

## Real Estate Investar Group Ltd

### Appendix 4D

#### Half-year information given to ASX under listing rule 4.2A

##### COMPANY DETAILS

Name of entity: Real Estate Investar Group Ltd  
ABN: 39 141 276 959  
Reporting period: For the half-year ended 31 December 2016  
Previous period: For the half-year ended 31 December 2015

##### RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2015)

	Up / down	Movement %		\$
Revenues from ordinary activities	up	14.6%	to	2,237,410
Revenues from ordinary activities excluding interest income	up	14.1%	to	2,223,923
Net Loss for the half-year after tax from ordinary activities	up	62.3%	to	(1,397,056)

##### DIVIDEND INFORMATION

There were no dividends declared or paid during the period.

##### NET TANGIBLE ASSETS

	31 Dec 2016 Cents		31 Dec 2015 Cents
Net tangible assets per ordinary security	0.01		0.03

##### CONTROL GAINED OVER ENTITIES / LOSS OF CONTROL OVER ENTITIES

Not applicable.

This information should be read in conjunction with the 2016 Annual Financial Report of Real Estate Investar Group Ltd and its controlled entities and any public announcements made in the period by Real Estate Investar Group Ltd in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the attached Directors' Report and the consolidated financial statements for the half-year ended 31 December 2016.

This report is based on the consolidated financial statements for the half-year ended 31 December 2016 of Real Estate Investar Group Ltd and its controlled entities, which have been reviewed by BDO Audit Pty Ltd. The Independent Auditor's Report provided by BDO Audit Pty Ltd is included in the consolidated financial statements for the half-year ended 31 December 2016.

##### SIGNED



Signed \_\_\_\_\_  
Simon Baker  
Chairman

Date: 27 February 2017

**REAL ESTATE INVESTAR GROUP LIMITED**

**ACN 141 276 959**

# **INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

## **DIRECTORS' REPORT**

### **FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

The directors present their report, together with the financial statements, on the consolidated entity consisting of Real Estate Investar Group Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

### **Directors**

The following persons were directors of Real Estate Investar Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Simon Baker

Mr Clinton Greaves

Mr Ian Penman

Mr Antony Catalano

Mr Joe Hanna

### **Principal activities**

The Real Estate Investar Group Limited is a leading provider of online services and direct investment property opportunities to Australian and New Zealand property investors to help simplify their acquisition and management of residential investment property.

The consolidated entity offers property investors a comprehensive suite of free online services to grow its member base and increase its knowledge of members as they engage with these services. It then monetises this base by providing them with paid memberships for advanced tools, selling investment grade property and through the sale of additional products and services.

During the financial half-year the principal activities of the consolidated entity were in the investment in development, sales and support of software and lead nurturing platforms to provide integrated solutions for property investors to generate recurring membership revenues and increasingly to grow commission revenues from the sale of investment grade real estate.

These activities focused on:

- Increasing the number of members using free and paid products and services;
- Increasing the volume of engagement and profile data captured around each member to allow for better matching of investment grade property;
- Creating new investment outcome centric memberships and converting high quality members into Premium Membership customers; and
- Growing sales of investment grade property to all members to increase commission revenues.

### **Review of operations**

Membership increased to 250,124 members as at 31 December 2016, a 64.1% year on year growth (31 December 2015: 152,439). There has also been a strong focus on increasing the profile and engagement data collected on members with a 218% increase of data collected in the period since December 2015. Ultimately this is expected to drive the transition of the business to greater revenues from sales commissions using data to match investment grade properties to quality purchasers.

**REAL ESTATE INVESTAR GROUP LIMITED**  
**ACN 141 276 959**

**DIRECTORS' REPORT (CONTINUED)**

**Review of operations (continued)**

In December 2016 a new Premium Membership was launched which is focused on assisting members to purchase investment grade properties based on their engagement and profile data. This new membership is expected to drive strong growth in property sales commissions in the second half of FY 2017.

The loss for the consolidated entity after providing for income tax amounted to \$1,397,056 (31 December 2015: \$860,566).

**Outlook and strategy update**

Real Estate Investar Group Limited will continue to resource the move from the traditional Software as a Service (SaaS) subscription model to a data driven transaction model generating property sales commission revenues by focusing on member profiling and engagement to increase conversion of free members into paying customers. The new Premium Membership service recently developed will provide a pathway to increasing real estate transaction activity and the resulting commission revenues.

