consolidated Statement of Comprehensive Income
17	Consolidated Statement of Financial Position
18	Consolidated Statement of Changes in Equity
19	Consolidated Statement of Cash Flows
20	Consolidated Notes to the Financial Statements
43	Directors' Declaration
44	Independent Auditor's Report
46	Shareholder Information
48	Corporate Directory

## Chairman's Report

This report relates to the financial year to 31 March 2015

The year under review has seen a meaningful level of new investment activity for the company and continued improvement in our existing investments.

The full year reported net profit after tax of close to \$3 million was a pleasing result as compared to the prior period. Importantly, the split between first half (\$0.6 million) and second half (\$2.4 million) continues our improving trend as the results of our underlying investments grow. However, this figure masks the full potential earnings power of our investment portfolio. The current half (being the first half for FY16 ending 30 September 2015) will, for the first time, contain the profits from trading of each of our investments for the full period, including the new investments which we made in the last half year.

The investments which we now hold are:

- 52.76% ownership of the Baycorp Group
- 95% ownership of EON Broadcasting
- 50% ownership of Cohort
- 97% ownership of Crimsafe
- 5% ownership of ASX listed Atcor Medical

This is a diverse range of investments with exposures to different sectors and businesses at differing stages of their own development and growth. We now cover the financial services sector; media and broadcasting; digital business generation; the building, construction and renovation sector; and a small exposure to a medical device business. Baycorp is still our largest investment in terms of committed capital and remains a promising investment. In fact, we are very pleased at where we are positioned with each of our investments and anticipate future growth in performance and value.

At the close of the year we held cash at holding company level of \$6.3 million and no balance sheet recourse debt. There is bank debt in underlying investee entities but this is limited recourse to those businesses.

With our cash resources and debt capacity we are still actively considering new investments and would like to add at least one more investment to the portfolio in this calendar year.

Our Board and Management restructure in July 2014 has enabled us to reduce our head office overheads and has brought the company even closer to our holding company, Hosken Consolidated Investments Limited (which owns 68% of the company's issued capital). We have had a busy year with investment and investment management activity but we believe we retain sufficient capacity to manage the underlying investments within the portfolio as well as to deploy our remaining investible capital.

Our reported net asset value per share as at 31 March 2015 is \$2.35, which compares to the net asset value as at 31 March 2014 of \$2.24.

Our results release issued in May 2015 contained commentary on the performance of each of our businesses and I refer you to that commentary.

There are some matters about the various businesses to which I would like to draw your attention.

### BAYCORP

Baycorp has really seen a transformation over the last year. There are many aspects to the operational restructure and turnaround that have been taking place but one worth mentioning specifically is the establishment of its offshore collection capability in the Philippines. The reason this is worth mentioning is because of the professional and seamless manner in which that new business unit was planned and established and now operates as an important part of the overall operations processes of Baycorp. There are now over 100 people in the Philippines, which is close to 20% of the entire staff of Baycorp. These are our people: recruited, trained and deployed within an impressive timeframe. Also in the year, the New Zealand business unit moved to new, modern premises including movement of much of the critical IT infrastructure of the business.

The leadership group of Baycorp, led by Grant Jorey, is to be congratulated on managing the business through some very difficult territory with professionalism and grace and we take this opportunity to thank them for their efforts.

### EON BROADCASTING

Traditionally, media and broadcasting businesses have been seen as potentially providing a volatile ride. Across the media sector generally, the 2014 and 2015 years have seen some growth but there have been some spectacular shifts between traditional media to new media, between the various forms of traditional media and, in the radio industry, even some unprecedented movements between broadcasters and networks in the same city.

While our stations (91.9 Sea FM and 92.7 Mix FM) are small in the national scheme, we have to draw attention to their strong performance in the year under review. Total sales revenue grew by 22% in the year. While that partly reflects a quieter FY14, it has taken a significant effort and some excellent content production by the small but dedicated EON team, led by John Williams, to achieve that result. Our Sunshine Coast team is creative and dedicated and they focus on the important things. They are known by the business community on the Sunshine Coast as a dynamic and active team who deliver results for the clients. It is great to see that their efforts are being reflected in increasing revenue.

You don't have to look far to find commentators who will tell you that radio is on its last legs. Those commentators do not seem to realise that more people listened to radio in 2014 than in 2013. Radio also continues to hold steady with time spent listening only decreasing minimally year on year – especially compared with other traditional media such as TV and print. There is little doubt that new technologies and ways of listening to music are challenges but the scope is there for adaptation and provided the medium continues to deliver high quality, live and local content to listeners and identifiable results for advertising clients the rumours of death are definitely overstated.

## Chairman's Report

This report relates to the financial year to 31 March 2015

One current challenge for the sector is the continuing dispute with the PPCA over the sought after payment of double royalties for playing music which is simultaneously played over the radio waves and streamed through the internet. This dispute has meant that practically all regional radio in Australia (including our stations) have elected to stop streaming their programming, removing the opportunity for our listeners to listen via streaming should they choose to do so for convenience. It should also be noted that the vast majority of listening is still done by all age groups via AM and FM broadcasts – well over 90%. As newcomers to the sector, the dispute is incomprehensible. Our radio stations pay the PPCA (the body that represents the interests of record labels and recording artists) a royalty for playing the music that we play and that royalty is an agreed percentage of our total revenue. If streaming were to deliver additional revenue then the PPCA would benefit from that, just as they always have. But they seem to be seeking more. So, the occasion of offering our listeners just another way of listening to their same radio station appears to have become the opportunity for the PPCA to attempt to ratchet up their revenue. It would appear to be opportunistic rather than being based on commercial logic.

Despite this, we have been very pleased with the performance of EON Broadcasting. We have been very open that we would be interested in expanding our investment activity in regional radio but to date we have not identified opportunities that are capable of being closed. We continue to be open to further investment.

### COHORT

Cohort is a new investment for us and we are genuinely excited about the potential growth opportunities for the business. It is truly a new age digital business and it has shown revenue and profit growth to match. The question is whether that growth was a first blush bloom that will end or whether it will continue from here. Our investment thesis is obviously based on further growth and we are excited by that we are seeing to date. The business has commenced operations in the UK market and if they can be as half as successful there as they have been in Australia to date then that growth will be delivered.

This business is based in Sydney and is jointly led by the founders, Marcelo Ulvert and Malcolm Treanor. They have established a fabulous business and we look forward to our partnership with Malcolm and Marcelo taking us all forward.

### CRIMSAFE

Just prior to the end of the year in review we announced the acquisition of Crimsafe business from its founders. *"If it's not Crimsafe, it's not crim safe."* It is uncanny how many times people have repeated this catch phrase to us since making this acquisition. This business has very strong brand presence and an extraordinary unaided recollection from a wide cross section of the community. This brand strength must be maintained as there are competitive products but none of them can compete on quality and service. We see maintenance of this market position as a key to maintaining the strength of this long established and well run business. The founders of the business, Steve Brabeck and Peter Bouma, have left but the CEO, Ken Millard, will continue with the business and is enthusiastic to continue to build the business. The headquarters of Crimsafe are in South East Queensland.

Like Cohort, some of the opportunity for growth here lies offshore, with Crimsafe having set up in the US. While that business initiative is yet to be profitable, if the right approach and structure can be struck in the US with this excellent product then the opportunity could be very meaningful. We will continue to pursue this expansion initiative, although carefully and in small steps.

In summary, overall our investment portfolio is trading well and there are specific areas of exciting growth and development. The business leaders of our underlying investments are strong and passionate leaders and they are incentivised to make the individual businesses work. But it is the staff of each of those businesses that are key and we take this opportunity to thank all those involved in the wider Oceania Capital family for their dedication and loyalty.

Finally, during the year two of our long serving non executive directors resigned. Ian Tsicalas had been chairman for many years and guided us through the difficult waters of separation from Allco Finance Group and then the Hosken acquisition. His efforts were tireless and his guidance always spot on. Michael Brogan had been an active member of the Investment Committee and Chairman of our Audit and Risk Committee who ensured that our governance and risk management structures were robust and commercial. I personally would like to thank both Ian and Michael for their guidance and their tireless efforts on behalf of the company over many years. We are certainly wiser and stronger from their involvement.



**Robert Moran**  
Chairman

# Corporate Governance Statement

This statement outlines the main corporate governance practices in place throughout the financial year ended 31 March 2015. These practices comply with the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council, unless otherwise stated. If the Company has not adopted a recommendation or has taken an alternative approach then the reasons for doing this are explained.

Summaries of the charters, codes and policies of the Company relating to corporate governance practices are available in the Corporate Governance section of our website, [www.oceaniacapital.com.au](http://www.oceaniacapital.com.au)

## PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board of Directors is elected to represent all shareholders and has the primary responsibility for overseeing the management of the Company's business and affairs.

The duties and responsibilities of the Board and the matters and functions reserved for the Board are set out in the Board Charter and include:

- providing strategic direction, including developing and approving the corporate strategy of the Company and its performance objectives;
- monitoring the performance of the Company, including control and accountability processes and systems required to manage risks;
- reviewing, evaluating and approving investment and divestment recommendations;
- implementing corporate governance practices appropriate to the Company to monitor compliance with key policies, laws and regulations;
- reporting to and communicating with shareholders;
- approving and monitoring capital allocations, capital management and acquisitions and divestments;
- monitoring financial performance, including approval of the annual and half-yearly financial reports; and
- appointing and monitoring the performance of the Company Secretary.

Management is responsible for managing the Company's business and affairs subject to the matters and functions reserved to the Board as set out in the Board Charter.

The Board is also responsible for monitoring and appraising the performance of key executives of the Company. Further detail on the process for evaluating key executives is contained in the Remuneration Report.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### Board Composition

The following are the directors of the Company as at 31 March 2015 and as at the date of this report:

Director	Role	Status
Michael Jacobson	Executive Director	Not Independent
Brian Scheiner	Executive Director	Not Independent
Robert Moran	Non-Executive Chairman	Not independent

Details of the directors' qualifications, experience and other responsibilities are contained in the Directors' Report.

The Chairman is responsible for leading the Board, ensuring that the Board activities are organised and efficiently conducted and for ensuring, together with the Company Secretary, that directors are properly briefed for meetings.

The Board has adopted a definition of director independence generally consistent with the Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council.

The Board Charter states that an unrelated or independent director is one who is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company. In particular, an independent director:

- is not a member of management
- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly or indirectly with, a substantial shareholder of the Company
- has not within the last three years been employed in an executive capacity by the Company or another group member or been a director after ceasing to hold any such employment
- is not a principal of a professional adviser to the Company or another group member
- is not a significant customer of the Company or another group member other than as a director of the Company
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

The current Board structure does not comply with the recommendations that a majority of the Board should comprise independent directors and that the Chairman should be an independent director. The Company and its majority shareholder are of the view that the Board of an investment company is best comprised of individuals who have adequate experience and who have a financial interest in the success of the Company's investments.

The Company does not currently comply with the recommendation that a company establish a nomination committee. Due to the size of the Board a separate formal committee structure is not considered efficient or necessary. The functions of the nomination committee are carried out by the board.

## PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

### Code of Conduct

The Board requires all directors and employees to maintain high moral and ethical standards. The minimum standards to be achieved are set out in the Code of Conduct. The Code of Conduct is not intended to be exhaustive and cannot anticipate every situation which may arise. In this regard, it is expected that common sense and sound judgement will be applied. The four key guidelines contained in the Code of Conduct are:

- to act honestly and fairly in all business transactions and dealings with others;
- treat other employees, contractors, clients, competitors and other persons with utmost courtesy and respect;
- not to compromise a duty to act in the best interests of the Company; and
- to comply with all laws and regulations applicable to the business of the Company.

The Code of Conduct applies to the Board, employees and defined associates. The Code of Conduct requires that at all times the Company acts with the utmost integrity and objectivity and in compliance with the letter and spirit of both the law and the Company's policies. The Code of Conduct governs matters such as conflict of interests, prevention of taking advantage of corporate opportunities of the Company for personal gain, confidentiality, fair dealing and other ethical matters.

The Company has also introduced a:

- Privacy Policy, to protect the privacy of personal information the Company or its entities may be in possession of; and
- Related Party Transaction Policy, the purpose of which is to ensure directors and officers are not involved in situations which could give rise to conflicts of interest and to ensure transactions occur on an arm's length basis.

The Company has processes in place for bringing reportable incidents and matters to the attention of senior management and, ultimately, the Board. This includes any matters involving unethical conduct.

### Diversity Policy

A diversity policy has not been established. The Company assesses potential employees by reference to the candidate's ability to perform the specified role and to conform with the culture and objectives of the group irrespective of their gender, age, ethnicity, religion or cultural background. Accordingly, the Company does not set measurable objectives for achieving gender diversity nor does it measure employees by reference to their gender. The practices relating to the selection and appointment of employees, detailed within this statement, are an efficient means of meeting the needs of the Company, having regard to the size of the Company and its operations.

