



**CORUM GROUP LIMITED**  
ABN 25 000 091 305  
AND ITS CONTROLLED ENTITIES

## Appendix 4D

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Name of entity

**Corum Group Limited**

ABN or equivalent company reference

**25 000 091 305**

Half year ended ('current period')

**31 December 2018**

Financial year ended  
(‘previous corresponding period for  
Balance Sheet’)

**30 June 2018**

Half year ended  
(‘previous corresponding period for  
Statement of Comprehensive Income and  
Cash Flow Statement’)

**31 December 2017**



## Results for announcement to the market

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Extracts from this report for announcement to the market

1. Revenue from ordinary activities	Down 8.4% to	\$5,845,000
2. Loss from ordinary activities after tax attributable to members		(\$2,292,000)
3. Loss for the period attributable to members		(\$2,292,000)

Statement regarding dividends	No dividends have been declared
Record date for determining entitlements to the dividend	N/A

	Current Period	Previous Corresponding Period
Net tangible assets/(liabilities) per security	2.5 cents	2.7 cents



**Corum Group Limited**

ABN 25 000 091 305

**Half-Yearly Report  
For the Six Months Ended  
31 December 2018**

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## Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity consisting of Corum Group Limited ('Corum' or the 'Company') and the entities it controlled for the half-year ended 31 December 2018.

### Directors

The names of Directors in office at any time since the beginning of the half-year up to the date of this report are:

Bill Paterson – Chairman and Non-executive Director  
Matthew Bottrell – Non-executive Director  
Gregor Aschoff – Executive Director

### Company Secretary

The following person held the position of Company Secretary during or since the end of the half-year:

David Clarke – Company Secretary

### Principal Activities

The continuing principal activities of the Consolidated Entity during the financial half-year consisted of:

- Software development and sales with particular emphasis on point-of-sale, pharmaceutical dispensing software, multi-site management and support services; and
- A financial gateway providing transactional processing for electronic bill payments, funds transfer and processing services for various industries.

### Operating Results

The underlying operating profit of the Consolidated Entity before providing for restructuring, income tax and goodwill impairment amounted to \$469,000 (2017: \$418,000). Net loss after taxation and goodwill impairment was \$2,292,000 (2017: \$223,000 profit). There were no changes to the operations during the financial period.

### Dividends

No dividend was paid by the company in the half-year ended 31 December 2018.

### Review of Operations

Loss after tax and goodwill impairment for the half year to 31 December 2018 was \$2,292,000 (2017: \$223,000 profit). An impairment charge of \$2.5m was recognised in the half-year relating to legacy software goodwill in light of the new Corum Clear Dispense software release in FY19. Prior to the impairment the Company traded profitably and continued to enhance its new products and solutions.

Revenue for the half-year was \$5,845,000, a decrease of 8.4% on the prior period. Health Services revenue fell, though at a slower rate, from banner group movements as groups implemented prior year's decisions to change platforms. These actions were expected and previously announced.

During the half-year Corum has continued to focus on the three key strategic priorities as follows:

- Strengthen business performance for customers
- Enact sustainable cost savings; and
- Identify and pursue organic or inorganic growth opportunities.

## **Directors' Report** continued

### **Review of Operations** continued

For the understanding of investors and customers, Corum's intent is to sustain and develop a competitive position in community pharmacy software solutions and identify attractive adjacencies which the business can pursue.

Operational highlights for the half-year included:

- Two full upgrades of our LOTS platform. These were accompanied by material improvements in deployment capability, expansion of hot-patching capability, quality and speed of performance.
- Initiatives to realign the cost base to revenue with ongoing benefits of approximately \$2.3m per annum. Productivity initiatives were addressed that enabled sustainable cost savings to be realised. A one-off restructuring cost of \$0.2m was incurred.
- Substantial funding of software development including upgrading existing platforms (\$0.7m) and future products particularly Corum Clear Dispense (\$1.5m).

Development highlights during the half-year included:

- MyHR implementation that improves medical record access and dispensing safety.
- Corum Clear Dispense achieving its Notice of Integration (NOI) to enable acceptance of PBS online transactions. Corum Clear Dispense is in field pilots.
- A Head Office product update focused on improving Corum's cost to serve, enhanced data exchange capability and ongoing enhancements.
- ScriptArc upgrade to reconcile all scripts, making it easier for pharmacies to detect unscanned scripts.