The Directors believe that Real Estate Investar Group Limited, in conjunction with the opportunities provided by the Australian and New Zealand property investment markets and the expertise of the Board and management, now has a strong platform for future growth.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the period.

**Subsequent events**

There are no significant matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included following this directors' report.

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

On behalf of the Directors



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Simon Baker  
Chairman

27 February 2017

**DECLARATION OF INDEPENDENCE BY ANTHONY WHYTE TO THE DIRECTORS OF REAL ESTATE  
INVESTAR GROUP LIMITED**

As lead auditor for the review of Real Estate Investar Group Limited for the half-year ended 31 December 2016, 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 Real Estate Investar Group Limited and the entities it controlled during the period.



Anthony Whyte  
Director

**BDO Audit Pty Ltd**

Brisbane, 27 February 2017

**REAL ESTATE INVESTAR GROUP LIMITED**  
**ACN 141 276 959**

**INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**Contents**

- Consolidated Statement of Profit or Loss and Other Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Directors' Declaration
- Independent Auditor's Review Report to the Members of Real Estate Investar Group Ltd

**General Information**

The financial report covers Real Estate Investar Group Limited as a consolidated entity consisting of Real Estate Investar Group Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Real Estate Investar Group Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Real Estate Investar Group Limited is an ASX public listed company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

*The address of the registered office is:*

Level 6  
330 Collins St  
Melbourne, Victoria 3000

*The address of the principal place of business is:*

40 Commercial Drive  
Ashmore Qld 4214

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Note	Consolidated Entity Half Year	
		2016	2015
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Revenue		2,223,923	1,949,169
		<b>2,223,923</b>	<b>1,949,169</b>
<b>Expenses</b>			
Commissions		(537,006)	(329,416)
Costs of website and data		(623,201)	(813,669)
Employee benefits expense		(1,441,710)	(939,291)
Depreciation and amortisation		(283,034)	(219,727)
Occupancy		(76,099)	(67,283)
Marketing		(249,711)	(78,521)
IT and Legal		(61,188)	(113,950)
Other Expenses		(350,002)	(194,131)
		(3,621,951)	(2,755,988)
Finance Costs		(12,515)	(57,544)
Finance Income		13,487	3,797
<b>Net Finance Costs</b>		972	(53,747)
<b>Loss before income tax expense from continuing operations</b>		<b>(1,397,056)</b>	<b>(860,566)</b>
Income tax benefit / (expense)		-	-
<b>Loss after income tax expense for the half year</b>		<b>(1,397,056)</b>	<b>(860,566)</b>
<b>Other comprehensive income</b>			
Items that will be reclassified to profit or loss:			
Foreign currency translation differences		31	(15,229)
<b>Total comprehensive loss for the half year</b>		<b>(1,397,025)</b>	<b>(875,795)</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share</b>			
Basic and diluted loss per share (cents per share)		(0.03)	(0.02)

The above 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 2016

	Note	Consolidated Entity	
		31 December 2016	30 June 2016
<b>Assets</b>		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash and cash equivalents		797,543	2,271,908
Trade and other receivables	3	822,717	909,612
Accrued Income	3	910,323	977,362
Prepayments		230,617	166,216
<b>Total current assets</b>		<b>2,761,200</b>	<b>4,325,098</b>
<b>Non-current assets</b>			
Trade and other receivables	3	355,682	346,275
Accrued income	3	603,074	596,313
Deferred tax asset		21,848	100,727
Property, plant and equipment		70,848	88,681
Intangible assets		1,493,308	1,595,856
<b>Total non-current assets</b>		<b>2,544,760</b>	<b>2,727,852</b>
<b>Total Assets</b>		<b>5,305,960</b>	<b>7,052,950</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4	2,137,863	2,561,826
Current tax liabilities		70,211	69,876
Borrowings	5	237,580	240,730
Provision for employee entitlements		24,752	14,674
<b>Total current liabilities</b>		<b>2,470,406</b>	<b>2,887,106</b>
<b>Non-current liabilities</b>			
Trade and other payables	4	292,196	304,161
Deferred tax liability		21,849	100,727
Provision for employee entitlements		15,886	12,537
<b>Total non-current liabilities</b>		<b>329,931</b>	<b>417,425</b>
<b>Total Liabilities</b>		<b>2,800,337</b>	<b>3,304,531</b>
<b>Net assets</b>		<b>2,505,623</b>	<b>3,748,419</b>
<b>Equity</b>			
Contributed equity	6	11,285,121	11,285,121
Accumulated losses		(9,034,430)	(7,637,374)
Reserves		254,932	100,672
<b>Total Equity</b>		<b>2,505,623</b>	<b>3,748,419</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 HALF YEAR ENDED 31 DECEMBER 2016