Accordingly, measurable objectives for achieving gender diversity and progress towards achieving them have not been disclosed. Similarly, the proportion of women employees in the whole organisation, women in senior executive positions and women on the board has also not been disclosed.

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Following the restructure of the Board on 29 July 2014 the Audit Finance and Risk Committee was disbanded.

The Company does not currently comply with the recommendation that a company establish an audit committee. Due to the size of the Board a separate formal committee structure is not considered efficient or necessary.

In carrying out its' oversight and corporate governance responsibilities the Board :

- reviews the scope and quality of the external audit;
- reviews and oversees the financial reporting process, including accounting policies and financial management;
- reviews and oversees the Company's occupational health and safety practices;
- reviews and oversees the framework and processes of compliance with laws, exchange listing rules, regulations, standards, best practice guidelines and codes of conduct;
- reviews, assesses and approves the Company's internal controls and risk management systems;
- reviews, assesses and approves the appointment, removal and remuneration of the external auditor, reviewing the terms of their engagement, the scope and quality of the audit and assessing their performance;
- oversees the effective operation of the risk management framework;
- reviews the processes for the prevention, detection and investigation of fraud and irregularities;
- oversees the framework for the management of the Company's transactional risks; and
- monitors the current forecast liquidity and cash level of the Company.

In fulfilling its responsibilities, the Board receives regular reports from the external auditor. The Board meets with the external auditor at least twice a year, or more frequently if necessary.

The Board has approved an Auditor Independence Policy that details processes to be undertaken by the Board to be satisfied that independence is maintained by the external auditor.

## PRINCIPLES 5 AND 6: MAKE TIMELY AND BALANCED DISCLOSURE AND RESPECT THE RIGHTS OF SHAREHOLDERS

The Company has an External Reporting Policy that documents processes followed for ensuring compliance with laws, regulations and other requirements relating to the external reporting of financial and non-financial information. This includes compliance with ASX Listing Rules and Corporations Act obligations. This policy also encourages timely and effective communication with shareholders.

The Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange (ASX). This includes responsibility for ensuring compliance with the continuous disclosure requirements contained in the ASX Listing Rules, and overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

## **PRINCIPLES 5 AND 6: MAKE TIMELY AND BALANCED DISCLOSURE AND RESPECT THE RIGHTS OF SHAREHOLDERS (CONTINUED)**

The Company's website, [www.oceaniacapital.com.au](http://www.oceaniacapital.com.au), provides shareholders with access to:

- reports and presentations, including annual and half yearly reports;
- company announcements and media releases;
- information on businesses that the Company has invested in;
- access to share registry information;
- a summary of corporate governance policies and other information contained in the Corporate Governance Practices and the Policies and Codes of Practice sections of the website; and
- details about directors and executive management.

Notice of shareholder meetings, including proposed resolutions, are provided to shareholders in advance of the meetings, in accordance with legal requirements. Shareholders are encouraged to attend and participate in these meetings.

The external auditor appointed by the Company attends the annual general meeting of shareholders and is available to answer questions about the conduct of the audit of the annual financial report and the preparation and content of the auditor's report.

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

The understanding and management of risk, particularly preservation of capital, is critical to the Company. The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business. Documented policies and processes to enable appropriate management of business and investment risk have been adopted.

The charter of the Board is to enhance the investment decision making process, rather than taking a "gatekeeper" approach. The Board is closely involved in the development of transactions so that decisions can be made in a timely fashion. In making investment decisions, the Board has regard to the risk and return parameters of individual transactions.

Management reports to the Board on the material business risks of the Company, including the effectiveness of the management of those material business risks.

Entities in which the Company has invested are responsible for their own risk management and internal control processes and reporting. The Company oversees these processes through representation on the Board of those entities and through active involvement in assisting and overseeing the management of the businesses.

The Company's management also reports to the Board on the effectiveness of managing its financial risks. In particular, the Managing Director and Chief Financial Officer provide the Board with written confirmation that:

- their statement to the Board on the integrity of the Company's financial statements in accordance with section 295A of the Corporations Act, is founded on a sound system of risk management and internal control; and
- that the Company's risk management and internal control system is operating effectively in all material respects in relation to financial reporting risks.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

The Board's policy is that the remuneration for directors and senior executives will be competitively set to attract and retain appropriately qualified and experienced directors and executives.

Following the restructure of the Board on 29 July 2014 the Remuneration Committee was disbanded. The Company does not currently comply with the recommendation that a company establish a remuneration committee. Due to the size of the Board a separate formal committee structure is not considered efficient or necessary. The functions of the remuneration committee are carried out by the Board. The Board has determined that no member of the Board will be included in the consideration of the remuneration that is payable to that member.

Details of the structure, composition and quantum of the remuneration of directors and senior executives are contained in the Remuneration Report.

## Directors' Report

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 year ended 31 March 2015 and the Independent Auditor's report thereon.

### DIRECTORS

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

#### Current directors

Robert Moran	Non-executive Chairman
Michael Jacobson	Executive Director
Brian Scheiner	Executive Director

#### Former directors

Ian Tsicalas	resigned 29 July 2014
Michael Brogan	resigned 29 July 2014

Details of the experience and qualifications of the Directors in office at the date of this report are:

#### Robert Moran

##### Non-executive Chairman

LLB, B.Ec, MAICD

Robert Moran served as Managing Director of the Company until June 2014 and was appointed as Non-executive Chairman in July 2014. He has been involved as a principal investor for over 15 years at a board and strategic level in a variety of businesses and sectors and taking an active involvement in the underlying businesses. He is experienced in investment banking activities, including financings, capital raisings, mergers and acquisitions and has practiced corporate and commercial law at a senior level.

Robert represents the Company's interests as a director of Baycorp Holdings Limited ("Baycorp") and is a member of the Baycorp Remuneration Committee. He represents the Company as a director of EON Broadcasting Pty Ltd ("EON") and Sunshine Coast Broadcasters Pty Ltd ("SCB"). Robert previously represented the Company as non-executive Chairman of Signature Security Group (from January 2006 until 29 April 2011), as a director of iSOFT Group Limited (from November 2008 until 29 July 2011) and as director of Keybridge Capital Limited from January 2013 to February 2014. He was also Chairman of the iSOFT and Signature Remuneration Committees and a member of the Signature Audit Committee.

Robert is also a director of Tag Pacific Limited (since 2002).

#### Michael Jacobson

##### Executive director

B.Bus.Sci, CA (SA), CFA

Michael served as non-executive director of the Company from March 2012 to June 2014 when he was appointed as an executive director of the Company.

Michael was an executive of Hosken Consolidated Investments Limited Group ("Hosken Group"), a public listed entity incorporated in South Africa and Listed on the Johannesburg Stock Exchange. He joined the Hosken Group in 2003 and served as an executive until he left South Africa in January 2011 to jointly found HCl Australian Operations Pty Ltd ("HCl"), the Company's majority shareholder.

As an executive in the Hosken Group, Michael held directorships in several Hosken subsidiaries, the larger ones being Tsogo Sun Holdings, Mettle and Sear del Investment Corporation. He also served on numerous audit and remuneration committees. Michael also served as Chief Executive Officer of Johnnic Holdings, which was a Johannesburg Stock Exchange listed property and gaming company. Michael is an executive director of HCl.

Michael represents the Company as a director of Baycorp, Cohort Holdings Australia Pty Ltd ("Cohort") and Crimsafe Holdings Pty Ltd ("Crimsafe").

#### Brian Scheiner

##### Executive director

BA, LLB, H DIP Advanced Company Law, H Dip Tax

Brian served as non-executive director of the Company from March 2012 to June 2014 when he was appointed as an executive director of the Company.

Prior to joining the Hosken Group, Brian had co-founded a successful corporate advisory business. Before that, he spent 10 years at one of the largest law firms in South Africa, where he was a full equity partner, practicing in the corporate and commercial department. He joined the Hosken Group in 2003 and served as an executive until 2007. He and his family then relocated to Australia. Brian re-joined the Hosken Group to jointly found HCl in 2011. Brian is an executive director of HCl.

Brian represents the Company as a director of EON, SCB, Cohort and Crimsafe.

### COMPANY SECRETARY

#### Lionel Baldwin

CA (SA), B.Comm (Hons)

Lionel joined the Hosken Group in 2002 where he has held various executive positions in group finance. He has held directorships in several Hosken Group subsidiaries. In January 2011 he left South Africa to jointly found HCl. Lionel is a director of HCl. Lionel performs the role of CFO for the Company and represents the Company as a director of EON, SCB and Crimsafe.

### DIRECTOR MEETINGS

The number of Board meetings held, including meetings of Committees of the Board, and the number of meetings attended by each of the directors of the Company during the financial year were:

Director	Full Board Meetings		Audit, Finance and Risk Committee	
	A	B	A	B
Michael Brogan	3	3	1	1
Michael Jacobson	8	8	1	1
Robert Moran	8	8	N/A	N/A
Brian Scheiner	8	8	N/A	N/A
Ian Tsicalas	3	3	1	1

A – Number of meetings held during the time the director held office during the period.

B – Number of meetings attended.

### ENVIRONMENTAL REGULATION

The Company and its controlled entities were not subject to any specific environmental regulations during the period.

## OPERATING AND FINANCIAL REVIEW

The principal activity of the Company during 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 on investing in businesses which have characteristics of resilience and will grow over the investment period, enabling a successful, profitable exit for the Company.

The Consolidated Entity's principal investments during the year were:

- 52.76% interest in Baycorp Holdings Limited ("Baycorp") a receivables management company.
- 95% interest in EON Broadcasting Pty Limited ("EON"), the owner and operator of two commercial radio stations in the Queensland Sunshine coast.
- 50% interest in Cohort Holdings Australia Pty Ltd ("Cohort"), a company specialising in digital lead generation and marketing. This investment was acquired on 3 October 2014.
- 97% interest in interest in the Crimsafe group of entities which was acquired on 20 March 2015.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the changes above there were no other significant changes and events affecting the Consolidated Entity (the Company together with controlled entities) during the period under review and until the date of this report.

## Results of operations

The net after tax profit of the Consolidated Entity for the year to 31 March 2015 was \$2,988,000 (2014: a loss after tax of \$4,853,000).

The current period result includes:

- Interest income earned on funds held on interest bearing deposit with banking institutions of \$0.7 million (2014: \$0.7million).
- A realised profit on the disposal of listed securities of \$0.6 million (2014: \$1 million).
- A \$0.8 million mark-to-market adjustment to the carrying value of listed securities.
- A profit before tax and interest contribution of \$2.2 million from the operations of Sunshine Coast Broadcasters Pty Ltd ("SCB") (2014: \$1.9 million).
- An equity accounted profit contribution of \$1.2 million from Baycorp. In the prior year Baycorp contributed a \$6 million equity accounted loss, this amount includes an impairment to the carrying value of goodwill of \$5.3 million.

## Financial position

At 31 March 2015 the Consolidated Entity had net assets of \$83 million (2014: \$79 million).

At balance date the Consolidated Entity had cash at bank of \$10.0 million (2014: \$34.3 million).

At 31 March 2015 the Consolidated Entity's borrowings amounted to \$17.22 million (2014: \$5.36 million). Borrowings relate to the bank borrowings of the following subsidiaries:

- EON Broadcasting Pty Ltd, secured over the assets of EON and SCB; and
- Crimsafe Holdings Pty Ltd, secured over the assets of the Crimsafe group of entities.

## Baycorp Holdings Pty Ltd – 52.76%

The equity accounted profit contribution from Baycorp for the year to 31 March 2015 is \$1.2 million (2014: \$6.0 million loss). The combination of these results and the Consolidated Entity's share of movements in Baycorp's reserves for the year to 31 March 2015 has seen the carrying value of its investment in Baycorp increase to \$34.2 million.

## EON Broadcasting Pty Ltd – 95%

EON reported revenue for the year of \$8.9 million (2014: \$7.2 million) and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) of \$2.7 million (2014: \$1.97 million) from the operations of the radio stations, 91.9 Sea FM and 92.7 Mix FM.

## Cohort Holdings Australia Pty Ltd – 50%

On 3 October 2014 the consolidated entity acquired a 50% interest in Cohort for purchase consideration of \$6 million. The equity accounted profit contribution from Cohort for the period of ownership in the year to 31 March 2015 is \$0.25 million.

## Crimsafe Holdings Pty Ltd – 97%

On 20 March 2015 the Consolidated Entity acquired a 97% interest in the Crimsafe group of entities for a total purchase consideration of \$30 million. For practical reasons the acquisition has been accounted for effective from 31 March 2015. Accordingly the Consolidated Entity has not accounted for any profit or loss from this investment during the year ending 31 March 2015. Crimsafe is the leading supplier of security door and window screens in Australia. Refer note 23 for further details on the acquisition.