Cash held by the Company at the end of the financial period was \$4.8 million, compared to \$5.0 million at the end of June 2018. The cash position is lower as a result of the investment in new product development of \$1.5m, \$0.3m in restructuring payments, and other revenue of \$0.5m from an unlisted entity that is due but not yet received, largely offset by an income tax refund received of \$1.8m.

### **Outlook**

With a focus on the Health Services business, Corum will continue with its strategy of strengthening performance for customers, reducing the Company's cost base and developing growth opportunities, be they organic or inorganic.

The business believes it now has a much stronger platform upon which it can grow and is developing both a short cycle product pipeline and longer term growth opportunities. In relation to specific growth opportunities upon which Corum is working, some of these may necessitate additional funding. Corum will advise the market of any additional funding needs at an appropriate time.

The rollout of Corum Clear Dispense, the development of the future product pipeline, and growth opportunities will be the main focus during the second half of FY19. The Company will collaborate directly with key customers to ensure alignment of product content with customer and market expectations.

As new products are released they will add to revenue, however, the nature of recurring revenue for Corum is such that the full impact will be felt more in the periods beyond the current financial year.

## **Directors' Report** continued

### **Financial Position**

The Consolidated Entity net assets are \$11,935,000 (June 2018: \$14,227,000) after an intangible asset impairment charge of \$2.5m. Working capital, current assets less current liabilities, is a surplus of \$5,103,000 (June 2018: \$5,924,000). A tax refund of \$1,785,000 (2017: nil) was received during the period ended 31 December 2018.

### **Going Concern**

Directors have prepared these financial statements on the basis that the Company is a going concern.

### **Events Subsequent to Reporting Date**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial periods.

### **Auditor's Independence Declaration**

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 5.

### **Rounding of Amounts**

The Company is an entity to which ASIC legislative instrument 2016/191 applies and, accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

This Report of the Directors is signed in Sydney in accordance with a resolution of the Board of Directors.



Bill Paterson  
Chairman



Matthew Bottrell  
Director

Dated: 22 February 2019

**DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF CORUM GROUP LIMITED**

As lead auditor for the review of Corum Group Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Corum Group Limited and the entities it controlled during the period.



Arthur Milner  
Partner

**BDO East Coast Partnership**

Sydney, 22 February 2019

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2018**

	Note	2018 \$'000	2017 \$'000
<b>Revenue</b>	2	<b>5,845</b>	<b>6,382</b>
Materials and consumables used		(542)	(703)
Employee benefits expenses	3	(3,931)	(4,231)
Occupancy costs	3	(390)	(385)
Marketing expenses		(262)	(226)
Depreciation and amortisation expense	3	(209)	(140)
Other expenses		(520)	(438)
Research and development tax benefit		328	159
<b>Profit before impairment and income tax expense</b>		<b>319</b>	<b>418</b>
Impairment of goodwill	9	(2,450)	-
<b>(Loss)/profit before income tax expense</b>		<b>(2,131)</b>	<b>418</b>
Income tax expense	4	(161)	(195)
<b>(Loss)/profit for the half-year</b>		<b>(2,292)</b>	<b>223</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive (loss)/income for the half-year</b>		<b>(2,292)</b>	<b>223</b>
Profit attributable to the owners of Corum Group Limited		-	-
<b>Comprehensive (loss)/income attributable to the owners of Corum Group Limited</b>		<b>(2,292)</b>	<b>223</b>
<b>Earnings per share attributable to members of the Company</b>	5	Cents	Cents
Basic earnings per share		(0.89)	0.09
Diluted earnings per share		(0.89)	0.09

