

AUSTOCK GROUP LIMITED
(ABN 90 087 334 370)

Appendix 4D

Half Year Report

For The Half Year Ended 31 December 2014

(Previous corresponding period: Half Year Ended 31 December 2013)

*This Half Year Report is provided to the
Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3
and should be read in conjunction with the most recent annual financial report.*

Results for Announcement to the Market

Revenue and Net Profit/(Loss)

		Percentage Change %		Amount \$'000
Revenues from ordinary activities	Up	20%	To	3,355
Profit/(Loss) from ordinary activities after income tax attributable to members	Up	110%	To	47
Net profit/(loss) attributable to members	Up	110%	To	47

Dividends (Distributions)

		Amount per security	Franked amount per security
Current period			
Interim 2015 dividend		1 cent	100%
Ex-dividend date	4 March 2015		
Record date	6 March 2015		
Payment date	31 March 2015		
Final 2014 dividend paid 24 September 2014		1 cent	100%
Previous corresponding period			
Final 2013 dividend paid 1 October 2013		1 cent	100%
Interim 2014 dividend		1 cent	100%
Ex-dividend date	5 March 2014		
Record date	12 March 2014		
Payment date	11 April 2014		

Brief explanation of revenue, net profit/(loss) and dividends (distributions) to enable the above figures to be understood

Please refer to the accompanying Interim Consolidated Financial Report for an explanation of the result.

AUSTOCK GROUP LIMITED

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Net Tangible Assets per Security

	Current period	Previous corresponding period
Net tangible assets backing per security	8.00 cents	10.05 cents

Entities over which control has been gained or lost

Name	Date of gain or loss of control	Contribution to profit/(loss) from ordinary activities during current period \$'000	Profit/(loss) during previous corresponding period \$'000
Nil			

Dividend payments

	Date paid / payable	Amount per security	Total dividend \$'000
Current period			
Interim 2015 dividend	31 March 2015	1 cent	991
Final 2014 dividend	24 September 2014	1 cent	991
Previous corresponding period			
Interim 2014 dividend	11 April 2014	1 cent	991
Final 2013 dividend	01 October 2013	1 cent	991

Details of dividend reinvestment plans in operation

Currently there is no dividend reinvestment plan in operation

Last date for receipt of election notice to participate in dividend reinvestment plan _____ N/A

Associates and Joint Ventures

Name	Percentage ownership	
	Current period	Previous corresponding period
Nil	N/A	N/A

**Austock**
Group

Austock Group Limited

ABN: 90 087 334 370

Interim Consolidated Financial Report
31 December 2014

Corporate Information

Company Directors

Mr Frederick George Albion Beaumont QC	Independent Non Executive Chairman
Mr William Eric Bessemer	Chief Executive Officer and Executive Director
Mr Martin Edward Ryan	Non Executive Director
Mr Jonathan James Tooth	Non Executive Director

Company Secretary and Chief Financial Officer

Mr Enzo Silverii

Registered Office

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Melbourne VIC 3000
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Share Register

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Banker

National Australia Bank
330 Collins Street
Melbourne VIC 3000

Auditor

KPMG
147 Collins Street
Melbourne VIC 3000

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Directors' Report

The Directors of Austock Group Limited (the "Company") submit herewith the consolidated interim financial report of the Company and its controlled entities (the "Group") for the six months ended 31 December 2014. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the interim period are set out below. Directors were in office for the entire period unless otherwise stated:

Mr Frederick George Albion Beaumont QC	Independent Non-Executive Chairman
Mr William Eric Bessemer	Chief Executive Officer and Executive Director
Mr Martin Edward Ryan	Non-Executive Director
Mr Jonathan James Tooth	Non-Executive Director

Review and results of operations

The consolidated net profit after tax attributable to members of the Company is \$47,000 (2013: \$465,000 (Loss)). This is shown in detail as follows:

	Half year end 31 Dec 2014 \$'000	Half year end 31 Dec 2013 \$'000	Movement \$'000	Change %
Life office management fees	3,026	2,436	590	24%
Interest and dividend income	175	223	(48)	(22%)
Other income	154	166	(12)	(7%)
Total revenue	3,355	2,825	530	19%
Personnel expenses	(2,039)	(1,825)	(214)	(12%)
Occupancy expenses	(176)	(133)	(43)	(32%)
Communication expenses	(44)	(57)	13	23%
Finance expenses	(9)	(7)	(2)	(29%)
Dealing and settlement	(968)	(841)	(127)	(15%)
Marketing and promotion	(156)	(78)	(78)	(100%)
Depreciation and amortisation	(67)	(40)	(27)	(68%)
General administration	(961)	(1,118)	157	14%
Impairment expense	-	(11)	11	100%
Total expenses	(4,420)	(4,110)	(310)	(8%)
Profit/(loss) before income tax	(1,065)	(1,285)	220	(17%)
Income tax benefit/(expense) Life office	Note 1 1,112	808	304	38%
Income tax benefit/(expense) other	-	12	(12)	Nm
Statutory reported result after tax	47	(465)	512	110%

nm: not meaningful

Note 1: For income taxation purposes Austock Life is a single taxpayer comprising policyholder benefit funds and a central management or shareholder fund with all the Company's assessable income, allowable deductions and tax offsets being pooled. The net tax position of the management fund components gives rise to this benefit.