	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>4,165,796</b>	<b>(6,272,028)</b>	<b>83,010</b>	<b>(2,888)</b>	<b>(2,026,110)</b>
Loss after income tax expense for half year	-	(860,566)	-	-	(860,566)
<i>Other comprehensive income</i>					
Exchange difference on translation of foreign operations	-	-	-	(15,229)	(15,229)
Total comprehensive loss for the half year	-	(860,566)	-	(15,229)	(875,795)
<i>Transaction with owners in their capacity as owners:</i>					
Shares issued, net of transaction costs	7,122,805	-	-	-	7,122,805
Options issued	-	-	8,785	-	8,785
<b>At 31 December 2015</b>	<b>11,288,601</b>	<b>(7,132,594)</b>	<b>91,795</b>	<b>(18,117)</b>	<b>4,229,685</b>
<b>Balance at 1 July 2016</b>	<b>11,285,121</b>	<b>(7,637,374)</b>	<b>92,374</b>	<b>8,298</b>	<b>3,748,419</b>
Loss after income tax expense for half year	-	(1,397,056)	-	-	(1,397,056)
<i>Other comprehensive income</i>					
Exchange difference on translation of foreign operations	-	-	-	31	31
Total comprehensive loss for the half year	-	(1,397,056)	-	31	(1,397,025)
<i>Transaction with owners in their capacity as owners:</i>					
Shares issued, net of transaction costs	-	-	-	-	-
Options issued	-	-	154,229	-	154,229
<b>At 31 December 2016</b>	<b>11,285,121</b>	<b>(9,034,430)</b>	<b>246,603</b>	<b>8,329</b>	<b>2,505,623</b>

The above 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 2016**

	Note	Consolidated Entity Half Year	
		2016	2015
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		2,448,462	1,894,951
Payments to suppliers and employees		(3,377,318)	(3,422,522)
Interest paid		(1,362)	(6,955)
Interest received		4,080	3,797
<b>Net cash flow used in operating activities</b>		<b>(926,138)</b>	<b>(1,530,729)</b>
<b>Cash flows from investing activities</b>			
Payment for website development		(162,653)	(274,366)
Receipt of research and development claim		-	433,403
Payment for property, plant and equipment		-	(2,615)
Payment for acquisition of business		(382,424)	-
<b>Net cash flow from investing activities</b>		<b>(545,077)</b>	<b>156,422</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(3,150)	(108,783)
Proceeds from issue of shares		-	5,006,630
Payments for equity raising costs		-	(445,629)
Proceeds from issue of convertible notes		-	250,000
<b>Net cash flow used in financing activities</b>		<b>(3,150)</b>	<b>4,702,218</b>
Net increase/(decrease) in cash and cash equivalents		(1,474,365)	3,327,911
Cash and cash equivalents at the beginning of the financial period		2,271,908	128,813
<b>Cash and cash equivalents at the end of the financial period</b>		<b>797,543</b>	<b>3,456,724</b>

*The above 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 2016**

**Note 1. Basis of Preparation of Half-Year Financial Statements**

These interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by Real Estate Investar Group Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the consolidated entity for the current or prior periods.

The same accounting policies and methods of computation have generally been followed in these half-year financial statements as compared with the most recent annual financial statements.

**Significant Judgements**

The preparation of the interim financial report required management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying the consolidated entity accounting policies were the same as those applied to the annual financial report for the year ended 30 June 2016.

**Going Concern**

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

The consolidated entity has incurred a loss after tax of \$1,397,056 and had net cash outflows of \$926,138 from operations. At 31 December 2016, current assets exceeded current liabilities by \$290,794. Included in current liabilities is income in advance of \$585,238 and included in current assets is prepayments of \$230,617. Excluding these items, current assets exceeds current liabilities by \$645,415.

The Board is of the view that the going concern basis is appropriate for the following reasons:

- A new Premium membership offer has been released which includes significant upfront payment terms which are expected to accelerate sales revenues and cash receipts for membership services, and also generate an increase in the volume of transactions generating property sales commissions;
- The Group is actively targeting cost reductions in operating expenses to reduce monthly cash outflows; and
- It is likely that the company will seek to raise further funds in the next 12 months. A number of opportunities are being considered that will help facilitate the raising of these funds; and
- The board believes the receipt of payment for property transactions will occur as required and is confident the current receivables in note 3 will be received within 12 months.