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

**Consolidated Statement of Financial Position  
as at 31 December 2018**

	31 December 2018	30 June 2018
Note	\$'000	\$'000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,754	4,971
Trade and other receivables	8 1,872	1,542
Inventories	84	102
Income tax receivable	4 841	1,757
Other current assets	2,496	2,782
<b>Total Current Assets</b>	<b>10,047</b>	<b>11,154</b>
<b>NON-CURRENT ASSETS</b>		
Other Financial assets	30	30
Property, plant and equipment	880	863
Intangibles	9 5,608	7,232
Deferred tax assets	419	447
Other non-current assets	158	-
<b>Total Non-Current Assets</b>	<b>7,095</b>	<b>8,572</b>
<b>Total Assets</b>	<b>17,142</b>	<b>19,726</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,660	3,956
Deferred revenue	231	188
Provisions	1,053	1,086
<b>Total Current Liabilities</b>	<b>4,944</b>	<b>5,230</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	263	269
<b>Total Non-Current Liabilities</b>	<b>263</b>	<b>269</b>
<b>Total Liabilities</b>	<b>5,207</b>	<b>5,499</b>
<b>Net Assets</b>	<b>11,935</b>	<b>14,227</b>
<b>EQUITY</b>		
Issued capital	10 86,283	86,283
Accumulated losses	(74,348)	(72,056)
<b>Total Equity</b>	<b>11,935</b>	<b>14,227</b>

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Consolidated Statement of Changes in Equity  
for the half-year ended 31 December 2018**

	<b>Ordinary Share Capital \$'000</b>	<b>Accum- ulated Losses \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2018</b>	<b>86,283</b>	<b>(72,056)</b>	<b>14,227</b>
Loss after income tax	-	(2,292)	(2,292)
Other comprehensive income net of tax	-	-	-
Total comprehensive income for the half year	-	(2,292)	(2,292)
<b>Balance at 31 December 2018</b>	<b>86,283</b>	<b>(74,348)</b>	<b>11,935</b>
<b>Balance at 1 July 2017</b>	<b>86,283</b>	<b>(72,307)</b>	<b>13,976</b>
Profit after income tax	-	223	223
Other comprehensive income net of tax	-	-	-
Total comprehensive income for the half year	-	223	223
<b>Balance at 31 December 2017</b>	<b>86,283</b>	<b>(72,084)</b>	<b>14,199</b>

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

**Consolidated Statement of Cash Flows  
for the half-year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	6,061	6,457
Payments to suppliers and employees	(6,676)	(7,512)
Interest received	73	94
Other revenue	1	10
Income tax refund	1,785	-
<b>Net cash from/(used in) operating activities</b>	<b>1,244</b>	<b>(951)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for plant and equipment	(211)	(176)
Capitalised development costs	(1,515)	(1,639)
Proceeds from long term deposits	423	-
Payment to long term deposits	(158)	-
<b>Net cash used in investing activities</b>	<b>(1,461)</b>	<b>(1,815)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(217)</b>	<b>(2,766)</b>
Cash and cash equivalents at beginning of the period	4,971	8,098
<b>Cash and cash equivalents at end of the period</b>	<b>4,754</b>	<b>5,332</b>

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

## **Notes to the Consolidated Financial Statements for the half-year ended 31 December 2018**

This financial report includes the consolidated financial statements and notes of Corum Group Limited and controlled entities ('Consolidated Entity'). Corum Group Limited is a listed public company, incorporated and domiciled in Australia.

The presentational currency is Australian dollars.

### **Note 1: Basis of preparation**

#### **a) Basis of preparation**

The half-year consolidated financial statement has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2018 and any public announcements made by Corum Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial statements have been prepared using the same accounting policies consistently applied by the entities in the Consolidated Entity as used in the annual financial statements for the year ended 30 June 2018.

The half-year financial report does not include full disclosure of the type normally included in an annual financial report.

#### **b) Reporting basis and conventions**

The financial statements have been prepared on an accruals basis and are based on historical costs; modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **c) Going concern basis**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

#### **d) New, revised or amending Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any impact on the date of transition.

Any new, revised or amending Accounting Standards or Interpretations that are not yet effective have not been adopted.

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 2: Revenue and other income</b>		
Sales revenue		
Rendering of services	5,070	5,259
Sales of goods	251	569
	<u>5,321</u>	<u>5,828</u>
Other revenue		
Interest received from other parties	73	94
Revenue from unlisted entity	450	450
Other revenue	1	10
	<u>524</u>	<u>554</u>
Total revenue	<u>5,845</u>	<u>6,382</u>

**Note 3: Expenses**

Employee benefits expenses	5,151	5,624
Less: Capitalised development costs	(1,220)	(1,393)
	<u>3,931</u>	<u>4,231</u>
Occupancy costs	511	500
Less: Capitalised development costs	(121)	(115)
	<u>390</u>	<u>385</u>
Depreciation and amortisation expense	244	185
Less: Capitalised development costs	(35)	(45)
	<u>209</u>	<u>140</u>

