

1. Company details

Name of entity:	TopBeta Holdings Limited
ABN:	21 164 521 395
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the half-year ended 31 December 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	120.6% to	2,248,852
Loss from ordinary activities after tax attributable to the owners of TopBeta Holdings Limited	up	91.2% to	(4,455,081)
Loss for the half-year attributable to the owners of TopBeta Holdings Limited	up	91.2% to	(4,455,081)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the group after providing for income tax amounted to \$4,455,081 (31 December 2015: \$2,330,073).

Further information on the 'Review of operations' is detailed in the Directors' report which is part of the Interim Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>5.53</u>	<u>6.51</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Modern Wagering Systems Pty. Ltd.	12.50%	-	(19,293)	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(19,293)	-
Income tax on operating activities			-	-

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of TopBetta Holdings Limited for the half-year ended 31 December 2016 is attached.

11. Signed

Signed 
Todd Buckingham
Director
Newcastle

Date: 23 February 2017

TopBetta Holdings Limited

ABN 21 164 521 395

Interim Report - 31 December 2016

Directors' report	2
Auditor's independence declaration	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	14
Independent auditor's review report to the members of TopBeta Holdings Limited	15

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of TopBetta Holdings Limited (referred to hereafter as the 'company', 'TopBetta' or 'parent entity') 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 TopBetta Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nicholas Chan - Chairman
Todd Buckingham
Matthew Cain
Simon Dulhunty

Principal activities

The group's principal activities during the financial half-year were digital fantasy wagering, wagering and content services.

Review of operations

The loss for the group after income tax of \$4,455,081 (31 December 2015: \$2,330,073) included a non-recurring goodwill impairment expense of \$1,802,453. Accordingly, the loss from recurring operations for the period was \$2,652,628.

On 3 November 2016, the Company announced its UK incorporated subsidiary, The Global Tote Limited ('TGT'), had been granted an eGambling licence out of Alderney, UK for its wholesale tote product, The Global Tote. On 30 November 2016, the Company completed the issue and allotment of 15,000,000 fully paid ordinary shares to raise \$3,000,000 (before costs) at 20 cents per share from sophisticated and institutional investors. The placement was completed at a share price which was at an 11% premium to the last traded share price. This placement strengthened the Company's balance sheet and positioned it to fast track the launch of The Global Tote product.

The emergence of The Global Tote business opportunity provides the Company with a global product that has the potential to increase shareholder returns. In pursuing this opportunity, the Board have made strategic decisions to reduce the execution risk, including effecting an internal restructure of the Company's businesses and business segments in December 2016 and reallocating available resources and capital as required. As a result of these initiatives, the Company's revised forecasts suggest that insufficient cash flows will be generated from the content business operated by 12Follow to justify the goodwill previously attributed to it and, accordingly, the goodwill on this content business has been impaired by \$1,802,453.

Significant changes in the state of affairs

On 11 August 2016, the group was granted a licence by the Northern Territory Racing Commission to conduct business as a sports bookmaker. This will enable the group to progress its tournaments and wagering business under this new jurisdiction. This licence is valid until 10 August 2021.

There were no other significant changes in the state of affairs of the group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



Nicholas Chan
Chairman



Todd Buckingham
Director

23 February 2017
Newcastle

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF TOPBETTA HOLDINGS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of TopBeta Holdings Limited.

As lead audit partner for the review of the financial statements of TopBeta Holdings Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



PKF
Chartered Accountants

Newcastle, NSW

Dated: 23 February 2017



Martin Matthews
Partner

TopBetta Holdings Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016



	Note	Consolidated 31/12/2016 \$	31/12/2015 \$
Revenue	3	2,248,852	1,019,279
Cost of sales		<u>(886,905)</u>	<u>(678,205)</u>
Gross profit		<u>1,361,947</u>	<u>341,074</u>
Other income	4	650,216	209,608
Expenses			
Employee benefits expense		(1,973,800)	(903,875)
Professional fees		(877,833)	(213,793)
Marketing expenses		(1,525,391)	(211,328)
Administration expenses		(378,613)	(164,854)
IT expenses		(363,701)	(123,198)
Occupancy expenses		(87,183)	(33,553)
Depreciation and amortisation expense		(43,316)	(3,320)
Impairment of goodwill	9	(1,802,453)	-
Share of losses of associates accounted for using the equity method		(19,293)	-
Non-recurring expenses	5	(29,000)	(1,513,064)
Other expenses		(78,899)	(6,737)
Finance costs		<u>(83,402)</u>	<u>(64,666)</u>
Loss before income tax benefit		(5,250,721)	(2,687,706)
Income tax benefit		<u>795,640</u>	<u>357,633</u>
Loss after income tax benefit for the half-year attributable to the owners of TopBetta Holdings Limited		(4,455,081)	(2,330,073)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the owners of TopBetta Holdings Limited		<u><u>(4,455,081)</u></u>	<u><u>(2,330,073)</u></u>
		Cents	Cents
Basic earnings per share	15	(4.08)	(3.61)
Diluted earnings per share	15	(4.08)	(3.61)