**REAL ESTATE INVESTAR GROUP LIMITED**  
**ACN 141 276 959**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ACN 141 276 959**

**Going Concern (continued)**

The reliance on further fundraising and / or property transactions settling when expected give rise to the existence of a material uncertainty that cast significant doubt on the ability of the consolidated entity to continue as a going concern.

If for any reason the group is unable to continue as a going concern then this could have an impact on the Group's ability to realise assets at their recognised values and settle its liabilities in the normal course of business at the amounts stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities which might be necessary should the Group not be able to continue as a going concern.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**Note 2. Segment Reporting**

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the Board.

Accordingly, management currently identifies the consolidated entity as having the following operating segments:

**Reportable Segments      Operation**

Subscriptions	Online subscription services offering tools, resources and news services to property investors to assist in the identification, analysis, acquisition, tracking and accounting of residential investment property.
Transaction Services	Casual non-subscription services provided to members via a paid marketing referral model with accredited partners, including real estate transaction services, finance and mortgage brokerage, insurance brokerage, accounting and SMSF services, financial and estate planning, depreciation reports, and courses and education.
Property	Facilitating sales of newly built and off-the-plan properties from developers or project marketers to investors.

	Reportable Segments						Total	
	Subscriptions		Transaction Services		Property		Half Year	
	Half Year		Half Year		Half Year		Half Year	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Segment Revenue - from external customers	1,624,414	1,643,759	156,786	236,089	442,723	69,321	2,223,923	1,949,169
<b>Gross Profit</b>	<b>708,016</b>	<b>512,095</b>	<b>147,933</b>	<b>224,668</b>	<b>207,767</b>	<b>69,321</b>	<b>1,063,716</b>	<b>806,084</b>
<i>Other segment information</i>								
Interest income	13,487	3,797	-	-	-	-	13,487	3,797
Interest expense	(12,515)	(57,544)	-	-	-	-	(12,515)	(57,544)
Depreciation and amortisation	(276,546)	(219,727)	-	-	(6,488)	-	(283,034)	(219,727)
<b>Assets</b>								
Segment assets	2,833,780	2,470,636	158,453	230,929	1,494,336	1,978,750	4,486,568	4,680,315
<i>Unallocated Assets:</i>								
Cash and cash equivalents							797,543	2,271,908
Deferred tax asset							21,848	100,727
<b>Total Assets</b>							<b>5,305,960</b>	<b>7,052,950</b>
Additions to non-current assets (other than financial assets and deferred tax)	162,653	350,882	-	-	-	49,077	162,653	399,959

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**Note 2. Segment Reporting (continued)**

	Reportable Segments						Total	
	Subscriptions Half Year		Transaction Services Half Year		Property Half Year		Half Year	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Liabilities</b>								
Segment Liabilities	1,712,465	1,878,216	-	-	758,231	1,014,982	2,470,696	2,893,198
<i>Unallocated Liabilities:</i>								
Current tax liabilities							70,211	69,876
Deferred tax liability							21,849	100,727
Borrowings							237,580	240,730
<b>Total Liabilities</b>							<b>2,800,337</b>	<b>3,304,531</b>

The reconciliation of Gross Profit to loss before income tax is as follows:

	Consolidated Entity Half Year	
	2016	2015
	\$	\$
Gross Profit	1,063,716	806,084
Operating Expenses	(2,178,710)	(1,393,176)
Depreciation	(17,924)	(14,803)
Amortisation	(265,110)	(204,924)
Interest income	13,487	3,797
Interest expense	(12,515)	(57,544)
<b>Loss before income tax</b>	<b>(1,397,056)</b>	<b>(860,566)</b>

Geographic location	Revenues From External Customers		Non-current Assets <sup>1</sup>	
	Half Year	Half Year	Half Year	Half Year
	2016	2015	2016	2015
	\$	\$	\$	\$
Australia	1,918,017	1,949,169	1,524,632	1,638,667
New Zealand	305,906	-	39,524	45,870
<b>Total</b>	<b>2,223,923</b>	<b>1,949,169</b>	<b>1,564,156</b>	<b>1,684,537</b>

<sup>1</sup> These non-current assets exclude financial instruments and deferred tax assets.