## LIKELY DEVELOPMENTS AND PROSPECTS

The Company will continue its policy of seeking to make investments in opportunities as identified by the Board of Directors and to add value to these over time. Disclosure of specific information regarding likely developments in the activities of the Company and Consolidated Entity and the expected results of those activities is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly this information has not been disclosed in this report.

## DIVIDENDS

No interim dividend for the year ended 31 March 2015 was declared or paid during the period. No final dividend for the year ended 31 March 2015 has been proposed or declared.

## EVENTS SUBSEQUENT TO REPORTING DATE

Other than as disclosed elsewhere in this report, the directors are not aware of any other matter or circumstance that has occurred since the end of the financial year 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 years.

## DIRECTORS' INTERESTS

Director's relevant interests in the shares of Oceania Capital Partners Limited (OCP) as at the date of this report:

Directors	Fully paid ordinary shares
Michael Jacobson	972,701
Robert Moran	935,988
Brian Scheiner	1,031,430

Michael Jacobson and Brian Scheiner are directors of HCI Australian Operations Pty Ltd (HCI) to this extent they are non beneficially interested in the 23,903,356 shares in OCP that are held by HCI at the date of this report.

### REMUNERATION REPORT

The Remuneration Report is set out on pages 10 to 13 and forms part of the Directors' Report for the year ended 31 March 2015.

### INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company's Constitution provides that the Company may indemnify any current or former Director, Secretary or executive officer of the Company or of a subsidiary of the Company out of the property of the Company against every liability incurred by a person in that capacity (except a liability for legal costs) and against all legal costs incurred in defending proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity. The Company has entered into Deeds of Access and Indemnity with each of the Officers.

In accordance with the provisions of the Corporations Act 2001, the Company has a Directors and Officers Liability policy which covers all past, present or future Directors, secretaries and executive officers of the Company and its controlled entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

The indemnification and insurances are limited to the extent required by law.

### AUDIT AND NON-AUDIT SERVICES

Details of amounts paid or payable to BDO, the Company's auditor, for audit services and non-audit services are set out in note 27 to the financial statements. Having considered the nature and value of non-audit services provided by BDO to the Consolidated Entity during the year under review, the directors are satisfied that the provision of these services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

### LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 14 and forms part of the Directors' Report for the year ended 31 March 2015.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

### 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.



**Robert Moran**  
Chairman

Dated at Sydney this 25th day of May 2015

This remuneration report, which forms part of the directors' report and is audited, sets out information about the remuneration of the Consolidated Entity's key management personnel for the year ended 31 March 2015.

- 1 Principles used to determine the nature and amount of remuneration
- 2 Key management personnel
- 3 Business performance
- 4 Details of key management personnel remuneration

## 1 PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The Consolidated Entity's remuneration policies are designed to align the remuneration of executives with the interests of OCP shareholders.

The Board of OCP determines remuneration policies and practices and has responsibility for the remuneration packages and other terms of employment for all key management personnel of the Company. The remuneration arrangements of key management personnel employed by investee entities that are members of the Consolidated Entity are governed by the Remuneration Committee or Board of the relevant member entity. The remuneration policies applied by remuneration committees or boards of those entities are consistent with those of the Company, except as maybe required to satisfy the business needs of those entities.

Executive remuneration and other terms of employment are reviewed annually by the relevant remuneration committee or board, having regard to the performance goals set at the start of the year, results of the annual appraisal process, relevant comparative information, and, if necessary, independent expert advice on market compensation levels. As well as a base salary, remuneration packages may include superannuation, retention arrangements, termination entitlements, performance related bonuses, long term incentive arrangements and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Consolidated Entity's operations and achieving the Company's strategic objectives.

Payment of any performance related bonuses is linked to the achievement of individual objectives which are relevant to meeting the Consolidated Entity's overall goals. In establishing the level of any performance related bonus for an employee, the relevant remuneration committee or board considers the results of a formal annual performance appraisal process.

Remuneration and other terms of employment for executives are formalised in service agreements or letters of employment. Participation in long term incentive plans are separately documented in accordance with applicable plan rules.

### Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to non-financial employee benefits) as well as employer contributions to superannuation funds.

### Performance linked remuneration

Performance linked remuneration is designed to reward key management personnel for meeting or exceeding key performance objectives, comprising both corporate and personal objectives. Performance linked remuneration may be settled by cash bonuses and/or participation by eligible employees in long term incentive plans as discussed in the following sections.

### Non-executive director's remuneration

Fees and payments to non-executive directors of the Company reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. Remuneration of non-executive directors of the Company is determined by the Board within the maximum amount approved by shareholders from time to time. The maximum amount currently stands at \$1,000,000 per annum in aggregate for all non-executive directors of the Company.

During the period under review the level of remuneration of non-executive directors (inclusive of superannuation) was set as follows:

Prior to restructure of management and board on 1 July 2014:

- Non-Executive Chairman – \$133,250 per annum
- Other non-executive directors base fee – \$100,000 to \$102,500 per annum
- Non-executive directors fee for membership of Investment Committee – \$200,000 per annum

Post restructure of management and board on 1 July 2014:

- Non-Executive Chairman – \$120,000 per annum

These amounts included fees for membership of Board Committees other than the Investment Committee. It is the company's policy to increase these fees in line with the relevant Australian Consumer Price Index.

The Company's Constitution also allows the Company to remunerate the non-executive directors for any additional or special duties undertaken at the request of the Board. No other fees for additional or special duties were paid or payable for the 2015 and 2014 financial periods.

Directors' fees are paid in cash. Performance related bonuses are not payable to non-executive directors.

## 2 KEY MANAGEMENT PERSONNEL

The directors and other key management personnel of the Consolidated Entity at the end of the financial year under review were:

### Non-executive director

Robert Moran – Chairman

### Executive directors

Michael Jacobson

Brian Scheiner

### Other senior executive

Lionel Baldwin – Company Secretary and Chief Financial Officer

Ian Tscalas and Michael Brogan were non-executive directors of the Company until their resignation on 29 July 2014. Robert Moran, who had occupied the position of Managing-Director, transitioned to Non-Executive Chairman at that time.

## Remuneration Report

### 3 BUSINESS PERFORMANCE

The tables below set out summary of the Consolidated Entity's earnings business performance as measured by a range of financial indicators for the last five financial periods to 31 March 2015. For further discussion on financial performance, refer to the review of operations section in the Directors Report.

	31 March 2015 \$'000	31 March 2014 \$'000	31 March 2013 <sup>(i)</sup> \$'000	30 June 2012 \$'000	30 June 2011 \$'000
Profit (loss) after net financing cost/income, income tax, depreciation and amortisation (from continuing operations)	2,988	(4,853)	(3,074)	(3,740)	1,383
Profit (loss) attributable to shareholders of Oceania Capital Partners Limited	2,943	(4,883)	(3,146)	(2,022)	18,196
Basic earnings per share (cps)	8.33	(13.83)	(10.86)	(3.04)	19.80
Share price at period end (cps)	134	150	180	162	213
Capital returned per share (cps)	—	—	—	30	—

i) nine month period ending 31 March 2013.

### 4 DETAILS OF KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of remuneration of each director of the Company from OCP and each of the following named Company and relevant group executives who receive the highest remuneration are:

#### a) For the year ended 31 March 2015:

	Short-term	Post-employment	Other long-term		Total \$
	Cash salary and compensated absences \$	Superannuation \$	Termination \$	Annual and long-service leave \$	
<b>Non-executive directors</b>					
Michael Brogan	31,256	2,911	—	—	34,167
Ian Tsicalas	39,617	4,800	—	—	44,417
Robert Moran <sup>(i)</sup>	196,167	23,905	262,474	—	482,546
<b>Executive Directors</b>					
Michael Jacobson <sup>(ii)</sup>	273,099	26,901	—	6,217	306,217
Brian Scheiner <sup>(ii)</sup>	269,319	30,681	—	6,217	306,217
<b>Other executive</b>					
Lionel Baldwin	210,469	25,281	—	8,253	244,003
	<b>1,019,927</b>	<b>114,479</b>	<b>262,474</b>	<b>20,687</b>	<b>1,417,567</b>

i) During the year Robert Moran transitioned from the role of Executive Managing Director to Non-Executive Managing Director. Fees totalling \$90,000 were paid to a body corporate related to Robert Moran in relation to his service as Non-Executive Chairman. These fees are included as cash salary amounts. The remaining payments to Robert Moran relate to his service as Executive Managing Director.

ii) Michael Jacobson and Brian Scheiner acted as non-executive directors of the Company until 1 July 2014 when they were appointed as Executive Directors. Included in their total remuneration are amounts of \$75,000 each in relation to their services as Non-Executive Directors with the remaining remuneration being in relation to their services as Executive Directors.

No performance related remuneration was paid during the year (2014: nil).

# Remuneration Report

## 4 DETAILS OF KEY MANAGEMENT PERSONNEL REMUNERATION (CONTINUED)

### b) For the year ended 31 March 2014:

	Short-term Cash salary and compensated absences \$	Post-employment Superannuation \$	Other long-term Annual and long-service leave \$	Total \$
<b>Non-executive directors</b>				
Michael Brogan	93,822	8,678	—	102,500
Michael Jacobson	282,725	17,275	—	300,000
Brian Scheiner	282,725	17,275	—	300,000
Ian Tsicalas	118,850	14,400	—	133,250
<b>Executive Director</b>				
Robert Moran	426,095	23,905	4,150	454,150
<b>Other executive</b>				
Lionel Baldwin	218,475	17,275	1,883	237,633
	<b>1,422,692</b>	<b>98,808</b>	<b>6,033</b>	<b>1,527,533</b>

### c) Indemnities and Insurance

Amounts disclosed for remuneration of key management personnel exclude insurance premiums paid by the Consolidated Entity during the period ended 31 March 2015 in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out in the Directors' Report. Disclosure of the total amount of the premium and the nature of the potential liabilities in respect of the policy is expressly prohibited by the policy.

### d) Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements or letters of appointment. These agreements may provide for the provision of performance related cash bonuses and other benefits. Other major provisions of the agreements relating to remuneration are set out below.

All arrangements with executives may be terminated early by either party, subject to applicable notice periods and termination payments as detailed below.

#### *Michael Jacobson, Executive Director, Oceania Capital Partners Limited*

Michael Jacobson has been employed as an executive director since 1 July 2014. From 1 March 2012 to 30 June 2014 he served as a non-executive director of the company. Michael's current employment arrangements comprise:

- A base remuneration package of \$300,000 per annum including superannuation. Next annual review March 2016.
- Notice period of 3 months.

#### *Brian Scheiner, Executive Director, Oceania Capital Partners Limited*

Brian Scheiner has been employed as an executive director since 1 July 2014. From 1 March 2012 to 30 June 2014 he served as a non-executive director of the company. Brian's current employment arrangements comprise:

- A base remuneration package of \$300,000 per annum including superannuation. Next annual review March 2016.
- Notice period of 3 months.

#### *Lionel Baldwin, Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited*

Lionel Baldwin has been employed by the Company since 1 May 2012. Lionel's current employment arrangements comprise:

- A base remuneration package of \$235,750 per annum including superannuation. Next annual review March 2016.
- Notice period of 3 months.

### e) Long Term Incentive for Robert Moran

The shareholders of the Company approved elements of a Long Term Incentive arrangement ("LTI") for the then Managing Director, Robert Moran, on 25 July 2012, which formed part of the overall revised remuneration arrangements of Mr Moran which commenced on 1 May 2012. No expense relating to the LTI has been recognised. On Mr Moran's transition to Non-executive chairman of the Company in July 2014 the LTI was cancelled.