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

TopBetta Holdings Limited
Statement of financial position
As at 31 December 2016



	Note	Consolidated 31/12/2016 \$	30/06/2016 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,744,686	2,435,693
Trade and other receivables	7	1,815,247	1,229,370
Prepayments		79,338	59,005
Total current assets		<u>5,639,271</u>	<u>3,724,068</u>
Non-current assets			
Investments accounted for using the equity method		220,454	239,747
Property, plant and equipment	8	397,312	271,330
Goodwill	9	2,473,074	4,275,527
Deferred tax		3,013,146	2,178,618
Total non-current assets		<u>6,103,986</u>	<u>6,965,222</u>
Total assets		<u>11,743,257</u>	<u>10,689,290</u>
Liabilities			
Current liabilities			
Trade and other payables	10	1,978,436	2,065,557
Employee benefits		274,137	219,795
Deferred revenue		1,520	18,045
Total current liabilities		<u>2,254,093</u>	<u>2,303,397</u>
Non-current liabilities			
Employee benefits		61,410	43,163
Total non-current liabilities		<u>61,410</u>	<u>43,163</u>
Total liabilities		<u>2,315,503</u>	<u>2,346,560</u>
Net assets		<u>9,427,754</u>	<u>8,342,730</u>
Equity			
Issued capital	11	20,038,872	14,696,667
Reserves		1,451,240	1,253,340
Accumulated losses		(12,062,358)	(7,607,277)
Total equity		<u>9,427,754</u>	<u>8,342,730</u>

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

TopBetta Holdings Limited
Statement of changes in equity
For the half-year ended 31 December 2016



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	8,059,683	-	(3,069,752)	4,989,931
Loss after income tax benefit for the half-year	-	-	(2,330,073)	(2,330,073)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,330,073)	(2,330,073)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	6,634,803	-	-	6,634,803
Share-based payments	-	1,253,340	-	1,253,340
Balance at 31 December 2015	<u>14,694,486</u>	<u>1,253,340</u>	<u>(5,399,825)</u>	<u>10,548,001</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	14,696,667	1,253,340	(7,607,277)	8,342,730
Loss after income tax benefit for the half-year	-	-	(4,455,081)	(4,455,081)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,455,081)	(4,455,081)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	5,342,205	-	-	5,342,205
Share-based payments	-	197,900	-	197,900
Balance at 31 December 2016	<u>20,038,872</u>	<u>1,451,240</u>	<u>(12,062,358)</u>	<u>9,427,754</u>

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

TopBetta Holdings Limited
Statement of cash flows
For the half-year ended 31 December 2016



	Note	Consolidated	
		31/12/2016	31/12/2015
		\$	\$
Cash flows from operating activities			
Receipts from customers - net		2,572,643	1,091,808
Payments to suppliers and employees		(6,584,837)	(2,672,347)
Interest received		5,988	685
Interest and other finance costs paid		(83,402)	(32,496)
Research and development tax rebate received		-	415,595
		<u>-</u>	<u>415,595</u>
Net cash used in operating activities		<u>(4,089,608)</u>	<u>(1,196,755)</u>
Cash flows from investing activities			
Payments for investments		(50,000)	-
Payments for property, plant and equipment		(22,861)	(6,811)
		<u>(72,861)</u>	<u>(6,811)</u>
Net cash used in investing activities		<u>(72,861)</u>	<u>(6,811)</u>
Cash flows from financing activities			
Proceeds from issue of shares	11	5,601,842	7,258,694
Share issue transaction costs		(130,380)	(790,272)
Repayment of loans to related parties		-	(435,585)
		<u>-</u>	<u>(435,585)</u>
Net cash from financing activities		<u>5,471,462</u>	<u>6,032,837</u>
Net increase in cash and cash equivalents		1,308,993	4,829,271
Cash and cash equivalents at the beginning of the financial half-year		<u>2,435,693</u>	<u>432,387</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>3,744,686</u></u>	<u><u>5,261,658</u></u>

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

Note 1. General information

The financial statements cover TopBetta Holdings Limited as a group consisting of TopBetta Holdings Limited (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (the 'group'). The financial statements are presented in Australian dollars, which is TopBetta Holdings Limited's functional and presentation currency.