**Major customers**

During the half year ended 31 December 2016, no single customer accounted for greater than 10% of the Group's revenue.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**Note 3. Trade and Other Receivables**

**Current**

**Trade and other receivables**

Trade receivables  
 Provision for doubtful debts

Dec 2016	Jun 2016
\$	\$
822,717	939,612
-	(30,000)
<b>822,717</b>	<b>909,612</b>

**Accrued income**

Research and development claim  
 Subscriptions  
 Transaction services  
 Property transactions

Dec 2016	Jun 2016
\$	\$
288,842	288,842
8,003	15,613
34,143	22,743
579,335	650,164
<b>910,323</b>	<b>977,362</b>

**Non Current**

**Trade and other receivables**

Trade receivables  
 Other debtors  
 Loan - South Mapleton Pty Ltd

Dec 2016	Jun 2016
\$	\$
-	-
14,700	14,700
340,982	331,575
<b>355,682</b>	<b>346,275</b>

**Accrued income**

Property sales commissions

Dec 2016	Jun 2016
\$	\$
<b>603,074</b>	<b>596,313</b>

Non current accrued income relates to property transaction commissions that are earned however the payment terms are such that they are not due for payment until property settlement which is scheduled in a future period greater than 12 months.

The South Mapleton Pty Ltd loan is repayable in full on or before 31 March 2018 and is identified and reported as a related party transaction.

**Note 4. Trade and other payables**

**Current**

Trade creditors  
 Accruals  
 Income in advance  
 GST and other statutory liabilities  
 ATO  
 Other payables  
 Balance due for The Property Factory acquisition

Dec 2016	Jun 2016
\$	\$
658,990	775,009
542,286	537,502
585,238	738,077
206,126	122,287
132,639	-
12,584	6,527
-	382,424
<b>2,137,863</b>	<b>2,561,826</b>

**Non Current**

Accruals

Dec 2016	Jun 2016
\$	\$
<b>292,196</b>	<b>304,161</b>

Trade creditors are unsecured and are normally settled within 30 to 60 days.

**REAL ESTATE INVESTAR GROUP LIMITED**  
**ACN 141 276 959**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

**Note 5. Borrowings**

**Current**

Finance Lease  
 Convertible notes

Dec 2016	Jun 2016
\$	\$
2,625	5,775
234,955	234,955
<b>237,580</b>	<b>240,730</b>

On the 10th of December 2015, Real Estate Investar Group Limited issued \$234,955 of convertible notes as part of the settlement of a payable to Australian Property Monitors Pty Ltd under the Equity Participation Agreement.

**Note 6. Equity securities issued**

Balance at 1 July  
 Issue of ordinary shares Jul to Sep 15  
 Share consolidation 1 for 2 Oct 15  
 Issue of shares on exercise of options Nov 15  
 Issue of shares IPO Dec 15  
 Issue of shares to APM Dec 15  
 Issue of shares Convertible Note Holders Dec 15  
 Interest payable to Convertible Note Holders  
 Capital raising costs for half year  
**Balance at 31 December**

Dec 2016	Jun 2016	Dec 2016	Jun 2016
Shares	Shares	\$	\$
84,494,604	80,542,605	11,281,641	4,165,796
-	66,360	-	6,636
-	(40,304,466)	-	-
-	2,000,000	-	320,000
-	25,000,000	-	5,000,000
-	10,576,125	-	1,250,000
-	6,613,980	-	950,000
-	-	-	50,589
-	-	-	(457,900)
<b>84,494,604</b>	<b>84,494,604</b>	<b>11,281,641</b>	<b>11,285,121</b>

**Note 7. Contingent Liabilities**

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, to 30 June 2016.

**Note 8. Events subsequent to the reporting period**

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the result of those operations, or the consolidated entity's state of affairs in future financial years.



**DIRECTORS' DECLARATION**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

The directors of the Company declare that:

- 1 The interim financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes:
  - (a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001 and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Director:

.....  
Simon Baker

Date:

27 February 2017

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Real Estate Investar Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Real Estate Investar Group Limited, which comprises the consolidated statement of financial position as at 31 December 2016, 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 2016 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 Real Estate Investar 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 Real Estate Investar 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 Real Estate Investar 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 2016 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

## Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

**BDO Audit Pty Ltd**

BDO



**A J Whyte**  
**Director**

Brisbane, 27 February 2017