

**Primary Opinion Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Primary Opinion Limited
ABN:	69 092 817 171
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	80.4% to	12,962
Loss from ordinary activities after tax attributable to the owners of Primary Opinion Limited	down	28.1% to	(1,386,215)
Loss for the half-year attributable to the owners of Primary Opinion Limited	down	28.1% to	(1,386,215)

*Dividends*

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

*Comments*

The loss for the consolidated entity after providing for income tax amounted to \$1,386,215 (31 December 2014: \$1,927,052).

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	-	0.17

**4. Loss of control over entities**

Name of entities (or group of entities)	Jumbuck Entertainment AS, Jumbuck Entertainment GmbH and Jumbuck Entertainment Inc.
Date control lost	26 August 2015

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

**5. Dividends**

*Current period*

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

*Previous period*

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

**6. Dividend reinvestment plans**

Not applicable.

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**7. Details of associates and joint venture entities**

Not applicable.

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**8. Foreign entities**

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

Not applicable.

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**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 Half-Year Report.

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**10. Attachments**

*Details of attachments (if any):*

The Half-Year Report of Primary Opinion Limited for the half-year ended 31 December 2015 is attached.

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**11. Signed**

Signed  \_\_\_\_\_

Mr Tony Robinson  
Non-Executive Chairman

Date: 26 February 2016

# **Primary Opinion Limited**

**ABN 69 092 817 171**

**Half-Year Financial Report - 31 December 2015**

**Primary Opinion Limited**

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**31 December 2015**

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**Primary Opinion Limited  
Corporate directory  
31 December 2015**

Directors	Mr. Tony Robinson (Non-executive Chairman) Mr Hugh Robertson (Non-executive Director) Mr. Tom SP Kiing (Non-executive Director)
Company secretaries	Ms Melanie Leydin Mr Justin Mouchacca
Registered office	Level 4, 100 Albert Road South Melbourne VIC 3205 Tel: +613 9692 7222 Fax: +613 9077 9233
Principal place of business	Level 4, 100 Albert Road South Melbourne VIC 3205 Tel: +613 9692 7222 Fax: +613 9077 9233
Share register	Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3001
Auditor	Deloitte Touche Tohmatsu 550 Bourke Street Melbourne Victoria 3000
Stock exchange listing	Primary Opinion Limited shares are listed on the Australian Securities Exchange (ASX code: POP)
Website	<a href="http://www.primaryopinion.com">www.primaryopinion.com</a>

**Primary Opinion Limited  
Directors' report  
31 December 2015**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Primary Opinion Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

**Directors**

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

Mr. Tony Robinson (Non-executive Chairman) - appointed 26 October 2015  
Mr Hugh Robertson (Non-executive Director) – appointed 26 October 2015  
Mr. Tom SP Kiing (Non-executive Director)  
The Hon Jeffrey G Kennett AC (Chairman) – resigned 30 November 2015  
Mr. Martin Burke (Managing Director and Chief Executive Officer) – resigned 10 December 2015

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- the development of the Primary Opinion digital platform;
- the acquisition of legal content from intellectual property law firms

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to \$1,386,215 (31 December 2014: \$1,927,052).

During the half year ended 31 December 2015 Primary Opinion Ltd was focused on the monetisation of its legal information and services digital platform but with only minimal revenue generated to date.

During the period the company reached the end of its existing ability to fund the development of the business and consequently it raised \$600,000 via a convertible note from Directors related entities.

During the half-year two new Directors were appointed Board and a thorough review of the Company's business operations was carried out which resulted in a decision to consolidate the principal operations of POP based historically in the United Kingdom back to Australia. A placement of \$700,000 was made to partly fund the process of closing the United Kingdom activities and moving it to Australia.

This process has been largely completed and the company announced a Share Purchase Plan with the purpose of raising funds to complete that transition and to undertake a study of the prospects for the services, to explore other opportunities and to provide sufficient funds to cover the corporate costs of the entity.

To help minimise the costs of the corporate entity the Directors have agreed not to take Director's fees until the existing business is generating meaningful revenue and or another opportunity is identified and bought in the entity.

Through this period both Mr Martin Burke and The Honourable Jeff Kennett have resigned from their roles with the company. Both have made significant contributions to the exploring and pursuing opportunities that the Board felt had the potential to create substantial shareholder value.