## Remuneration Report

### 5 EQUITY INSTRUMENTS DISCLOSURES OF KEY MANAGEMENT PERSONNEL

The number of shares in the Company held, during the financial period, by key management personnel of the Consolidated Entity, including by their personally related entities, are set out below:

Ordinary shares	Balance at 1 April	Purchases	Balance at 31 March
<b>2015</b>			
<b>Directors</b>			
Michael Jacobson	972,701	—	972,701
Robert Moran	935,988	—	935,988
Brian Scheiner	1,011,430	20,000	1,031,430
Michael Brogan	—	—	—
Ian Tsicalas	—	—	—
<b>Executives</b>			
Lionel Baldwin	250,001	—	250,001
<b>2014</b>			
<b>Directors</b>			
Michael Jacobson	788,088	184,613	972,701
Robert Moran	935,988	—	935,988
Brian Scheiner	771,430	240,000	1,011,430
Michael Brogan	—	—	—
Ian Tsicalas	—	—	—
<b>Executives</b>			
Lionel Baldwin	250,001	—	250,001

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

As lead auditor of Oceania Capital Partners Limited for the year ended 31 March 2015, 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 audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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



**Grant Saxon**

Partner

**BDO East Coast Partnership**

Sydney, 25 May 2015

## Consolidated Income Statement

For the year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<i>Continuing operations</i>			
Revenue from sales	3	8,785	7,175
Interest income	3	697	701
<b>Total revenue</b>		<b>9,482</b>	<b>7,876</b>
Profit on sale of financial assets		550	1,003
Share of profit (loss) of jointly controlled entities		1,413	(6,042)
Fair value adjustment of financial assets		791	—
Other operating income		94	91
<b>Total operating income</b>		<b>12,330</b>	<b>2,928</b>
Due diligence and transaction costs		(84)	(38)
Broadcast production costs		(647)	(516)
Employee benefits expense		(4,287)	(4,152)
Selling costs		(1,229)	(882)
Promotions and marketing		(115)	(71)
Administration and other operating expenses		(1,932)	(2,181)
Depreciation	11	(138)	(146)
Financing costs		(299)	(134)
<b>Profit (loss) before income tax</b>		<b>3,599</b>	<b>(5,192)</b>
Income tax (expense) benefit	4	(611)	339
<b>Profit (loss) for the year</b>		<b>2,988</b>	<b>(4,853)</b>
<b>Attributable to:</b>			
Equity holders of the parent entity		2,943	(4,883)
Non-controlling interests		45	30
<b>Profit (loss) for the year</b>		<b>2,988</b>	<b>(4,853)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share attributable to ordinary equity holders	28	8.33	(13.83)
Diluted earnings per share attributable to ordinary equity holders	28	8.33	(13.83)

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

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Profit (loss) for the year</b>		<b>2,988</b>	<b>(4,853)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share of reserves of jointly controlled entities	19	602	1,688
Income tax relating to items that may be reclassified subsequently		—	(507)
Other comprehensive income for the period, net of income tax		602	1,181
<b>Total comprehensive income for the year</b>		<b>3,590</b>	<b>(3,672)</b>
<b>Attributable to:</b>			
Equity holders of the parent entity		3,545	(3,702)
Non-controlling interests		45	30
<b>Total comprehensive income for the year</b>		<b>3,590</b>	<b>(3,672)</b>

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

## Consolidated Statement of Financial Position

As at 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	9,956	34,324
Trade and other receivables	6	7,206	1,237
Inventory	7	5,591	—
Other financial assets	8,9	1,591	—
Current tax assets	13	189	—
<b>Total current assets</b>		<b>24,533</b>	<b>35,561</b>
<b>Non-current assets</b>			
Other receivables	6	906	306
Investments accounted for using the equity method	10	40,364	32,646
Property, plant and equipment	11	1,773	471
Intangible assets	12	36,619	16,438
Deferred tax asset	13	265	56
<b>Total non-current assets</b>		<b>79,927</b>	<b>49,917</b>
<b>Total assets</b>		<b>104,460</b>	<b>85,478</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	3,314	605
Borrowings	16	3,232	298
Current tax liabilities	13	330	214
Employee benefits	15	433	209
<b>Total current liabilities</b>		<b>7,309</b>	<b>1,326</b>
<b>Non-current liabilities</b>			
Borrowings	16	13,989	5,062
Employee benefits	15	286	104
<b>Total non-current liabilities</b>		<b>14,275</b>	<b>5,166</b>
<b>Total Liabilities</b>		<b>21,584</b>	<b>6,492</b>
<b>Net assets</b>		<b>82,876</b>	<b>78,986</b>
<b>EQUITY</b>			
Issued capital	18	243,466	243,466
Reserves	19	26,694	26,092
Accumulated losses		(188,009)	(190,952)
<b>Equity attributable to owners of Oceania capital Partners Limited</b>		<b>82,151</b>	<b>78,606</b>
Non-controlling interests		725	380
<b>Total equity</b>		<b>82,876</b>	<b>78,986</b>

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

## Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Note	Contributed Equity \$'000	Equity reserve \$'000	Other reserves <sup>(i)</sup> \$'000	Accumulated losses \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 April 2013</b>		243,466	25,690	(779)	(186,069)	82,308	350	82,658
Profit (loss) for the year		—	—	—	(4,883)	(4,883)	30	(4,853)
Other comprehensive income	19	—	—	1,181	—	1,181	—	1,181
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>	<b>1,181</b>	<b>(4,883)</b>	<b>(3,702)</b>	<b>30</b>	<b>(3,672)</b>
<b>Balance at 31 March 2014</b>		<b>243,466</b>	<b>25,690</b>	<b>402</b>	<b>(190,952)</b>	<b>78,606</b>	<b>380</b>	<b>78,986</b>
<b>Balance at 1 April 2014</b>		243,466	25,690	402	(190,952)	78,606	380	78,986
Profit (loss) for the year		—	—	—	2,943	2,943	45	2,988
Other comprehensive income	19	—	—	602	—	602	—	602
<b>Total comprehensive income</b>		<b>—</b>	<b>—</b>	<b>602</b>	<b>2,943</b>	<b>3,545</b>	<b>45</b>	<b>3,590</b>
<i>Transactions with owners in their capacity as owners</i>								
Shares issued by subsidiary		—	—	—	—	—	300	300
<b>Balance at 31 March 2015</b>		<b>243,466</b>	<b>25,690</b>	<b>1,004</b>	<b>(188,009)</b>	<b>82,151</b>	<b>725</b>	<b>82,876</b>

i) share of reserves in equity accounted joint venture

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

## Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		9,004	5,316
Payments to suppliers (inclusive of GST)		(8,490)	(5,959)
Interest received		679	684
Income taxes paid		(392)	(70)
<b>Net cash inflow (outflow) from operating activities</b>	29	<b>801</b>	<b>(29)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of other financial assets		8,897	6,507
Restricted cash released by escrow agent		—	5,080
Payments for purchase of property, plant and equipment		(211)	(211)
Payments for purchase of investment in jointly controlled entities		(6,127)	—
Payments for purchase of other financial assets		(9,054)	—
Payment for acquisition of subsidiary, net of cash acquired	23	(28,811)	—
<b>Net cash (outflow) inflow from investing activities</b>		<b>(35,306)</b>	<b>11,376</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares by subsidiary		—	74
Proceeds from borrowings		11,180	6,000
Repayment of borrowings		(750)	(687)
Payment of interest and borrowing costs		(293)	(151)
<b>Net cash inflow from financing activities</b>		<b>10,137</b>	<b>5,236</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(24,368)</b>	<b>16,583</b>
Cash and cash equivalents at the beginning of the year		34,324	17,741
<b>Cash and cash equivalents at the end of the year</b>	5	<b>9,956</b>	<b>34,324</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report for the year ended 31 March 2015 comprises Oceania Capital Partners Limited ("the Company"), its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interest in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below, and have been consistently applied by each entity in the Consolidated Entity to all periods presented, unless otherwise stated.

Oceania Capital Partners Limited is a limited liability company incorporated and domiciled in Australia. The company is a for-profit entity for the purposes of preparing financial statements.

The principal activity of the Company is 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 focus is on investing capital in businesses which will grow over the investment period, enabling a successful profitable exit for the Company. The Company, either directly or through subsidiary entities, has invested in a number of businesses, including those that operate in the financial services, commercial radio broadcasting, digital lead generation, security screen, healthcare technology and security industries. The investment in the security industry was exited in April 2011. The investment in the healthcare technology industry was exited in July 2011.

The financial statements were approved by the Board of Directors on 25 May 2015.

### a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for profit oriented entities. The consolidated financial report of the Consolidated Entity complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

### b) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for the following which are measured at fair value:

- derivative financial instruments
- financial assets

The methods used to measure fair values are discussed further in note 8.

### c) Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentational currency and the functional currency of the entities in the Consolidated Entity at balance date.

### d) Rounding

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998. In accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

### e) Use of Estimates and Judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Consolidated Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of the recoverable amount of equity accounted investments and the decision not to consolidate these investments (note 10), financial assets at fair value through profit and loss (note 8) and tax losses (note 4), assumptions regarding the indefinite useful life of radio broadcast licences (note 1(p)) and impairment testing of intangible assets (note 12).

### f) Principles of Consolidation

#### Subsidiaries

The consolidated financial statements of Oceania Capital Partners Limited incorporate the assets and liabilities of all entities controlled by the Company as at 31 March 2015 and the results of all controlled entities for the year then ended. Control exists when the Consolidated Entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

#### Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated Entity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Consolidated Entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Any contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for which the accounting is incomplete. Those provisional figures are adjusted during the measurement period (which cannot exceed one year from the acquisition date) to reflect new information obtained about the facts and circumstances that existed as at the date of the acquisition date that, if known, would have affected the amounts recognised as of that date.

#### *Associates and jointly controlled entities*

Associates are those entities in which the Consolidated Entity has significant influence, but not control, over the financial and operating policies. Jointly controlled entities are those entities over whose activities the Consolidated Entity has joint control, established by contractual agreement. In the consolidated financial statements, investments in associates and jointly controlled entities are accounted for using either fair value through profit and loss or the equity method of accounting as designated as appropriate to each investment.

The Consolidated Entity's investments in associates and jointly controlled entities include goodwill identified on acquisition net of impairment losses, if any. Where the equity method is applied, the consolidated financial statements include the Consolidated Entity's share of the total recognised gains and losses of associates or jointly controlled entities on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Consolidated Entity's share of losses exceeds its interest in an associate or jointly controlled entity, the Consolidated Entity's carrying amount is reduced to \$nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred obligations or made payments on behalf of the associate or jointly controlled entity.

Where the fair value method is applied, the carrying amount of investments in associates or jointly controlled entities is restated to the assessed fair value with changes recognised in the income statement.

#### *Transactions eliminated on consolidation*

All intercompany balances, unrealised income and unrealised expenses arising from intra-group transactions, have been eliminated in full.

Unrealised gains or losses on transactions between the Consolidated Entity and its equity accounted investments are eliminated to the extent of the Consolidated Entity's interest in those entities.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

### g) Foreign Currency Translation

#### *Foreign currency transactions and balances*

Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items that are outstanding at reporting date are translated at the foreign exchange rate prevailing at that date.

Foreign exchange gains and losses arising on translation are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rates prevailing at the dates the fair value was determined.

#### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at balance date. The income and expenses of foreign operations are translated into Australian dollars at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at exchange rates at the dates of the transactions). Any exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

Exchange differences arising from the translation of a net investment in foreign operations, and of related hedges, are taken to the foreign currency translation reserve and are released into the income statement upon a disposal resulting in a loss of control.

### h) Revenue

Revenue is income that arises in the course of ordinary activities of the Consolidated Entity and is recognised at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

#### *Interest income*

Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

#### *Dividend income*

Dividend income is recognised in the income statement when the entity's right to receive payment is established.

#### *Commercial radio broadcasting*

Revenue represents revenue earned primarily from the sale of advertising airtime and related activities, including sponsorship and promotions. Revenue is recorded when the service is provided being primarily when the advertisement is aired. Commissions payable to media agencies are recognised as selling costs. Other regular sources of operating revenue are derived from commercial production for advertisers, including facility sharing revenue and program sharing revenue. Revenue from commercial production is recognised on invoice, at the time of completion.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### i) Financing Costs

Financing costs comprise interest expense on borrowings calculated using the effective interest rate method, costs incurred in establishing and maintaining borrowing facilities for use in funding business acquisitions, foreign exchange gains and losses on foreign currency borrowings, unwinding of the discount on provisions, fair value movements on other financial assets at fair value through the profit and loss where considered part of the borrowing cost, and gains and losses on hedging instruments that are recognised in the income statement. Borrowing costs are recognised in profit or loss using the effective interest method unless they relate to a qualifying asset in which case they are capitalised in the relevant asset.

### j) Operating Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

### k) Income Tax

The income tax expense or benefit on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax is the expected tax payable on the current period's taxable income, using tax rates enacted or substantially enacted at balance date. Current tax also includes any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the underlying items and the tax rates which are enacted or substantially enacted at balance date and expected to apply when the assets are recovered or liabilities are settled. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

### Tax consolidation

The Company and its wholly-owned Australian controlled entities formed a tax consolidated group on 1 July 2005 meaning that all members of the tax consolidated group are taxed as a single entity. The Company is the head entity of the tax consolidated group.

### l) Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of overhead expenditure. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### m) Non-Derivative Financial Instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Financial assets are recognised when the rights to receive cash flows and the risks and rewards of ownership are transferred to the Consolidated Entity. Financial assets are derecognised when the rights to receive cash flows from these assets have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are recognised if the Consolidated Entity becomes a party to the contractual provisions of a financial instrument. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Purchases of investments are recognised when the Consolidated Entity is entitled to the risks and rewards of ownership. This is usually on settlement date, being the date on which the asset is delivered to the Consolidated Entity. Sales of investments are recognised when the Consolidated Entity is unconditionally committed to sell the asset and the risks and rewards of ownership have been substantially transferred by the Consolidated Entity.