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 4: Taxation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>The major components of income tax expense are:</b>		
Current period income tax charge	161	100
Adjustment for current income tax of previous year	(28)	-
Relating to utilisation and reversal of temporary differences	28	95
	<hr/>	<hr/>
Income tax expense	161	195
	<hr/>	<hr/>

	<b>31 December</b>	<b>30 June</b>
	<b>2018</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Income tax receivable</b>		
Opening Balance	1,757	2,207
Current tax expense	(161)	(185)
Prior year tax adjustment	28	2
Research and development tax offset	1,002	1,151
Tax Refund	(1,785)	(1,418)
	<hr/>	<hr/>
Closing balance	841	1,757
	<hr/>	<hr/>

The Group generated operating losses during the period from 1 July 1997 to 30 June 2009 which resulted in the creation of substantial carried forward tax losses. These tax losses can be used as an offset against taxable income in accordance with the consolidated tax group rules.

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 5: Earnings per share (EPS)**

<b>Earnings Per Share</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<i>Reconciliation of earnings to profit:</i>		
(Loss)/Profit attributable to members of the Company	(2,292)	223
Earnings used in the calculation of basic and diluted EPS	(2,292)	223
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	256,167,592	256,167,592

**Note 6: Segment reporting**

The Group has identified its operating segments based on the internal reports and information regularly reviewed and used by the Directors (“chief operating decision makers”) in assessing the performance and determining the allocation of resources within the Group. Consideration is given to the nature and distinctiveness of the products or services sold, the manner in which they are provided, and the organisational structure.

The Group has determined the following business segments:

- Health Services - the Corum Health Services business is a provider of dispense, point of sale software applications, multi-site management, hardware and support services to Australian pharmacies through its controlled entities, Corum Health Pty Limited, Amfac Pty Limited and Corum Systems Pty Limited.
- eCommerce - offers individuals and businesses the opportunity to effect payment of their rent, utilities, local government fees and commercial obligations via electronic methodologies through its controlled entity Corum eCommerce Pty Limited.

The Consolidated Entity operates predominantly in Australia.

Corporate charges are allocated to reporting segments based on the segment’s overall proportion or revenue generated by the Group, or estimates of time applied by individuals to each segment, which is representative of the likely consumption of head office expenditure.

For the purpose of segment reporting and the understanding of segment performance the net benefit of research and development tax incentives are disclosed in the segment to which they relate.

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 6: Segment reporting** continued

Segment performance	Health Services \$'000	eCommerce \$'000	Intersegment eliminations /unallocated \$'000	Consolidated \$'000
<b>2018</b>				
<b>Revenue</b>				
External sales	4,185	1,136	-	5,321
Other revenue	450	-	1	451
Interest revenue	-	11	62	73
<b>Total revenue</b>	<b>4,635</b>	<b>1,147</b>	<b>63</b>	<b>5,845</b>
<b>Profit/(loss) before impairment of goodwill and income tax expense</b>	<b>1,096</b>	<b>66</b>	<b>(843)</b>	<b>319</b>
Impairment of goodwill	(2,450)	-	-	(2,450)
<b>Profit/(loss) before income tax expense</b>	<b>(1,354)</b>	<b>66</b>	<b>(843)</b>	<b>(2,131)</b>
Depreciation and amortisation of segment assets	72	-	137	209
Other non-cash segment expenses - increase / (decrease) in provisions	(22)	3	(13)	(32)
<b>2017</b>				
<b>Revenue</b>				
External sales	4,597	1,231	-	5,828
Other revenue	450	-	10	460
Interest revenue	-	11	83	94
<b>Total revenue</b>	<b>5,047</b>	<b>1,242</b>	<b>93</b>	<b>6,382</b>
<b>Profit/(loss) before income tax expense</b>	<b>1,323</b>	<b>89</b>	<b>(994)</b>	<b>418</b>
Depreciation and amortisation of segment assets	50	-	90	140
Other non-cash segment expenses - increase / (decrease) in provisions	32	1	(35)	(2)

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 7: Dividends paid and proposed**

There was no final dividend declared and paid during the half-year (2017: Nil), and there was no interim dividend proposed (2018: Nil).