TopBetta Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

22 Lambton Road
Broadmeadow, NSW 2292

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2017.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended 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 significant impact on the financial performance or position of the group during the financial half-year ended 31 December 2016 and are not expected to have any significant impact for the full financial year ending 30 June 2017.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The group operates in three segments being the fantasy wagering and general wagering, content services, and corporate. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

Note 3. Operating segments (continued)

Types of products and services

The principal products and services of each of these operating segments are as follows:

Fantasy wagering and general wagering	The group operates an online wagering platform which utilises proprietary technology across risk management systems, odds management, content delivery and consumer facing platforms. The online fantasy wagering tournaments platform is integrated into the group's general online wagering platforms and enable sports fans to compete against each other via fantasy wagering on real sports events, with the focus on social engagement.
Content services	The group operates a free and premium content platform, which enables customers to seamlessly access a range of sporting and racing content.

There are no intersegment transactions.

Major customers

There are no major customers that represented more than 10% of the total segment revenue.

Operating segment information

	Fantasy wagering and wagering \$	Content services \$	Corporate \$	Total \$
Consolidated - 31/12/2016				
Revenue				
Sales to external customers	1,922,834	326,018	-	2,248,852
Total revenue	1,922,834	326,018	-	2,248,852
Segment results	(1,145,270)	(11,272)	(2,751,476)	(3,908,018)
Depreciation and amortisation				(43,316)
Impairment of goodwill				(1,802,453)
Research and development tax rebate				628,773
Interest revenue				5,988
Finance costs				(83,402)
Non-recurring expenses				(29,000)
Share of losses of associates				(19,293)
Loss before income tax benefit				(5,250,721)
Income tax benefit				795,640
Loss after income tax benefit				(4,455,081)
Consolidated - 31/12/2015				
Revenue				
Sales to external customers	493,933	525,346	-	1,019,279
Total revenue	493,933	525,346	-	1,019,279
Segment results	(364,346)	(112,232)	(835,141)	(1,311,719)
Depreciation and amortisation				(3,320)
Research and development tax rebate				204,378
Interest revenue				685
Finance costs				(64,666)
Non-recurring expenses				(1,513,064)
Loss before income tax benefit				(2,687,706)
Income tax benefit				357,633
Loss after income tax benefit				(2,330,073)

Note 4. Other income

	Consolidated	
	31/12/2016	31/12/2015
	\$	\$
Research and development tax rebate *	628,773	204,378
Payroll tax rebate	15,455	4,545
Interest received	5,988	685
	<u>650,216</u>	<u>209,608</u>

* Research and development tax rebate income includes an amount of \$225,000 representing a reversal of a liability originally recognised to reflect R&D rebate receipts for which the company believed it was no longer entitled to. The company has since received advice that it remains entitled to those proceeds.

Note 5. Non-recurring expenses

	Consolidated	
	31/12/2016	31/12/2015
	\$	\$
IPO and transaction costs	-	259,724
Share-based payments expense	29,000	1,253,340
	<u>29,000</u>	<u>1,513,064</u>

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31/12/2016	30/06/2016
	\$	\$
Cash on hand	711	711
Cash at bank	2,770,631	1,771,083
Cash on deposit	200,000	-
Restricted cash	773,344	663,899
	<u>3,744,686</u>	<u>2,435,693</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	31/12/2016	30/06/2016
	\$	\$
Trade receivables	24,016	40,200
Other receivables	776,664	776,664
Research and development tax receivable *	963,485	334,711
Rental bonds	31,887	23,375
Goods and services tax ('GST') receivable	19,195	54,420
	<u>1,791,231</u>	<u>1,189,170</u>
	<u>1,815,247</u>	<u>1,229,370</u>

* Refer to note 4 for further details.