The Consolidated Entity classifies its investments as either loans and receivables at amortised cost or financial assets through profit or loss. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Consolidated Entity provides money, goods or services directly to a debtor with no intention of selling the receivable. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation is included in the income statement in interest income. Losses arising from any impairment of such loans and advances are recognised in the income statement.

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Financial assets at fair value through profit or loss*

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition or subsequently re-designated in compliance with accounting standards. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial instruments are designated at fair value through profit or loss if the Consolidated Entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are classified as at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management strategy are reported within liabilities in the balance sheet, but included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

#### *Impairment*

The Consolidated Entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment includes observable data that indicates that there is a measurable decrease in the future cash flows expected to be received.

#### *i) Loans and Receivables*

For loans and receivables carried at amortised cost, the Consolidated Entity first assesses whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Consolidated Entity determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

#### *ii) Financial Assets at Fair Value Through Profit and Loss*

For financial assets at fair value through profit and loss, the Consolidated Entity assesses at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

#### **n) Derivative Financial Instruments**

The Consolidated Entity may use derivative financial instruments including interest rate swaps to hedge its exposure to interest rate risks arising from operating, financing and investment activities. In accordance with its treasury policy, the Consolidated Entity does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit and loss when incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

At the inception of a hedge relationship, the Consolidated Entity formally designates and documents the hedge relationship to which the Consolidated Entity wishes to apply hedge accounting and the risk management objectives and strategies for undertaking various hedge transactions. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess the effectiveness of the hedge instrument in offsetting the exposure to changes in the fair values or cash flows of hedged items attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair values or cash flows of hedged items and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are offset in a range of 80% to 125%. For situations where that hedged item is a forecast transaction, the Consolidated Entity assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the income statement.

Derivative financial instruments that do not qualify for hedge accounting are recognised at fair value at inception. Subsequent changes in fair value are recognised immediately in profit or loss.

#### *Cash flow hedges*

Changes in the fair value of derivative hedging instruments designated as cash flow hedges are recognised directly in equity in the 'Cash flow hedging reserve' to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised directly in the Statement of Comprehensive Income.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss (for example, when a forecast sale that is hedged takes place).

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the underlying transaction is ultimately recognised in the income statement, unless there is evidence of impairment. When an underlying transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to profit and loss.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Hedges of a net investment*

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a similar way to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity while gains and losses relating to the ineffective portion are recognised in profit or loss. On disposal of a foreign operation, the cumulative value of such gains and losses recognised in equity will be transferred to profit or loss.

### *Fair Values*

The fair value of derivative financial instruments is the estimated amount that the Consolidated Entity would receive or pay to terminate the derivative financial instruments at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

### **o) Property, Plant and Equipment**

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (refer note 1(t)). The carrying amount of an item of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will eventuate and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the income statement as incurred.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- leasehold improvements : shorter of lease term or useful life
- other plant and equipment : 2-20 years
- communication equipment : 3-5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

### **p) Intangible Assets**

#### *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Any goodwill on acquisition of associates or jointly controlled entities is included in investments in associates or jointly controlled entities where the equity method is adopted. Goodwill is carried at cost less accumulated impairment losses, if any. Goodwill is allocated to cash generating units for the purpose of impairment testing. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortised.

### *Brands*

A brand is considered to have an indefinite life if it has a history of strong revenue and cash flow performance, and the Consolidated Entity's intent and ability to support the brand with marketplace spending for the foreseeable future. If these perpetual brand criteria are not met, brands are amortised over their expected useful lives. Brand development costs are expensed as incurred. Brands are also acquired in business combinations. Upon acquisition, the purchase price is first allocated to identifiable assets and liabilities, including brands, based on estimated fair value, with any remaining purchase price recorded as goodwill. Determining fair value requires significant estimates and assumptions based on an evaluation of a number of factors, such as marketplace participants, product life cycles, market share, consumer awareness, brand history and future expansion expectations, amount and timing of future cash flows and the discount rate applied to the cash flows.

### *Radio broadcasting licences*

Radio licences are initially recognised at cost. Analogue licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The Directors understand that the revocation of a commercial radio licence has never happened in Australia and have no reason to believe that the licences have a finite life. As a result radio broadcasting licences have been assessed to have indefinite useful lives. Accordingly they are not amortised and are tested for impairment annually or whenever there is an indication that the carrying value may be impaired, and are carried at cost less accumulated impairment losses.

### **q) Creditors and Payables**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the period and which remain outstanding at balance date. Creditors are stated initially at fair value and subsequently at amortised cost, are unsecured, and are usually paid within 30 days of recognition.

### **r) Interest-Bearing Loans and Borrowings**

Interest-bearing borrowings are recognised initially at fair value net of attributable transaction costs, which include legal and advisory fees, bank charges and any other ancillary borrowing costs. Fair value is calculated based on discounted expected future principal and interest cash flows. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost with income/expense recognised in profit or loss on an effective interest basis.

### **s) Employee Entitlements**

#### *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave due to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### *Long service leave*

The Consolidated Entity's net obligation for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Profit-sharing and bonus plans*

The Consolidated Entity recognises a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made. The liability is not discounted as it is settled within 12 months.

### **t) Provisions**

Provisions are recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting expected future cash flows at a market rate.

### **u) Impairment of Non-Financial Assets**

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that have a definite useful life and are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is measured by reference to fair value less costs to sell and value in use. An impairment loss is recognised in the income statement unless the asset has previously been revalued, in which case the loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

### **v) Issued Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, or the collection of instalment amounts that were due from shareholders, are or were accounted for as a deduction from equity, net of any related income tax benefit.

### **w) Earnings Per Share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **x) 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.

### **y) Investments Classified as Held for Sale**

Investments are classified and reported as held for sale in accordance with the requirements of AASB 5 Non-Current Assets Held for Sale and Discontinued Operations upon the Consolidated Entity becoming committed to disposing of the asset in accordance with the requirements of the standard.

### **z) New and Amended Accounting Standards and Interpretations**

#### *New accounting standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2015 reporting period. The Consolidated Entity has assessed the impact of these new standards, and does not expect that the initial application of these will materially affect any of the amounts recognised in this financial report, but may change disclosures made in relation to the Consolidated Entity,

- AASB 15 – Revenue from contracts with customers – effective for accounting periods commencing 1 January 2017
- AASB 9 – Financial Instruments – effective for accounting periods commencing 1 January 2018

#### *New and amended accounting standards adopted by the Consolidated Entity*

A number of new or amended accounting standards became applicable in the current financial year. The Consolidated Entity did not have to change its accounting policies or make any retrospective adjustments as a result of adopting these new or amended accounting standards.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement.

The consolidated entity has applied AASB 2011-4 from 1 April 2014, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

This standard has resulted in some KMP disclosures being moved to be included within the directors' report.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 April 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

The disclosure requirements of this standard have been considered and have not led to additional disclosures being required for these financial statements.

## Consolidated Notes to the Financial Statements

### NOTE 2 SEGMENT INFORMATION

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 current financial period were:

- **Financial Services** : receivables management
- **Commercial Radio Broadcasting** : operation of FM radio stations
- **Marketing** : online lead generation and marketing
- **Industrial** : supply of door and window security screens

Segment information is disclosed in 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 ("Baycorp"). The Marketing segment relates to the Consolidated Entity's equity accounted Joint Venture in Cohort Holdings Pty Ltd ("Cohort"). Note 10 contains more detailed information on Baycorp and Cohort.

The Consolidated entity operates materially 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 from operations by reportable segment.

	Segment revenue		Segment profit (loss)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Commercial radio broadcasting	8,875	7,175	2,235	1,946
Financial services	—	—	1,168	(6,042)
Marketing	—	—	250	—
Unallocated	—	—	1,435	1,003
	8,875	7,175	5,088	(3,093)
Interest income			697	701
Central administration and employee costs			(2,186)	(2,800)
<b>Profit (Loss) before tax from continuing operations</b>			<b>3,599</b>	<b>(5,192)</b>

Segment profit reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2014:nil).

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment income, finance costs and income tax expense. The share of equity accounted profits of joint ventures is allocated to the relevant segment.

	2015 \$'000	2014 \$'000
<b>Segment assets and liabilities</b>		
<b>Segment assets</b>		
Commercial radio broadcasting	19,668	19,222
Financial services	34,243	32,646
Marketing	6,121	—
Industrial	35,530	—
Total segment assets	95,562	51,868
Unallocated	8,898	33,610
<b>Total assets</b>	<b>104,460</b>	<b>85,478</b>
<b>Segment liabilities</b>		
Commercial radio broadcasting	5,850	6,200
Financial services	—	—
Marketing	—	—
Industrial	15,526	—
Total segment liabilities	21,376	6,200
Unallocated	208	292
<b>Total liabilities</b>	<b>21,584</b>	<b>6,492</b>

## Consolidated Notes to the Financial Statements

### NOTE 2 SEGMENT INFORMATION (CONTINUED)

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

- 1) all assets are allocated to reportable segments other than current and deferred tax assets. Goodwill is allocated to reportable segments, and;
- 2) all liabilities are allocated to reportable segments other than current and deferred tax liabilities.

#### Other segment information

	Depreciation		Additions to Property, plant and equipment and Intangibles	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Commercial radio broadcasting	133	133	209	207
Industrial	—	—	1,223	—
Unallocated	5	13	11	4
	<b>138</b>	<b>146</b>	<b>1,443</b>	<b>211</b>

The Consolidated Entity Operated in one geographic area, being the Asia Pacific region.

### NOTE 3 REVENUE

	2015 \$'000	2014 \$'000
Sales	8,785	7,175
Interest	697	701
	<b>9,482</b>	<b>7,876</b>

### NOTE 4 INCOME TAX

#### a) Income tax expense recognised in the income statement

	2015 \$'000	2014 \$'000
Current tax	(507)	335
Deferred tax	(104)	4
<b>Income tax (expense) benefit</b>	<b>(611)</b>	<b>339</b>
Deferred income tax (expense) benefit included in income tax expense comprises:		
Increase in deferred tax assets	68	4
Transfer from equity accounted share of joint venture reserves	(172)	—
	<b>(104)</b>	<b>4</b>

#### b) Numerical reconciliation between income tax and pre-tax net profit (loss)

	2015 \$'000	2014 \$'000
Profit (loss) for the year	2,988	(4,853)
Total income tax expense (benefit)	611	(339)
Profit (loss) excluding income tax	3,599	(5,192)
Income tax at the Australian tax rate of 30% (2014:30%)	1,080	(1558)
Tax effect of amounts that are not (taxable) deductible in calculating taxable income:		
— Non-deductible expenses	5	17
— Equity accounted results of jointly controlled entities	(424)	1,813
— Prior period adjustments	—	(57)
— Franking credits converted to tax losses	8	—
— Previously unrecognised tax losses now recouped	(223)	(131)
— Other timing differences	165	(423)
<b>Total income tax expense (benefit)</b>	<b>611</b>	<b>(339)</b>

## Consolidated Notes to the Financial Statements

### NOTE 4 INCOME TAX (CONTINUED)

#### c) Tax losses

	2015 \$'000	2014 \$'000
Unused tax losses for which no deferred tax asset has been recognised	188,439	188,531
Potential tax benefit at 30%	56,532	56,559

The tax losses at 31 March were incurred by Australian entities.

#### d) Unrecognised temporary differences

	2015 \$'000	2014 \$'000
Deductible temporary difference relating to investment in equity accounted joint venture	10,027	10,353
Other deductible temporary differences	(287)	672
	<b>9,740</b>	<b>11,025</b>
Unrecognised deferred tax asset relating to the above temporary differences	2,937	3,307

### NOTE 5 CASH AND CASH EQUIVALENTS

	2015 \$'000	2014 \$'000
Cash at bank	4,986	869
Deposits at call	4,970	33,455
	<b>9,956</b>	<b>34,324</b>

Cash balances totalling \$1,289,371 have been pledged as security for borrowings.

### NOTE 6 TRADE AND OTHER RECEIVABLES

	2015 \$'000	2014 \$'000
Trade receivables	7,025	1,019
Provision for doubtful debts	(84)	(20)
Interest receivable	35	61
Pre-payments and other receivables	230	177
<b>Current</b>	<b>7,206</b>	<b>1,237</b>
Loan to equity accounted joint venture	251	—
Other loans receivable	655	306
<b>Non-current</b>	<b>906</b>	<b>306</b>

The Consolidated entity has recognised an expense in respect of bad and doubtful trade receivables during the period ended 31 March 2015 of \$44,882 (2014: \$18,000). The provision for doubtful debts is based on known bad debts and past experience for receipt of trade debtors.