**Significant changes in the state of affairs**

On 10 August 2015, the consolidated entity announced that it had entered into Facility Agreements with two of its Directors for the provision of finance to the Company of up to \$600,000. On 28 September 2015, a general meeting of shareholders was held with shareholders approving the issue of Convertible Notes to each of the Director related entities up to the amount of loan funds provided to the consolidated entity. A total of 6,027 unlisted convertible notes ('Notes') were issued on 5 October 2015 with the maturity date of the Notes being 12 months from the date of issue and a 5% interest charge applicable on the amounts provided to the consolidated entity.

On 22 October 2015, the consolidated entity announced that it had received commitments from sophisticated investors to raise \$700,000 through the issue of 35,000,000 new fully paid ordinary shares in the Company at an issue price of \$0.02 (2 cents) per share.

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

**Primary Opinion Limited  
Directors' report  
31 December 2015**

**Matters subsequent to the end of the financial half-year**

On 8 February 2016, the Company announced a share purchase plan (SPP) offer to eligible shareholders of ordinary shares. Intending to improve its spread of shareholdings, and to strengthen its balance sheet by raising up to \$1,500,000. At 26 February 2016, the date upon these reports were adopted by the directors, \$324,000 had been received under the open SPP.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**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 on the following page.

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



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Mr Tony Robinson  
Non-executive Chairman

26 February 2016

The Board of Directors  
Primary Opinion Ltd  
Level 4  
100 Albert Road  
South Melbourne Vic 3205

DX: 111  
Tel: +61 (0) 3 9671 7000  
Fax: +61 (0) 9671 7001  
www.deloitte.com.au

26 February 2016

Dear Board Members

### Primary Opinion Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Primary Opinion Ltd.

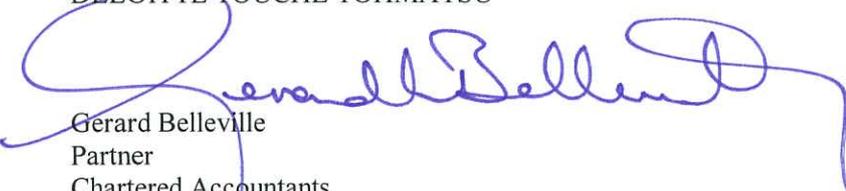
As lead audit partner for the review of the financial statements of Primary Opinion Ltd for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Gerard Belleville  
Partner  
Chartered Accountants

**Primary Opinion Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	12,962	66,275
<b>Expenses</b>			
Advertising and marketing expenses		(59,611)	(141,648)
Contractor and consulting expenses		(207,513)	(414,839)
Employee benefits expense		(830,101)	(909,320)
Partner revenue share		-	(32,195)
Depreciation and amortisation expense		(5,752)	(5,314)
Other expenses		(53,988)	(54,616)
Employee share based payment		-	(28,465)
Finance costs		(66,138)	-
Corporate costs		(130,838)	(157,962)
IT costs		(123,589)	(209,177)
Foreign exchange differences		78,353	(39,791)
<b>Loss before income tax expense</b>		<b>(1,386,215)</b>	<b>(1,927,052)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Primary Opinion Limited</b>		<b>(1,386,215)</b>	<b>(1,927,052)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		-	118,624
Other comprehensive income for the half-year, net of tax		-	118,624
<b>Total comprehensive income for the half-year attributable to the owners of Primary Opinion Limited</b>		<b>(1,386,215)</b>	<b>(1,808,428)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	12	(0.89)	(2.06)
Diluted earnings per share	12	(0.89)	(2.06)