Directors' Report (continued)

The 2015 half year results reflect the benefits derived from investments made over the past two years in sales and marketing. This has resulted in an increased growth in FUM from \$481 million to \$531 million and the generation of a profit, albeit a modest one, compared with a loss made in the prior year equivalent period.

Dividend

The Company paid a final 2014 year dividend of \$0.01 per ordinary share fully franked on 24 September 2014. An interim dividend of \$0.01 per ordinary share fully franked is to be paid on 31 March 2015. The interim dividend is consistent with the Directors' stated commitment to move Austock Group along a path to a stable dividend program which is balanced with its capital needs.

Subsequent events

There has been no matter or circumstance occurring subsequent to 31 December 2014 that has significantly affected the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's independence declaration

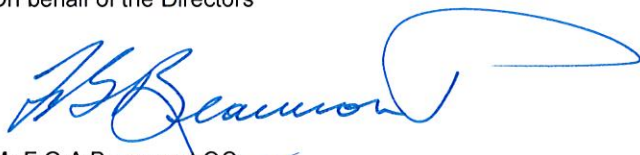
The auditor's independence declaration is included on page 6 of the interim consolidated financial report and forms part of this Directors' report.

Rounding off of amounts

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

Signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



Mr F G A Beaumont QC
Chairman
Melbourne, 17 February 2015

Auditor's Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

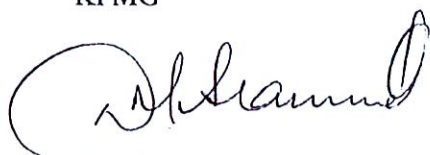
To: the directors of Austock Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



KPMG



DM Scammell
Partner

Melbourne

17 February 2015

Directors' Declaration

In the opinion of the directors of Austock Group Limited ("the Company"):

1. the financial statements and notes set out on pages 8 to 14, are in accordance with the Corporations Act 2001 including:
 - a. giving a true and fair view of the Group's consolidated financial position as at 31 December 2014 and of its performance for the six months ended on that date; and
 - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. 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 directors:

On behalf of the Directors



Mr F G A Beaumont QC
Chairman
Melbourne, 17 February 2015

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2014

	Notes	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Continuing Operations			
Revenue	7	3,355	2,807
Personnel expenses		(2,039)	(1,825)
Occupancy expenses		(176)	(133)
Communication expenses		(44)	(57)
Finance expenses		(9)	(30)
Dealing and settlement expenses		(968)	(819)
Marketing and promotional expenses		(156)	(200)
Depreciation and amortisation expenses		(67)	(40)
General administrative expenses		(961)	(986)
Impairment expense		-	(11)
Result attributable to policyholders, net of tax		11,091	14,230
Profit/(loss) before income tax expense		10,026	12,936
Income tax benefit/(expense)		1,112	820
Profit/(loss) after income tax		11,138	13,756
Discontinued Operations			
Profit from discontinued operations net of tax		-	9
Profit/(loss)		11,138	13,765
Loss/(profit) attributable to policyholders		(11,091)	(14,230)
Net profit/(loss) attributable to members of the Company		47	(465)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the Company		47	(465)
Earnings per share			
<i>Continuing and discontinued operations:</i>			
Basic (cents per share)		0.05	(0.47)
Diluted (cents per share)		0.05	(0.47)
<i>Continuing operations:</i>			
Basic (cents per share)		0.05	(0.48)
Diluted (cents per share)		0.05	(0.48)

The accompanying notes 1 to 13 form part of these consolidated interim financial statements.

Consolidated Interim Statement of Financial Position as at 31 December 2014

	Notes	As at 31 Dec 2014 \$'000	As at 30 Jun 2014 \$'000
Assets			
Cash and cash equivalents	8	8,195	9,891
Trade and other receivables		530	350
Income tax receivable		554	95
Other assets		278	204
Property, plant and equipment		400	438
Deferred tax assets		109	123
Intangible assets		729	719
Policyholder assets		539,864	487,668
Total assets		550,659	499,488
Liabilities			
Trade and other payables		155	221
Other liabilities		972	1,019
Provisions		1,016	984
Policyholder liabilities		539,864	487,668
Total liabilities		542,007	489,892
Net assets		8,652	9,596
Equity			
Issued capital	9	33,123	33,123
Retained earnings		(24,471)	(23,527)
Total equity		8,652	9,596

The accompanying notes 1 to 13 form part of these consolidated interim financial statements.