### NOTE 7 INVENTORY

	2015 \$'000	2014 \$'000
Finished goods	5,591	—
<b>Current</b>	<b>5,591</b>	<b>—</b>

The costs of individual items of inventory are determined using weighted average costs.

The inventories disclosed above were acquired as part of the acquisition of Crimsafe by the Consolidated Entity, accounted for effective 31 March 2015. Accordingly the Consolidated Entity did not recognise any inventories as an expense during the year ended 31 March 2015 (2014: nil).

## Consolidated Notes to the Financial Statements

### NOTE 8 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

#### a) Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets designated at fair value through profit or loss	1,591	–	–	1,591

The Consolidated Entity did not have any financial instruments carried at fair value at 31 March 2014.

#### b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in active markets, such as publicly traded securities and available-for-sale securities, are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Consolidated Entity is the closing bid price at balance date.

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques and/or consideration of specific circumstances affecting recovery of the financial instruments at balance date. The Consolidated Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are also used to analyse market conditions. Other techniques, such as estimated discounted future cash flows, are used, where appropriate.

#### c) Fair value of other financial instruments (not carried at fair value)

The Consolidated Entity also has financial assets and liabilities which are not measured at fair value on the balance sheet. The fair values of these instruments are not materially different to their carrying value as the interest rate payable is close to current market rates or the instruments are short term in nature.

### NOTE 9 OTHER FINANCIAL ASSETS

	2015 \$'000	2014 \$'000
Other financial assets through profit and loss	1,591	–

Other financial assets represent the Consolidated Entity's investment in listed securities.

### NOTE 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

#### Investments in jointly controlled entities

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	% of ownership interest		Carrying amount	
		2015 %	2014 %	2015 \$'000	2014 \$'000
Baycorp Holdings Pty Limited ("Baycorp")	Receivables management	52.76	52.76	34,243	32,646
Cohort Holdings Australia Pty Ltd ("Cohort")	Online lead generation	50.00	50.00	6,121	–
				<b>40,364</b>	<b>32,646</b>

- i) Notwithstanding the ownership level of above 50.0%, 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, the equity method of accounting is applied. During the prior financial year Baycorp changed its balance date from a 30 June to a 31 March year end.
- ii) Notwithstanding the ownership level of 50.0%, the Consolidated Entity does not have the capacity to control the activities and decision making of Cohort as the investment is a jointly controlled entity under the terms of a shareholders' agreement. Accordingly, the equity method of accounting is applied.

Summarised financial information in respect of each of the Consolidated Entity's investment in joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements. Where appropriate they have been amended to reflect adjustments made by the Consolidated Entity when applying the equity method, such as fair value adjustments at acquisition and adjustments for any differences in accounting policies.

## Consolidated Notes to the Financial Statements

### NOTE 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

#### a) Baycorp

<b>Summarised statement of financial position</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Current assets		
– Cash and cash equivalents	2,600	6,661
– Other current assets	50,162	52,007
<b>Total current assets</b>	<b>52,762</b>	<b>58,668</b>
Non-current assets		
– Goodwill	37,567	37,040
– Other non-current assets	55,553	46,177
<b>Total non-current assets</b>	<b>93,120</b>	<b>83,217</b>
Current liabilities		
– Financial liabilities (excluding trade payables)	3,622	3,077
– Other current liabilities	11,316	11,372
<b>Total current liabilities</b>	<b>14,938</b>	<b>14,449</b>
Non-current liabilities		
– Financial liabilities (excluding trade payables)	41,449	45,066
– Other non-current liabilities	10,614	6,513
<b>Total non-current liabilities</b>	<b>52,063</b>	<b>51,579</b>
<b>Net assets</b>	<b>78,881</b>	<b>75,857</b>

<b>Reconciliation to carrying amounts</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening net assets	75,857	84,498
Profit (loss) for the period	2,213	(11,475)
Other comprehensive income	811	3,209
Buy-back of shares	–	(375)
<b>Closing net assets</b>	<b>78,881</b>	<b>75,857</b>
Consolidated Entity's share in %	52.76	52.76
Consolidated Entity's share \$	41,619	40,022
Impairment of carrying value	(4,888)	(4,888)
Benefit arising from equity transactions	(2,488)	(2,488)
<b>Carrying amount</b>	<b>34,243</b>	<b>32,646</b>

<b>Summarised statement of comprehensive income</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	57,971	60,328
Depreciation and amortisation	(792)	(685)
Net interest expense	(2,934)	(3,696)
Income tax (expense) benefit	(664)	125
<b>Profit (loss) from continuing operations</b>	<b>2,213</b>	<b>(11,475)</b>
Profit from discontinued operations	–	–
<b>Profit (loss) for the year</b>	<b>2,213</b>	<b>(11,475)</b>
Other comprehensive income	811	3,209
<b>Total comprehensive income</b>	<b>3,024</b>	<b>(8,266)</b>

## Consolidated Notes to the Financial Statements

### NOTE 10 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

#### b) Cohort

<b>Summarised statement of financial position</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Current assets		
– Cash and cash equivalents	1,301	–
– Other current assets	2,557	–
<b>Total current assets</b>	<b>3,858</b>	<b>–</b>
Non-current assets		
– Other non-current assets	1,512	–
<b>Total non-current assets</b>	<b>1,512</b>	<b>–</b>
Current liabilities		
– Financial liabilities (excluding trade payables)	50	–
– Other current liabilities	3,747	–
<b>Total current liabilities</b>	<b>3,797</b>	<b>–</b>
Non-current liabilities		
– Financial liabilities (excluding trade payables)	251	–
<b>Total non-current liabilities</b>	<b>251</b>	<b>–</b>
<b>Net assets</b>	<b>1,322</b>	<b>–</b>

<b>Reconciliation to carrying amounts</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit for the period	502	–
Other comprehensive income	2	–
Net assets on acquisition	818	–
	1,322	–
Minority interest	(6)	–
<b>Closing net assets</b>	<b>1,316</b>	<b>–</b>
Consolidated Entity's share in %	50.00	–
Consolidated Entity's share \$	658	–
Goodwill	5,463	–
<b>Carrying amount</b>	<b>6,121</b>	<b>–</b>

<b>Summarised statement of comprehensive income</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	9,520	–
Depreciation and amortisation	(49)	–
Net interest expense	(6)	–
Income tax (expense) benefit	(255)	–
<b>Profit (loss) from continuing operations</b>	<b>502</b>	<b>–</b>
Profit from discontinued operations	–	–
<b>Profit (loss) for the period</b>	<b>502</b>	<b>–</b>
Other comprehensive income	2	–
<b>Total comprehensive income</b>	<b>504</b>	<b>–</b>

## Consolidated Notes to the Financial Statements

### NOTE 11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
<b>Cost</b>			
Balance at 1 April 2013	119	372	491
Additions	—	211	211
Balance at 31 March 2014	119	583	702
Additions	5	215	220
Disposals	(28)	(58)	(86)
Acquisition of subsidiary	57	1,166	1,223
Balance at 31 March 2015	153	1,906	2,059
<b>Accumulated depreciation</b>			
Balance at 1 April 2014	28	57	85
Depreciation	8	138	146
Balance at 31 March 2014	36	195	231
Depreciation	—	138	138
Disposals	(28)	(55)	(83)
Balance at 31 March 2015	8	278	286
<b>Carrying amounts</b>			
At 31 March 2014	83	388	471
At 31 March 2015	145	1,628	1,773

### NOTE 12 INTANGIBLE ASSETS

	2015 \$'000	2014 \$'000
<b>Commercial radio licences</b>		
Cost	10,000	10,000
<b>Brands and related intangibles</b>		
Cost		
Balance at the beginning of the year	—	—
Acquisition of subsidiary	8,500	—
	8,500	—
<b>Goodwill</b>		
Cost		
Balance at the beginning of the year	6,438	6,438
Acquisition of subsidiary	11,681	—
	18,119	6,438
<b>Total non-current</b>	<b>36,619</b>	<b>16,438</b>

Goodwill is monitored by management at the level of the Consolidated Entity's operating segments.

A segment level summary of goodwill allocation is presented below:

	2015 \$'000	2014 \$'000
Commercial radio broadcasting	6,438	6,438
Industrial	11,681	—
	<b>18,119</b>	<b>6,438</b>

## Consolidated Notes to the Financial Statements

### NOTE 12 INTANGIBLE ASSETS (CONTINUED)

#### Commercial radio broadcasting

The recoverable amount of the Commercial radio broadcasting CGU at 31 March 2015 was determined based on a value in use discounted cash flow model.

The value in use calculations use cash flow projections based on the 2016 financial budget extended over the subsequent four year period ("forecast period") using estimated growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates.

Assumptions used in the value in use calculation include a pre-tax discount rate of 13.5% (2014: 14.75%), revenue and operating cost growth rates of 4% and 3% respectively and a long term growth rate of 2.5% (2014: 2.5%).

As at 31 March 2015 an increase in the discount rate of 13.5% to 20% to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the commercial radio CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease from 4% to 0% or the operating expense growth assumption was to increase from 3% to 8% over the forecast period it would result in the commercial radio CGU carrying amount exceeding its recoverable amount.

#### Industrial

The recoverable amount of the industrial CGU at 31 March 2015 was determined based on a value in use discounted cash flow model.

The value in use calculations use cash flow projections based on the 2016 financial budget extended over the subsequent four year period ("forecast period") using estimated growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates.

Assumptions used in the value in use calculation include a pre-tax discount rate of 14.5%, revenue and operating cost growth rates of 4% and 3% respectively and a long term growth rate of 2.5%. This CGU was acquired as part of the acquisition of the Crimsafe group of entities in March 2015.

As at 31 March 2015 an increase in the discount rate of 14.5% to 22% to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the commercial radio CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease from 4% to 0% or the operating expense growth assumption was to increase from 3% to 8% over the forecast period it would result in the commercial radio CGU carrying amount exceeding its recoverable amount.

### NOTE 13 TAX ASSETS AND LIABILITIES

#### a) Current tax assets and liabilities

The current tax liability at 31 March 2015 of \$330,000 (2015: \$ 214,000) represents the amount of taxes payable in respect of the current period.

#### b) Deferred tax assets

	2015 \$'000	2014 \$'000
Employee entitlements	251	62
Deductible business related capital costs	—	2
Other items	14	(8)
	<b>265</b>	<b>56</b>
Movements:		
Opening balance	56	52
Credited to profit or loss	68	4
Acquisition of subsidiary	141	—
<b>Closing balance</b>	<b>265</b>	<b>56</b>

### NOTE 14 TRADE AND OTHER PAYABLES

	2015 \$'000	2014 \$'000
Trade creditors	2,356	191
Other creditors and accrued expenses	958	414
	<b>3,314</b>	<b>605</b>

## Consolidated Notes to the Financial Statements

### NOTE 15 EMPLOYEE BENEFITS

	2015 \$'000	2014 \$'000
Provision for annual leave	388	166
Provision for long service leave	45	43
<b>Current</b>	<b>433</b>	<b>209</b>
Provision for long-service leave	286	104
<b>Non-current</b>	<b>286</b>	<b>104</b>

### NOTE 16 BORROWINGS

	2015 \$'000	2014 \$'000
Secured bank borrowings	3,232	298
<b>Current</b>	<b>3,232</b>	<b>298</b>
Secured bank borrowings	13,989	5,062
<b>Non-current</b>	<b>13,989</b>	<b>5,062</b>

#### Secured bank borrowings

- i) Secured term loan of \$4.56 million (2014: \$5.31 million) bearing interest at BBSY plus 3.05%, repayable over 4 years, with the final instalment due on 5 November 2017. The loan is secured over all of the assets of the Company's subsidiaries EON Broadcasting Pty Ltd ("EON") and Sunshine Coast Broadcasters Pty Ltd. The carrying value of assets pledged as security is as follows:

	2015 \$'000	2014 \$'000
Total current assets	2,569	2,264
Total non-current assets	17,099	16,958
<b>Total assets</b>	<b>19,668</b>	<b>19,222</b>

The Company has subordinated a claim of \$5 million against EON in favour of the lender.

- ii) Secured term loan of \$11.25 million (2014: nil) bearing interest at BBSY plus 2.75% repayable over 5 years, with the final instalment due in March 2020. The loan is secured of the all of the assets of the Company's subsidiary entities: Crimsafe Holdings Pty Ltd, Crimsafe Security Systems Pty Ltd, Proline Quality Finishing Pty Ltd, Crimsafe North America LLC and IPH International Pty Ltd. The carrying value of assets pledged as security is as follows:

	2015 \$'000	2014 \$'000
Total current assets	13,986	—
Total non-current assets	21,544	—
<b>Total assets</b>	<b>35,530</b>	<b>—</b>

The Company has subordinated a claim of \$10.46 million against Crimsafe Holdings Pty Ltd in favour of the lender.