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

**Primary Opinion Limited**  
**Statement of financial position**  
**As at 31 December 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December</b>	<b>30 June 2015</b>
		<b>2015</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		251,817	414,281
Trade and other receivables	4	62,355	97,177
Other		31,570	26,817
<b>Total current assets</b>		<u>345,742</u>	<u>538,275</u>
<b>Non-current assets</b>			
Property, plant and equipment		450	55,820
<b>Total non-current assets</b>		<u>450</u>	<u>55,820</u>
<b>Total assets</b>		<u>346,192</u>	<u>594,095</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	242,923	353,982
Other financial liabilities	6	426,869	-
<b>Total current liabilities</b>		<u>669,792</u>	<u>353,982</u>
<b>Total liabilities</b>		<u>669,792</u>	<u>353,982</u>
<b>Net assets/(liabilities)</b>		<u>(323,600)</u>	<u>240,113</u>
<b>Equity</b>			
Issued capital	7	16,795,899	16,099,980
Reserves	8	769,128	642,545
Accumulated losses		<u>(17,888,627)</u>	<u>(16,502,412)</u>
<b>Total equity/(deficiency)</b>		<u>(323,600)</u>	<u>240,113</u>

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

**Primary Opinion Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2015**

<b>Consolidated</b>	<b>Contributed Equity</b> <b>\$</b>	<b>Foreign Currency Reserve</b> <b>\$</b>	<b>Options Reserves</b> <b>\$</b>	<b>Retained Earnings</b> <b>\$</b>	<b>Total equity</b> <b>\$</b>
Balance at 1 July 2014	12,748,627	(1,554,558)	715,668	(10,102,633)	1,807,104
Loss after income tax expense for the half-year	-	-	-	(1,927,052)	(1,927,052)
Other comprehensive income for the half-year, net of tax	-	118,624	-	-	118,624
Total comprehensive income for the half-year	-	118,624	-	(1,927,052)	(1,808,428)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	2,683,337	-	-	-	2,683,337
Share-based payments	-	-	28,465	-	28,465
Transfer of share options	-	-	(240,100)	240,100	-
Balance at 31 December 2014	<u>15,431,964</u>	<u>(1,435,934)</u>	<u>504,033</u>	<u>(11,789,585)</u>	<u>2,710,478</u>

<b>Consolidated</b>	<b>Contributed Equity</b> <b>\$</b>	<b>Foreign Currency Reserve</b> <b>\$</b>	<b>Options Reserves</b> <b>\$</b>	<b>Retained profits</b> <b>\$</b>	<b>Option Premium on convertible notes</b> <b>\$</b>	<b>Total deficiency</b> <b>\$</b>
Balance at 1 July 2015	16,099,980	125,291	517,254	(16,502,412)	-	240,113
Loss after income tax expense for the half-year	-	-	-	(1,386,215)	-	(1,386,215)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(1,386,215)	-	(1,386,215)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 7)	700,000	-	-	-	-	700,000
Cost of Capital Raising	(4,081)	-	-	-	-	(4,081)
Share based payment	-	-	12,606	-	-	12,606
Reversal of foreign currency translation reserve	-	(125,291)	-	-	-	(125,291)
Issue of convertible notes	-	-	-	-	239,268	239,268
Balance at 31 December 2015	<u>16,795,899</u>	<u>-</u>	<u>529,860</u>	<u>(17,888,627)</u>	<u>239,268</u>	<u>(323,600)</u>

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

**Primary Opinion Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2015**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
<b>Note</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	-	374,689
Payments to suppliers and employees (inclusive of GST)	<u>(1,458,383)</u>	<u>(2,540,665)</u>
	(1,458,383)	(2,165,976)
Interest received	<u>-</u>	<u>4,071</u>
Net cash used in operating activities	<u>(1,458,383)</u>	<u>(2,161,905)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(27,105)
Payments for intangibles	-	(457,653)
Proceeds from Borrowings	<u>600,000</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>600,000</u>	<u>(484,758)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	<u>700,000</u>	<u>2,683,338</u>
Capital raising cost	<u>(4,081)</u>	<u>-</u>
Net cash from financing activities	<u>695,919</u>	<u>2,683,338</u>
Net increase/(decrease) in cash and cash equivalents	(162,464)	36,675
Cash and cash equivalents at the beginning of the financial half-year	<u>414,281</u>	<u>1,596,185</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>251,817</u></u>	<u><u>1,632,860</u></u>

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

**Primary Opinion Limited**  
**Notes to the financial statements**  
**31 December 2015**

**Note 1. General information**

The financial statements cover Primary Opinion Limited as a consolidated entity consisting of Primary Opinion Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Primary Opinion Limited's functional and presentation currency.

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

Level 4, 100 Albert Road  
South Melbourne VIC 3205  
Tel: +613 9692 7222  
Fax: +613 9077 9233

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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2016.

**Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 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 2015 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, except for the policies stated below.

**Compound instruments**

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

**Note 2. Significant accounting policies (continued)**

**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.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

*AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'.

*AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)*

The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below:

- The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share based payment transactions for which the grant date is on or after 1 July 2014.
- The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.
- The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

*AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119)*

The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments to AASB 119 does not have any material impact on the disclosures or on the amount recognised in the Consolidated entity's financial statements.

**Note 2. Significant accounting policies (continued)**

*AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)*

The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements.

**Going concern**

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

For the period ended 31 December 2015 the consolidated entity incurred a net loss of \$1,386,215 and incurred net cash outflows from operating and investing activities of \$858,383. As at 31 December 2015 the consolidated entity had an excess of current liabilities over current assets of \$324,050 and an excess of total liabilities over total assets of \$323,600.

The liabilities of the consolidated entity include convertible notes with a carrying value of \$426,869 at 31 December 2015 and a redeemable value of \$633,405 inclusive of capitalised interest, payable within 3 months of the October 2016 maturity date in the event the notes are redeemed by the Noteholder.

The consolidated entity has developed a new legal content and services platform which it is seeking to deploy and generate revenue. To date the platform has not generated any sales.

As a consequence, in November 2015, a review of the current business operations was carried out by the Board with a decision made to consolidate the principal operations of the consolidated entity from the United Kingdom to Australia. This decision would further reduce operating expenses whilst enabling the Board to explore business opportunities to strengthen the business.

In February 2016, the consolidated entity announced that it intends to make an offer to eligible shareholders of ordinary shares under a share purchase plan, to improve its spread of shareholdings, and to strengthen its balance sheet by raising up to \$1,500,000. At the 26 February 2016 approximately \$324,000, had been subscribed under the share purchase plan. It is the consolidated entity's present intention to place an amount of shares equal to any shortfall following the closure of the share purchase plan.

The consolidated entity has prepared cash flow forecasts from the date of this report to 28 February 2017 for the purpose of ensuring that it can meet its debts as and when they fall due. The forecasts indicate the current cash reserves, together with funds from the issue of shares through the share purchase plan and share placement, are sufficient cash to cover forecast cash outflows until June 2017. The cash flow forecasts include cash raised from funding through the issue of shares, described above, of \$1,000,000 out of a total \$1,500,000, and assume that no cash receipts are derived from the sale of Primary Opinion services (as none have been secured) and that the outstanding convertible notes are converted into shares.

**Note 2. Significant accounting policies (continued)**

While the Directors have undertaken a market analysis and forecasting process, the Primary Opinion business has faced challenges in monetising its platform and is still in the process of sourcing customers. In addition, the consolidated entity is looking for other business opportunities. Accordingly, there is difficulty in accurately forecasting the amount and timing of anticipated revenue streams and operating costs. In the event that the consolidated entity cannot generate sufficient revenue and cash flows from the above activities, the Directors will seek to undertake additional capital or reduce their cost structures further.

Therefore the ability of the consolidated entity to continue as a going concern is dependent on:

1. Raising further funds through the share placement,
2. In the event that the convertible notes are redeemed, raising further funds through an issue of share capital, and
3. Continuing to seek cost effective ways to promote its business services within the constraints of available cash resources. This includes a reduction the deferral of payment of non-executive director fees.

Based on the recent history of the consolidated entity the Directors believe future capital raises will be successful.

Accordingly, the financial report has been prepared on the going concern basis based on the ability of the consolidated entity to achieve sufficient cash inflows from sales and raise further equity, to fund working capital and new investments.

In the event that the above initiatives do not eventuate or do not generate sufficient cash flows from operations there is significant uncertainty as to whether the consolidated entity will be able to continue as a going concern. If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

The financial statements do not any include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Consumer Chat Communities revenue	-	62,204
<i>Other revenue</i>		
Interest	362	4,071
Other income	12,600	-
	<u>12,962</u>	<u>4,071</u>
Revenue	<u>12,962</u>	<u>66,275</u>

**Note 4. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2015</b>
	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Other debtors	-	38,449
GST/VAT receivable	62,355	58,728
	<u>62,355</u>	<u>97,177</u>

**Primary Opinion Limited**  
**Notes to the financial statements**  
**31 December 2015**

**Note 5. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
Trade payables	242,923	128,354
Other payables	-	225,628
	<u>242,923</u>	<u>353,982</u>

Refer to note 10 for further information on financial instruments.