<b>31 December 2018 \$'000</b>	<b>30 June 2018 \$'000</b>
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**Note 8: Current assets - Trade and other receivables**

Trade receivables	237	352
Less: Provision for impairment of receivables	(60)	(60)
	<u>177</u>	<u>292</u>
Other receivables (i)	1,695	1,250
	<u>1,872</u>	<u>1,542</u>

(i) Other receivables include \$1,661,000 of revenue from an unlisted entity which is yet to be received due to a dispute between unitholders which is currently before the court. Corum is not party to the court action and anticipates the court action to have no effect on Corum's debtor status. Corum has a legal entitlement to these funds as a unitholder and the entity has the funds to pay. It is anticipated these funds will be received once this dispute is resolved.

<b>31 December 2018 \$'000</b>	<b>30 June 2018 \$'000</b>
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**Note 9: Non-current assets - Intangibles**

Goodwill – at cost	15,363	15,363
Less: Accumulated Impairment	(13,269)	(10,819)
	<u>2,094</u>	<u>4,544</u>
Software product development – at cost	6,237	4,686
Less: Research and development tax benefit	(2,673)	(1,998)
Less: Amortisation	(50)	-
	<u>3,514</u>	<u>2,688</u>
Total Intangibles	<u>5,608</u>	<u>7,232</u>

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 9: Non-current assets - Intangibles** continued

**Reconciliations**

<b>Consolidated</b>	<b>Goodwill</b>	<b>Software product development</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 31 December 2017	4,544	1,789	6,333
Additions (i)	-	1,592	1,592
Research and development tax benefit	-	(693)	(693)
Balance at 30 June 2018	4,544	2,688	7,232
Balance at 30 June 2018	4,544	2,688	7,232
Goodwill impairment (ii)	(2,450)	-	(2,450)
Additions (i)	-	1,551	1,551
Research and development tax benefit	-	(675)	(675)
Amortisation	-	(50)	(50)
Balance at 31 December 2018	2,094	3,514	5,608

- (i) Research and development tax benefits are offset against related software development costs when they are capitalised. The research and development tax benefit in the Consolidated Statement of Profit or Loss and Other Comprehensive Income is reduced accordingly.
- (ii) Goodwill relates to the acquisitions in 1991 of the Lockie Computer business by Pharmasol Pty Limited and the Amfac business by Amfac Pty Limited. The carrying value of goodwill has been reviewed on the same basis as the year ended 30 June 2018. The impairment charge of \$2,450,000 takes into account the impact on the existing business of new products being introduced in FY19, the impact on revenue and earnings of competitive pressure, and changing industry conditions. The value-in-use calculation is most sensitive to assumptions relating to growth, discount rates and terminal values.

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 10: Issued capital**

	<b>31 December 2018 \$'000</b>	<b>30 June 2018 \$'000</b>
<b>Issued capital</b>		
256,167,592 fully paid ordinary shares (30 June 2018: 256,167,592)	86,283	86,283
<b>Movement in ordinary share capital</b>	<b>Shares</b>	<b>\$'000</b>
Balance at 1 July 2018	256,167,592	86,283
Balance at 31 December 2018	256,167,592	86,283
Balance at 1 July 2017	256,167,592	86,283
Balance at 30 June 2018	256,167,592	86,283

**Note 11: Commitments**

	<b>31 December 2018 \$'000</b>	<b>30 June 2018 \$'000</b>
<b>Non-cancellable operating lease expense commitments payable</b>		
Not later than 1 year	390	462
Later than 1 year but not later than 5 years	690	2
Minimum lease payments	1,080	464

**Notes to the Consolidated Financial Statements  
for the half-year ended 31 December 2018**

**Note 12: Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial periods.

## **Directors' Declaration**

In the opinion of the Directors of Corum Group Limited:

- (a) The financial statements and notes, set out on pages 6 to 18 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 December 2018 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (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.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board



**Bill Paterson**  
*Chairman*



**Matthew Bottrell**  
*Director*

Dated: 22 February 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Corum Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Corum Group Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Corum Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

#### Independence

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

### **Conclusion**

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

- (i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### **BDO East Coast Partnership**

A handwritten signature in black ink, appearing to read 'AM', with the letters 'BDO' written above it.

**Arthur Milner**  
**Partner**

Sydney, 22 February 2019

**CORUM GROUP LIMITED**

ABN 25 000 091 305

**Telephone** +61 2 9289 4699

**Facsimile** +61 2 9212 5931

**[www.corumgroup.com.au](http://www.corumgroup.com.au)**