Consolidated Interim Statement of Changes in Equity for the six months ended 31 December 2014

	Issued capital \$'000	Retained earnings \$'000	Policyholder equity \$'000	Total equity \$'000
Period end 31 Dec 2014				
Balance at 1 Jul 2014	33,123	(23,527)	-	9,596
Net profit for the period		47	-	47
Total comprehensive income for the period		47	-	47
Policyholder net profit for the period				
Dividend paid		(991)	-	(991)
Balance at 31 Dec 2014	33,123	(24,471)	-	8,652
Period end 31 Dec 2013				
Balance at 1 Jul 2013	33,123	(21,111)	-	12,012
Net loss for the period		(465)		(465)
Total comprehensive income for the period		(465)		(465)
Policyholder net profit for the period	-	-	42	42
Dividend	-	(989)	-	(989)
Balance at 31 Dec 2013	33,123	(22,565)	42	10,600

The accompanying notes 1 to 13 form part of these consolidated interim financial statements.

Consolidated Interim Statement of Cash Flows for the six months ended 31 December 2014

	Notes	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Cash flows from operating activities			
Receipts from customers		1,580	1,771
Payments to suppliers and employees		(3,631)	(3,458)
Finance and borrowing costs		(9)	-
Income tax received		1,221	1,976
Net cash flows from/(used in) operating activities		(839)	289
Cash flows from investing activities			
Interest received		174	211
Payment for property, plant and equipment		(29)	(109)
Payment for intangibles		(11)	(26)
Net cash flows from/(used in) investing activities		134	76
Cash flows from financing activities			
Dividends paid		(991)	(989)
Net cash flows from/(used in) financing activities		(991)	(989)
Net increase/(decrease) in cash held		(1,696)	(624)
Cash at beginning of the period		9,891	10,791
Cash at the end of the period	8	8,195	10,167

The accompanying notes 1 to 13 form part of these consolidated interim financial statements.

Notes to the Consolidated Interim Financial Statements

1. Reporting entity

Austock Group Limited (the "Company") is a company domiciled in Australia. This consolidated interim financial report comprises the Company and its controlled entities (the "Group") as at and for the six months ended 31 December 2014.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2014 is available upon request from the Company's registered office at Level 12, 15 William Street Melbourne 3000 or at www.austock.com.

2. Statement of compliance

This consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2014.

This consolidated interim financial report was approved by the Board of Directors on 17 February 2015. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied by the Group in its consolidated interim financial report are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2014. Where necessary, the comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosure.

4. Estimates

The preparation of an interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Other than those noted below, in preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated annual financial report as at and for the year ended 30 June 2014.

5. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial report as at and for the year ended 30 June 2014.

6. Segment reporting

Following the sale of other businesses during calendar year 2012 and 2013, the group's only operating segment is Austock Life and the focus is in growing its funds under administration and management.

Notes to the Consolidated Interim Financial Statements (continued)

7. Revenue

	Half year ended 31 Dec 2014 \$'000	Half year ended 31 Dec 2013 \$'000
Operating activities		
Fund management	153	140
Life office	3,026	2,436
<i>Interest revenue</i>		
Interest income on bank deposits	175	223
<i>Other revenue</i>		
Other income	1	26
Total revenue	3,355	2,825
Attributable to:		
Continuing operations	3,355	2,807
Discontinuing operations	-	18
	3,355	2,825

8. Cash and cash equivalents

	As at 31 Dec 2014 \$'000	As at 30 Jun 2014 \$'000
Cash at bank	8,195	9,891
	8,195	9,891

9. Issued capital

	As at 31 Dec 2014		As at 30 Jun 2014	
	Number	\$'000	Number	\$'000
Issued and paid up capital				
Fully paid ordinary shares	99,188,421	33,123	99,188,421	33,123
		<u>33,123</u>		<u>33,123</u>

10. Dividends

A final 2014 fully franked dividend of \$991,884 (0.01 per ordinary shares) was paid on 24 September 2014. (2013: \$991,884)

The Company has declared an interim dividend of one cent per ordinary share fully franked totaling \$991,884 to be paid on 31 March 2015.

11. Contingent liabilities

A registered mortgage debenture has been given to National Australia Bank Limited over the whole of the assets of the company. The registered mortgage secures the following financing facilities:

- Bank guarantee facility of \$1,045,105 (2013: \$1,045,105) in respect of the lease of the Company's business premises;
- Direct debit facility of \$50,000 (2013: \$50,000) to be used for client's accounts as part of the Austock Life Business; and
- Direct debit facility of \$10,000 (2013: \$nil) to be used for client's accounts as part of the Bonds Custodian business.

12. Subsequent events

Other than the declaration of an interim dividend of \$0.01 per ordinary share fully franked to be paid on 31 March 2015, there has been no matter or circumstance occurring subsequent to 31 December 2014 that has significantly affected the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

13. Financial Instruments

As at 31 December 2014, the Group has no financial instruments that are carried at fair value through profit or loss. There are no financial assets or liabilities measured at amortised cost on the balance sheet of the Group where the carrying amount is not reasonable approximation of fair value. Accordingly, the fair values and levelling in the fair value hierarchy have not been presented for financial instruments carried at amortised cost.

Independent Auditor's Review Report



Independent auditor's review report to the members of Austock Group Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Austock Group Limited which comprises the consolidated interim statement of financial position as at 31 December 2014, consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year period.

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 Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Austock 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*.

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 Austock Group Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



DM Scammell
Partner

Melbourne

17 February 2015