Note 8. Non-current assets - property, plant and equipment

	Consolidated	
	31/12/2016	30/06/2016
	\$	\$
Leasehold improvements - at cost	104,036	104,036
Less: Accumulated depreciation	<u>(13,850)</u>	<u>(3,448)</u>
	<u>90,186</u>	<u>100,588</u>
Plant and equipment - at cost	16,266	16,627
Less: Accumulated depreciation	<u>(11,738)</u>	<u>(11,738)</u>
	<u>4,528</u>	<u>4,889</u>
Computer equipment - at cost	235,402	71,183
Less: Accumulated depreciation	<u>(36,343)</u>	<u>(15,716)</u>
	<u>199,059</u>	<u>55,467</u>
Furniture and fittings - at cost	121,187	116,109
Less: Accumulated depreciation	<u>(17,648)</u>	<u>(5,723)</u>
	<u>103,539</u>	<u>110,386</u>
	<u><u>397,312</u></u>	<u><u>271,330</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improvements	Plant and equipment	Computer equipment	Furniture and fittings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	100,588	4,889	55,467	110,386	271,330
Additions	-	-	164,219	5,079	169,298
Depreciation expense	<u>(10,402)</u>	<u>(361)</u>	<u>(20,627)</u>	<u>(11,926)</u>	<u>(43,316)</u>
Balance at 31 December 2016	<u><u>90,186</u></u>	<u><u>4,528</u></u>	<u><u>199,059</u></u>	<u><u>103,539</u></u>	<u><u>397,312</u></u>

Note 9. Non-current assets - goodwill

	Consolidated	
	31/12/2016	30/06/2016
	\$	\$
Goodwill - at cost	4,275,527	4,275,527
Less: Impairment	<u>(1,802,453)</u>	<u>-</u>
	<u><u>2,473,074</u></u>	<u><u>4,275,527</u></u>

The company has impaired the goodwill on the content business by \$1,802,453 due to insufficient cash flows being generated to support its carrying value.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31/12/2016	30/06/2016
	\$	\$
Trade payables	874,089	738,999
Accrued expenses	318,019	444,955
Other payables	786,328	881,603
	<u>1,978,436</u>	<u>2,065,557</u>

Note 11. Equity - issued capital

	Consolidated			
	31/12/2016	30/06/2016	31/12/2016	30/06/2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>125,819,227</u>	<u>96,364,546</u>	<u>20,038,872</u>	<u>14,696,667</u>

Movements in ordinary share capital

Details	Date	Shares	\$	
Balance	1 July 2016	96,364,546		14,696,667
Shares issued	24 August 2016	14,454,681	\$0.18	2,601,842
Shares issued	30 November 2016	15,000,000	\$0.20	3,000,000
Transaction costs		-	\$0.00	(298,525)
Deferred tax credit recognised directly in equity		-	\$0.00	38,888
Balance	31 December 2016	<u>125,819,227</u>		<u>20,038,872</u>

Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Contingent liabilities

The group had no contingent liabilities or assets as at 31 December 2016 and 30 June 2016.

Note 14. Related party transactions

Parent entity

TopBetta Holdings Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31/12/2016	31/12/2015
	\$	\$
Payment for other expenses:		
Consulting fees paid to Ferghana Capital Pty Ltd ('Ferghana') (a company controlled by director, Matthew Cain)	60,000	-
Consulting fees paid to Media Solutions Company Pty Ltd ('SDMSC') (a company controlled by director Simon Dulhunty)	60,000	-

Note 14. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31/12/2016	30/06/2016
	\$	\$
Current payables:		
Trade payables to Ferghana for expenses on behalf of the company	11,289	-
Trade payables to SDMSC for consulting services	11,000	-

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 15. Earnings per share

	Consolidated	
	31/12/2016	31/12/2015
	\$	\$
Loss after income tax attributable to the owners of TopBetta Holdings Limited	<u>(4,455,081)</u>	<u>(2,330,073)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>109,185,788</u>	<u>64,499,015</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>109,185,788</u>	<u>64,499,015</u>
	Cents	Cents
Basic earnings per share	(4.08)	(3.61)
Diluted earnings per share	(4.08)	(3.61)

32,667,000 options over ordinary shares are not included in the calculation of diluted earnings per share because they are antidilutive for the half-year ended 31 December 2016. These options could potentially dilute basic earnings per share in the future.

Note 16. Events after the reporting period

On 13 January 2017, the group entered into a binding, conditional heads of agreement ('HOA') with Modern Wagering Systems Pty Ltd ('MWS') and Live Datacast Pty Limited ('Live Datacast') pursuant to which the rights to The Global Tote technology will be assigned, or exclusively licensed, to TopBetta's wholly owned subsidiary, The Global Tote Limited ('TGT').

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

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
- 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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Nicholas Chan
Chairman



Todd Buckingham
Director

23 February 2017
Newcastle

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS TOPBETTA HOLDINGS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TopBetta Holdings Limited, which comprises the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the 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 Australian Auditing Standard on Review Engagements ASRE 2410 Review of Interim 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 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 Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. As the auditor of TopBetta Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS TOPBETTA HOLDINGS LIMITED**

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 TopBetta Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the 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 Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



PKF
Chartered Accountants

Newcastle, NSW

Dated: 23 February 2017



Martin Matthews
Partner