**Note 6. Current liabilities - Other financial liabilities**

	<b>Consolidated</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
Convertible Note	<u>426,869</u>	<u>-</u>
		<b>\$</b>
Proceeds of issue		602,700
Liability component at date of issue		<u>(363,432)</u>
Equity component		<u>239,268</u>

Refer to note 10 for further information on financial instruments.

On 10 August 2015, the consolidated entity announced that it had entered into Facility Agreements with two of its Directors for the provision of finance to the Company of up to \$600,000. On 28 September 2015, a general meeting of shareholders was held with shareholders approving the issue of Convertible Notes to each of the Director related entities up to the amount of loan funds provided to the consolidated entity. A total of 6,027 unlisted convertible notes ("Notes") were issued on 5 October 2015 with the maturity date of the Notes being 12 months from the date of issue and a 5% interest charge applicable on the amounts provided to the consolidated entity.

The equity component of \$239,268 has been credited to equity (option premium on convertible notes).

The terms of the Notes are summarised below:

*Security*

The Notes are unsecured, direct, general and unconditional obligations of the Company which rank pari passu among themselves and will at all times rank pari passu with all other present and future unsecured obligations of the Company. The Redemption Amount ranks for repayment in priority to the rights of any Shareholders and holders of any other convertible securities issued (but ranks equally with other noteholders and with all other unsecured debts owed by the Company) and behind all secured creditors of the Company. The shares to be issued upon conversion of the Notes (if any) shall be ordinary fully paid shares which shall rank equally with all other ordinary fully paid shares on issue in the Company.

**Primary Opinion Limited**  
**Notes to the financial statements**  
**31 December 2015**

**Note 6. Current liabilities - Other financial liabilities (continued)**

*Conversion*

On or before the Maturity Date (or such earlier date mutually agreed in writing), the note holder may elect to convert any or all of the Notes in to ordinary fully paid shares in the Company, at the Conversion Price, by the delivery of a Conversion Notice to the Company. After the Maturity Date, and not later than 5 Business Days thereafter, the Company may elect to convert any or all of the Notes, not already converted or redeemed, in to ordinary fully paid shares in the Company, at the Conversion Price, by the delivery of a Conversion Notice to the note holder.

*Conversion Price*

The number of new Shares into which the Notes may be converted is equal to the aggregate Subscription Price for the Notes that are to be converted (as specified in the Conversion Notice) divided by the Conversion Price.

The Conversion Price for each Note will be fixed at \$0.02.

*Maturity Date*

The maturity date of the Notes will be the 12 month anniversary from the Subscription Date. The maturity date is 5 October 2016.

Unless previously converted or redeemed by the Noteholder, the Company must elect, after the Maturity Date and not more than 5 Business Days thereafter to convert or redeem all of the Notes not previously converted or redeemed, by provision of written notice to the Company in accordance with the terms and conditions of the Notes.

**Note 7. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December</b>		<b>31 December</b>	
	<b>2015</b>	<b>30 June 2015</b>	<b>2015</b>	<b>30 June 2015</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>177,935,697</u>	<u>142,935,697</u>	<u>16,795,899</u>	<u>16,099,980</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2015	142,935,697		16,099,980
Placement	20 October 2015	35,000,000	\$0.02	700,000
Cost of Capital Raising		<u>-</u>	-	<u>(4,081)</u>
Balance	31 December 2015	<u>177,935,697</u>		<u>16,795,899</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On 22 October 2015, the consolidated entity announced that it had received commitments from sophisticated investors to raise \$700,000 through the issue of 35,000,000 new fully paid ordinary shares in the Company at an issue price of \$0.02 (2 cents) per share.

*Share buy-back*

There is no current on-market share buy-back.