- iii) Secured bank borrowings of \$1.3 million (2014: nil). These borrowings are secured over bank balances totalling \$1.3 million (2014: nil).  
 iv) Asset finance totalling \$0.2 million (2014: nil), secured over property, plant and equipment with a carrying value of \$0.2 million.

The bank borrowings referred to in (i) and (ii) above are subject to certain financial covenants. These include maximum leverage and interest cover ratios. The Group has complied with all financial covenants during the year.

## NOTE 17 FINANCIAL INSTRUMENTS

### Financial risk management

The Consolidated Entity has exposure to a variety of financial risks, which are categorised as market risk, credit risk, and liquidity risk. This note presents information about the Consolidated Entity's exposure to each of these risks. Additional disclosures are presented throughout this financial report. The understanding and management of risk, particularly preservation of capital, is critical to the Company. The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business. Documented policies and processes to enable appropriate management of business and investment risk have been adopted. Investee entities are responsible for their own risk management. The Company oversees the risk management practices of investee entities through representation on the boards of those entities and involvement in actively assisting and overseeing the management of the businesses.

The risk management policies and analysis described below and throughout this financial report refer to those practices adopted by the entities that are members of the Consolidated Entity.

#### a) Market risk

Market risk refers to the potential for changes in the market value of the Consolidated Entity's investment positions or earnings streams. There are various types of market risks including exposures associated with interest rates, foreign currencies and equity market prices. The Consolidated Entity may use derivative financial instruments to hedge certain risk exposures. The methods used to measure the types of risk to which the Consolidated Entity is exposed are described below.

#### i) Interest rate risk

The nature of the Company's business has been to invest in listed and unlisted entities. As part of the funding arrangements for transactions, the Board may elect to raise an appropriate level of debt to partially fund the Consolidated Entity's investments. Debt funding exposes the Consolidated Entity to the risk of movements in interest rates.

Interest rate swaps may be used by the Consolidated Entity to manage exposure to interest rate risk. The majority of the derivative financial instruments are floating-to-fixed interest rate swaps. Such derivative financial instruments have the economic effect of converting assets and liabilities from variable interest rate to fixed interest rate arrangements. Under the interest rate swaps, the relevant entity agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Consolidated Entity had no exposure to interest rate swaps at 31 March 2015.

#### Interest Rate Sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to a reasonable possible change in interest rates, with all other variables held constant. It assesses the effect that a 100 basis point increase or decrease in the yield curve in the Australian interest rate at 31 March 2015 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2014.

	2015		2014	
	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000	Equity \$'000
100 basis point increase	100	100	343	343
100 basis point decrease	(100)	(100)	(343)	(343)

A sensitivity of 100 basis points has been selected as this is considered reasonable given the current level of short-term and long-term interest rates and the volatility observed both on an historical basis and market expectations for future movements.

#### ii) Foreign currency risk

The Company has made investments in Australian dollars only. Each of the businesses in which the Consolidated Entity has invested may conduct operations outside of Australia and may be exposed to foreign currency exchange risk. Each investee entity is responsible for managing its own exposure to these risks.

OCP's policy is to require operating subsidiary companies to manage their foreign exchange risk against their functional currency.

#### Sensitivity analysis

The Consolidated Entity is not considered to have any material sensitivity to foreign currency exchange risks as it applies net investment hedging.

For the Consolidated Entity, any foreign currency translation risk associated with foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to translation of the net assets of foreign controlled entities including the impact of hedging. The movement taken to the foreign currency translation reserve takes into account the related hedges and represents the impact of the unhedged portion.

## Consolidated Notes to the Financial Statements

### NOTE 17 FINANCIAL INSTRUMENTS (CONTINUED)

#### iii) Equity price risk

The Consolidated Entity is exposed to equity securities price risk arising from its investment in listed securities. Hedging is not entered into in respect of the risk of a general decline in equity market values. The Consolidated Entity does not actively hedge its exposure to the risk of a general decline in equity market values, believing that such strategies are not cost-effective. Instead, the Consolidated Entity prefers to actively manage the underlying business or asset to ensure that its fundamental value is preserved and enhanced.

The Consolidated Entity may enter into hedges of highly probable forecast transactions for payments for listed equity investments. At the reporting date, no derivatives were held for that purpose.

#### Equity pricing sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to equity price risk at balance date.

	2015		2014	
	Carrying amount \$'000	Market or fair value \$'000	Carrying amount \$'000	Market or fair value \$'000
Listed shares (accounted for using the fair value method)	1,591	1,591	—	—

Listed securities are measured at fair value as represented by the share price at balance date. A 10% movement in the share price as at 31 March 2015 would have resulted in an increase or decrease in the fair value of the shares of approximately \$0.16 million.

The price risk for any other unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

The Consolidated Entity is not exposed to commodity price risk.

#### b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company or its subsidiaries. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk arises from all financial assets included in the statement of financial position.

The Company has invested in listed and unlisted entities. The Company, or a subsidiary entity, will usually only provide loans to investee entities when it forms part of the overall funding provided for an investment transaction. Approval of such funding is the responsibility of the Board.

Operating businesses that the Company invests in will have their own credit risk policies. The Company is actively involved in assisting and overseeing the managing of the business of investee entities, including overseeing that appropriate policies are in place.

The carrying amount of the financial assets recognised in the statement of financial position best represents the Consolidated Entity's maximum exposure to credit risk at the reporting date.

#### Ageing of financial assets

The following table summarises the credit risk of the Consolidated Entity's financial assets by assessing the ageing of the carrying amount of financial assets. It also details any financial assets that are individually impaired and a description of collateral held where relevant.

	Neither past due nor		Past due but not impaired				Collectively impaired \$'000	Individually Impaired \$'000
	Total \$'000	impaired \$'000	<30 days \$'000	30-60 days \$'000	60-90 days \$'000	>90 days \$'000		
<b>2015</b>								
Cash & cash equivalents	9,956	9,956	—	—	—	—	—	—
Receivables	8,112	8,049	—	—	21	42	—	—
Other financial assets	1,591	1,591	—	—	—	—	—	—
	<b>19,659</b>	<b>19,596</b>	<b>—</b>	<b>—</b>	<b>21</b>	<b>42</b>	<b>—</b>	<b>—</b>
<b>2014</b>								
Cash & cash equivalents	34,324	34,324	—	—	—	—	—	—
Receivables	1,305	1,217	—	—	51	37	—	—
Other financial assets	—	—	—	—	—	—	—	—
	<b>35,629</b>	<b>35,541</b>	<b>—</b>	<b>—</b>	<b>51</b>	<b>37</b>	<b>—</b>	<b>—</b>

## Consolidated Notes to the Financial Statements

### NOTE 17 FINANCIAL INSTRUMENTS (CONTINUED)

#### c) Liquidity risk

Liquidity risk is the risk that the Company or its subsidiaries will not be able to meet financial obligations as they fall due.

The Board has approved a Financial Management Policy applicable to the Company and its wholly owned subsidiaries. The Financial Management Policy includes policies for the investment of surplus cash and monitoring of the liquidity position.

Operating businesses in which the Company has invested and which are not wholly owned are required to manage their own liquidity requirements so as to meet their financial obligations as they fall due. This includes maintaining an appropriate level of surplus cash to support the business and having appropriate overdraft and debt facilities available. The Company is represented on the boards of these entities and is able to monitor the liquidity position.

The liquidity position of the Consolidated Entity is monitored for the impact of potential investment acquisitions or divestments, including any potential borrowing requirements.

The following table analyses the Consolidated Entity's financial liabilities and net settled derivative financial instruments into relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows (including both interest and principal cash flows), except interest rate swaps which are disclosed on a net basis.

	Carrying amount \$'000	Contractual cash flows \$'000	Residual contract maturities				
			6 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
<b>2015</b>							
Trade & other payables	3,314	3,314	3,314	—	—	—	—
Interest bearing loans and borrowings	17,222	19,349	3,232	975	2,501	13,259	—
	<b>20,536</b>	<b>22,663</b>	<b>6,546</b>	<b>975</b>	<b>2,501</b>	<b>13,259</b>	<b>—</b>
<b>2014</b>							
Trade & other payables	605	605	605	—	—	—	—
Interest bearing loans and borrowings	5,360	6,112	804	391	1,001	4,521	—
	<b>5,965</b>	<b>6,717</b>	<b>1,409</b>	<b>391</b>	<b>1,001</b>	<b>4,521</b>	<b>—</b>

The borrowings of the Consolidated Entity are subject to certain financial covenants, these include debt service cover ratios and maximum leverage ratios. The Consolidated Entity has ongoing procedures in place to monitor compliance with these covenants. The Consolidated Entity has complied with all such covenants during the year ended 31 March 2015.

#### d) Capital risk management

The Board reviews the Company's capital plan including dividend policy, share issuance or repurchase programmes and the issuance of debt.

The Company, directly or indirectly, has invested in listed and unlisted operating businesses. In making investment decisions, the Board considers an appropriate level of equity investment and debt for each transaction with the aim of reducing the equity requirement and maximising the return on capital invested.

### NOTE 18 SHARE CAPITAL

	Company		Company	
	31 March 2015 shares	31 March 2014 shares	31 March 2015 \$'000	31 March 2014 \$'000
Ordinary fully paid shares	35,307,209	35,307,209	243,466	243,466

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

## Consolidated Notes to the Financial Statements

### NOTE 19 RESERVES

	2015 \$'000	2014 \$'000
<b>Equity reserve</b>		
Opening balance	25,690	25,690
	<b>25,690</b>	<b>25,690</b>
<b>Share of reserves of equity accounted joint venture</b>		
Opening balance	402	(779)
Share of reserves during the period	602	1,688
Tax effect	—	(507)
	1,004	402
<b>Total reserves</b>	<b>26,694</b>	<b>26,092</b>

#### a) Equity reserve

In accordance with Accounting Standards, a financial asset was recognised in respect of unpaid share capital receivable from shareholders, discounted to fair value at recognition. This treatment resulted in the recognition of \$25.7 million of interest income during the financial years 2005 to 2007 which represented the unwinding of the discount over the term to recovery of the receivable. The directors have determined that this income should not be used to pay future dividends and approved the transfer of this amount to an Equity reserve.

#### b) Share of reserves of interests in associates and joint ventures using the equity method

The Consolidated Entity's share of reserves of interests in associates and joint ventures accounted for using the equity method are recognised in this reserve.

### NOTE 20 DIVIDENDS

No interim or final dividend has been paid or is proposed for payment (2014: nil).

Estimated franking credits available for the payment of dividends in subsequent financial years based on a tax rate of 30% total \$4,235,650 (2014: \$4,206,000).

### NOTE 21 COMMITMENTS

#### Non-cancellable operating leases

The Consolidated Entity leases various offices and warehouses under non-cancellable operating leases expiring within 1 to 4 years. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	2015 \$'000	2014 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	3,995	2,483
Later than one year but not later than five years	10,477	5,543
Later than five years	2,372	3,024
	<b>16,844</b>	<b>11,050</b>

Included in the lease commitments disclosed above are amounts totalling \$11.4 million (2014: \$10.3 million) relating to lease commitments of jointly controlled entities.

## Consolidated Notes to the Financial Statements

### NOTE 22 CONTINGENT LIABILITIES

The Consolidated Entity had no material contingent liabilities at 31 March 2015 (2014: nil).

### NOTE 23 ACQUISITION OF SUBSIDIARY

On 20 March 2015 Crimsafe Holdings Pty Ltd (formerly OCP Shelf 3 Pty Ltd), a 97% held subsidiary of the Consolidated Entity, acquired a 100% interest in the equity of the Crimsafe group of entities ("Crimsafe"). Crimsafe is the leading supplier of window and door security screens in Australia. Due to practical considerations the acquisition has been accounted with effect from 31 March 2015, the effect of this is not considered to be material. As the acquisition took place so close to the 31 March 2015 balance date, the initial accounting for the acquisition has only been provisionally determined.

The assets and liabilities recognised as a result of the acquisition are as follows:

	<b>Provisional fair value recognised on acquisition \$'000</b>
Trade and other receivables	5,817
Inventories	5,591
Property, plant and equipment	1,222
Deferred tax asset	141
Current tax receivable	189
Intangible assets – brand name	8,500
Trade and other payables	(2,438)
Borrowings	(1,423)
Employee benefit obligations	(469)
Net identifiable assets acquired	17,130
Add: goodwill	11,681
Net assets acquired	28,811
Cash balances acquired	2,389
	<b>31,200</b>

Acquisition costs of \$25,000 are included in due diligence and transaction costs in profit or loss and in operating cash flows in the statement of cash flows.

The Consolidated Entity has not recognised any revenue or profit contribution from the operations of Crimsafe for the year ended 31 March 2015. Had the acquisition taken place on 1 April 2014 the operations of Crimsafe would have contributed approximately \$37.6 million of revenue and \$3.55 million to profit before tax of the Consolidated Entity.

# Consolidated Notes to the Financial Statements

## NOTE 24 PARENT ENTITY DISCLOSURES

	2015 \$'000	2014 \$'000
<b>Result of the parent entity</b>		
Profit (loss) for the year	1,863	(5,486)
Other comprehensive income (expense)	—	—
<b>Total comprehensive income (expense) for the period</b>	<b>1,863</b>	<b>(5,486)</b>
<b>Financial position of the parent entity at period end</b>		
Current assets	7,979	33,297
Total assets	80,708	78,329
Current liabilities	179	244
Total liabilities	206	291
<b>Total equity of the parent comprising:</b>		
Share Capital	243,466	243,466
Reserves	26,694	26,093
Accumulated losses	(189,658)	(191,521)
	<b>80,502</b>	<b>78,038</b>
<b>Operating lease commitments</b>		
Within one year	18	42
Later than one year but not later than five years	3	—
Later than five years	—	—
	<b>21</b>	<b>42</b>

Contingent liabilities of the Company at 31 March 2015 are detailed in note 22. The company had no capital expenditure or investment commitments at 31 March 2015.

## NOTE 25 RELATED PARTY TRANSACTIONS

### Ultimate controlling entity

Hosken Consolidated Investments Limited (Incorporated in the Republic of South Africa)

### Ultimate controlling entity incorporated within Australia

HCI Investments Australia Pty Ltd

### Controlling entity

HCI Australian Operations Pty Ltd

### Key management personnel

During the reporting period the following board and management changes took place:

- Ian Tsicalas and Michael Brogan resigned as non-executive directors;
- Robert Moran, Managing Director of the Company, transitioned to Non-executive Chairman, and;
- Michael Jacobson and Brian Scheiner, non-executive directors of the Company at the time, were appointed as joint executive directors, responsible for the day to day operations of the Company

The following were key management personnel of the Consolidated Entity at the end of the reporting period:

### DIRECTORS

Robert Moran (Chairman)

Michael Jacobson (Executive director)

Brian Scheiner (Executive director)

### EXECUTIVE

Lionel Baldwin (Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited)

## Consolidated Notes to the Financial Statements

### NOTE 25 RELATED PARTY TRANSACTIONS (CONTINUED)

#### a) Details of remuneration

Details of the total remuneration of all key management personnel, including their personally related entities, are as follows:

	2015 \$	2014 \$
Short-term employee benefits	1,019,927	1,427,322
Other-long term benefits	20,687	6,033
Post-employment benefits	376,953	94,178
	<b>1,417,567</b>	<b>1,527,533</b>

#### b) Other transactions with key management personnel or related parties

Michael Brogan, an independent director for a part of the financial period, had a commercial arrangement to occupy an office within the Company's premises. The arrangement commenced in June 2010 and terminated in June 2014. During the financial period the Company currently received fees of \$4,480 (2014: \$13,440) inclusive of GST.

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was \$856,437 (2014: \$835,750).

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or the Consolidated Entity since the end of the previous financial period and there were no material contracts involving key management personnel interests existing at balance date.

### NOTE 26 SUBSIDIARIES

The Consolidated financial statements incorporate the assets, liabilities and results of the following entities in accordance with the accounting policy described in note [1(f)]:

Name of entity	Country of incorporation	Class of shares / units	Effective Equity Holding (%)	
			2015	2014
AEP Signature Holdings Pty Ltd	Australia	Ordinary	100.0	100.0
AEP Signature Trust	Australia	Units	99.7	99.7
EON Broadcasting Pty Ltd	Australia	Ordinary	95.0	95.0
Sunshine Coast Broadcasters Pty Ltd	Australia	Ordinary	95.0	95.0
OCP Shelf 2 Pty Ltd	Australia	Ordinary	100.0	—
Crimsafe Holdings Pty Ltd (formerly OCP Shelf 3 Pty Ltd)	Australia	Ordinary	97.0	—
Crimsafe Security Systems Pty Ltd	Australia	Ordinary	97.0	—
Proline Quality Finishing Pty Ltd	Australia	Ordinary	97.0	—
IPH International Pty Ltd	Australia	Ordinary	97.0	—
IP Unit Trust	Australia	Units	97.0	—
Crimsafe North America, LLC	USA		97.0	—

### NOTE 27 AUDITOR REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	2015 \$	2014 \$
<b>Audit services</b>		
BDO East Coast Partnership:		
Statutory audit and review of financial reports	119,820	146,339
<b>Non-Audit services</b>		
BDO East Coast Partnership:		
— Other services	45,760	—
BDO (QLD) Pty Limited:		
— Other services	25,000	—

# Consolidated Notes to the Financial Statements

## NOTE 28 EARNINGS PER SHARE

	2015 \$cents	2014 \$cents
<b>Total</b>		
Basic earnings per share	8.33	(13.83)
Diluted earnings per share	8.33	(13.83)
<b>Continuing operations</b>		
Basic earnings per share	8.33	(13.83)
Diluted earnings per share	8.33	(13.83)
	<b>\$'000</b>	<b>\$'000</b>

### Reconciliation of profit (loss) used in the calculation of basic earnings per share

Profit (loss) for the year	2,988	(4,853)
Profit attributable to non-controlling interests	(45)	(30)
Profit (loss) used in the calculation of total basic earnings per share	2,943	(4,883)
Profit (loss) used in the calculation of total diluted earnings per share	2,943	(4,883)

### Number of shares

Weighted average number of ordinary shares used in the calculation of basic earnings per share	35,307,209	35,307,209
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	35,307,209	35,307,209

## NOTE 29 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2015 \$'000	2014 \$'000
Profit (loss) for the year after related income tax expense	2,988	(4,853)
<b>Adjustments for non cash items:</b>		
Depreciation	138	146
Fair value movement of financial assets	(791)	—
Share of (profit) loss of jointly controlled entities	(1,413)	6,042
Profit on sale of other financial asset	(550)	(1,003)
Other non-cash items	190	(299)
<b>Changes in operating assets and liabilities:</b>		
(increase) decrease in receivables	(191)	30
decrease (increase) in current and deferred tax assets	113	(4)
increase (decrease) in creditors	272	(210)
(decrease) increase in employee entitlements	(63)	21
increase in net current tax liabilities	108	101
	<b>801</b>	<b>(29)</b>

## NOTE 30 EVENTS SUBSEQUENT TO BALANCE DATE

Other than as disclosed elsewhere in this financial report, there have been no significant events subsequent to balance date.

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## Directors' Declaration

For the year ended 31 March 2015

In the opinion of the Directors of Oceania Capital Partners Limited ("the Company"):

- a) the consolidated financial statements and notes set out on pages 15 to 42 are 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 March 2015 and of its performance for the financial year ended on that date; and
  - ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to Note 1 to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the year ended 31 March 2015.

Signed in accordance with a resolution of the Directors.



**Robert Moran**  
Chairman

Dated at Sydney this 25th day of May 2015.

## INDEPENDENT AUDITOR'S REPORT

To the members of Oceania Capital Partners Limited

### Report on the Financial Report

We have audited the accompanying financial report of Oceania Capital Partners Limited, which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary 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 year's end or from time to time during the financial year.

#### Directors' Responsibility for the Financial Report

The directors of Oceania Capital Partners Limited 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independence

In conducting our audit, 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 report.

## Opinion

In our opinion:

- (a) the financial report of Oceania Capital Partners Limited 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 March 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

## Report on the Remuneration Report

We have audited the remuneration report included in pages 10 to 13 of the directors' report for the year ended 31 March 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## Opinion

In our opinion, the remuneration report of Oceania Capital Partners Limited for the year ended 31 March 2015 complies with section 300A of the *Corporations Act 2001*.

## BDO East Coast Partnership



Grant Saxon

Partner

Sydney, 25 May 2015

## Shareholder information

The shareholder information set out below was applicable as at 22 May 2015.

### DISTRIBUTION OF EQUITY SECURITIES

Range	Total holders	Units	% of Issued Capital
1 – 1,000	350	115,324	0.33
1,001 – 5,000	232	583,866	1.65
5,001 – 10,000	75	598,841	1.70
10,001 – 100,000	80	2,084,315	5.90
100,001 and over	20	31,924,863	90.42
<b>Total</b>	<b>757</b>	<b>35,307,209</b>	<b>100.00</b>

The total number of shareholders holding less than a marketable parcel was 230

### LARGEST SHAREHOLDERS

The names of the 20 largest registered holders of ordinary shares as at 22 May 2015 are listed below:

Name	Number of Shares Held	% of Issued Shares
HCI AUSTRALIAN OPERATIONS PTY LTD	22,681,042	64.24
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,540,314	4.36
HCI AUSTRALIAN OPERATIONS PTY LTD	1,222,314	3.46
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,154,667	3.27
MR MICHAEL ALON JACOBSON	972,701	2.75
MR BRIAN SCHEINER	771,430	2.18
CITICORP NOMINEES PTY LIMITED	504,211	1.43
DAVID DOYLE	416,666	1.18
RHC MANAGEMENT PTY LTD <MACAULAY SUPER FUND A/C>	412,500	1.17
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	356,405	1.01
RHC MANAGEMENT PTY LIMITED <SECOND MORAN FAMILY A/C>	319,369	0.90
MR BRIAN SCHEINER	260,000	0.74
MR LIONEL WINSTON BALDWIN	250,001	0.71
ROBERT BERNARD MORAN	204,119	0.58
A T WHITTENBURY & CO PTY LIMITED	201,125	0.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	161,708	0.46
MR RICHARD MEWS + MRS WEE KHOON MEWS <MEWS SUPER FUND A/C>	132,791	0.38
MR WARWICK SAUER	131,000	0.37
GEGM INVESTMENTS PTY LTD	127,000	0.36
CORAL CAPITAL PTY LTD	105,500	0.30

### SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders as at 22 May 2015 as disclosed in the substantial shareholder notices received by the Company were:

Name	Number of Issued Shares Held	%
HCI Australian Operations Pty Ltd	23,903,356	67.7

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## Shareholder information

### VOTING RIGHTS

Shareholders are encouraged to attend the annual general meeting. However, when this is not possible, they are encouraged to use the proxy form by which they can express their views.

Every member present at a general meeting, their proxy or shareholder's representative has one vote on a show of hands, except where a shareholder appoints two proxies, in which case the shareholder may specify the proportion or number of votes which each proxy may exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

### SHAREHOLDER ENQUIRIES

Shareholders with enquiries about their shareholding should contact the Company's share registry:

#### **Computershare Investor Services Pty Limited**

Yarra Falls  
452 Johnston Street  
Abbotsford, VIC 3067  
Australia

Telephone: (03) 9415 4000  
Fax: (03) 9473 2500

Please mail all share registry correspondence to GPO Box 2975, Melbourne, Victoria 3001

Please include your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) in all correspondence to the share registry.

#### **Change of Address**

It is important for shareholders to notify the share registry in writing promptly of any change of address. As an added security measure, please quote your Shareholder Reference Number and your old address.

### INVESTOR INFORMATION

The Company maintains a website at [www.oceaniacapital.com.au](http://www.oceaniacapital.com.au) where company information is available and a service for any queries is provided. For any further queries, please contact the Company on (02) 9450 0923 or email enquiries to [info@oceaniacapital.com.au](mailto:info@oceaniacapital.com.au).

### STOCK EXCHANGE LISTING

Oceania Capital Partners Limited ordinary shares are quoted on the Australian Securities Exchange (ASX Code: OCP).

### ANNUAL GENERAL MEETING

Details of the Annual General Meeting will be included in the Notice of Meeting to be despatched to all shareholders.

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## Corporate directory

### ABN

52 111 554 360

### CHAIRMAN

Robert Moran

### DIRECTORS

Michael Jacobson

Brian Scheiner

### COMPANY SECRETARY

Lionel Baldwin

### REGISTERED OFFICE

Suite 61, Level 3

14 Narabang way

Belrose NSW 2085

Australia

Telephone: +61 2 9450 0935

Fax: +61 2 9475 0215

### SHARE REGISTRY

#### **Computershare Investor Services Pty Limited**

Yarra Falls

452 Johnston Street

Abbotsford, VIC 3067

Telephone: +61 3 9415 4000

Fax: +61 3 9473 2500

Please mail all share registry

correspondence to

GPO Box 2975,

Melbourne, Victoria 3001

### AUDITOR

#### **BDO East Coast Partnership**

1 Margaret Street

Sydney NSW 2000

### STOCK EXCHANGE LISTING

Oceania Capital Partners Limited's shares

are listed on the Australian Securities

Exchange (ASX Code: OCP)

### WEBSITE ADDRESS

[www.oceaniacapital.com.au](http://www.oceaniacapital.com.au)



[oceaniacapital.com.au](http://oceaniacapital.com.au)