**Primary Opinion Limited**  
**Notes to the financial statements**  
**31 December 2015**

**Note 8. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2015</b>
	<b>2015</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	-	125,291
Options reserve	529,860	517,254
Option derivative (refer to Note 6)	239,268	-
	<b>769,128</b>	<b>642,545</b>
	<b>769,128</b>	<b>642,545</b>

**Note 9. Equity - dividends**

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

**Note 10. Financial instruments**

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 31 December 2015</b>	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	242,923	-	-	-	242,923
<i>Interest-bearing - fixed rate</i>						
Convertible notes payable*	5.00%	633,405	-	-	-	633,405
Total non-derivatives		876,328	-	-	-	876,328

\* these liabilities may be equity settled (refer to Note 6).

<b>Consolidated - 30 June 2015</b>	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	353,982	-	-	-	353,982
Total non-derivatives		353,982	-	-	-	353,982

**Primary Opinion Limited**  
**Notes to the financial statements**  
**31 December 2015**

**Note 10. Financial instruments (continued)**

***Fair value of financial instruments***

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

<b>Consolidated</b>	<b>31 December 2015</b>		<b>30 June 2015</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Financial Assets</i>				
Cash at bank	251,817	251,817	414,281	414,281
Trade and other receivables	62,355	62,355	97,177	97,177
	<u>314,172</u>	<u>314,172</u>	<u>511,458</u>	<u>511,458</u>
<i>Financial liabilities held at amortised cost:</i>				
Trade payables and other payables	242,923	242,923	353,982	353,982
Other financial liabilities *	426,869	426,869	-	-
	<u>669,792</u>	<u>669,792</u>	<u>353,982</u>	<u>353,982</u>

\* The Financial liability held by consolidated entity at fair value are valued in accordance AASB 13, using Level 2 of the fair value hierarchy - quoted prices for similar assets or liabilities in active markets.

**Note 11. Events after the reporting period**

On 8 February 2016, the Company announced a share purchase plan (SPP) offer to eligible shareholders of ordinary shares. Intending to improve its spread of shareholdings, and to strengthen its balance sheet by raising up to \$1,500,000. At 26 February 2016, the date upon these reports were adopted by the directors, \$324,000 had been received under the open SPP.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 12. Earnings per share**

	<b>Consolidated</b>	
	<b>31 December 2015</b>	<b>31 December 2014</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Primary Opinion Limited	<u>(1,386,215)</u>	<u>(1,927,052)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>156,060,697</u>	<u>93,448,389</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>156,060,697</u>	<u>93,448,389</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.89)	(2.06)
Diluted earnings per share	(0.89)	(2.06)

**Primary Opinion Limited  
Directors' declaration  
31 December 2015**

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 consolidated entity's financial position as at 31 December 2015 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



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Mr Tony Robinson  
Non-executive Chairman

26 February 2016

## Independent Auditor's Review Report to the Members of Primary Opinion Ltd

We have reviewed the accompanying half-year financial report of Primary Opinion Ltd, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 18.

### *Director' 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 gives a true and fair view and 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 2015 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 Primary Opinion Ltd, 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.

## *Auditor's Independence Declaration*

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 Primary Opinion Ltd, 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 Primary Opinion Ltd is not in accordance with the *Corporations Act 2001*, including:

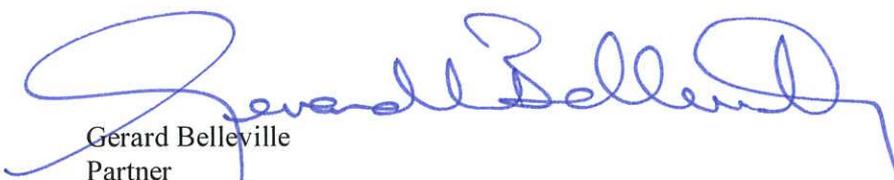
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## *Material Uncertainty Regarding Continuance as a Going Concern*

Without modifying our conclusion, we draw attention to Note 2 in the financial report which states that the consolidated entity incurred a net loss of \$1,386,215 and incurred negative cash flows from operating and investing activities of \$858,383 during the period ended 31 December 2015. As at 31 December 2015, the consolidated entity had an excess of current liabilities over current assets of \$324,050 and net deficiency of \$323,600. These conditions, along with other matters as set forth in Note 2, indicate 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 extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



DELOITTE TOUCHE TOHMATSU



Gerard Belleville  
Partner  
Chartered Accountants  
Melbourne, 26 February 2016