

## SECTION 2A: APPENDIX 3

### HALF YEAR REPORT

The following information must be given to NSX.

1. Details of the reporting period and the previous corresponding period.
  2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
    - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.
    - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.
    - 2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.
    - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
    - 2.5 The record date for determining entitlements to the dividends (if any).
    - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.
- Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is the most clear and helpful to users, e.g. combined with the body of the report, combined with notes to the accounts, or set out separately.
3. Net tangible assets per security with the comparative figure for the previous corresponding period.

4. Details of entities over which control has been gained or lost during the period, including the following.
  - 4.1 Name of the entity.
  - 4.2 The date of the gain or loss of control.
  - 4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.
6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
9. For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

## PRELIMINARY FINAL REPORT

The following information must be given to NSX.

1. Details of the reporting period and the previous corresponding period.
2. Key information in relation to the following. This information must be identified as ***“Results for announcement to the market”***.
  - 2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.
  - 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.
  - 2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.
  - 2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.
  - 2.5 The record date for determining entitlements to the dividends (if any).
  - 2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Note: The information required by item 2 must be placed at the beginning of the report. The other information may be presented in whatever way is most convenient, eg combined with the body of the report, combined with notes to the accounts, or set out separately.

3. A statement of financial performance together with notes to the statement, prepared in compliance with AASB 1018 or the equivalent foreign accounting standard.
4. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.

5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 1026 Statement of Cash Flows, or for foreign entities, the equivalent foreign accounting standard.
6. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign sourced dividend or distribution.
7. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.
8. A statement of retained earnings showing movements.
9. Net tangible assets per security with the comparative figure for the previous corresponding period.
10. Details of entities over which control has been gained or lost during the period, including the following.
  - 10.1 Name of the entity.
  - 10.2 The date of the gain or loss of control.
  - 10.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.
11. Details of associates and joint venture entities including the following.
  - 11.1 Name of the associate or joint venture entity.

- 11.2 Details of the reporting entity's percentage holding in each of these entities.
- 11.3 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.
- 12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.
- 13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).
- 14. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.
  - 14.1 The earnings per security and the nature of any dilution aspects.
  - 14.2 Returns to shareholders including distributions and buy backs.
  - 14.3 Significant features of operating performance.
  - 14.4 The results of segments that are significant to an understanding of the business as a whole.
  - 14.5 A discussion of trends in performance.
  - 14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.
- 15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed

Note: If the accounts have been audited or subject to review, the audit report

or review should be provided with the report.

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.
17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

Please refer to the relevant Practice Note for the preferred format of this information, to be published by the *Exchange* from time to time.

# FORM: Half yearly/preliminary final report

Name of issuer: APPOLLO ASSETS LIMITED

ACN

Half yearly  
(tick)

Preliminary  
final (tick)

Half year ('Current period')

109-469-383

YES

01-07-07 to 31-12-07

## For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A,000
Sales (or equivalent) operating revenue (item 1.1)	down	% on Previous Period	To Nil	0
Operating (loss) before abnormal items and tax (item 1.4)	down	% 32	To (157)	
Abnormal items before tax (item 1.5)	N/A	gain (loss) of	To N/A	
Operating profit after tax but before outside equity interests (item 1.8)	down	% 32	To 157	
Extraordinary items after tax attributable to members (item 1.13)	up	gain (loss) of	To 180	
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up	% 110	To 23	
Exploration and evaluation expenditure incurred (item 5.2)	N/A	%	To N/A	
Exploration and evaluation expenditure written off (item 5.3)	N/A	%	To N/A	
Dividends    Franking rate applicable				
Current period	NIL¢	N/A	NIL¢	N/A
Previous corresponding period	NIL¢	NIL¢	NIL¢	NIL¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution ) (see item 15.2)		N/A		
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:    -    N/A				

## Consolidated profit and loss account

(The figures are not equity accounted)

	Current \$A'000	Previous corresponding period \$A'000
1.1 Sales (or equivalent operating) revenue	0	0
1.2 Other revenue	0	0
1.3 <b>Total revenue</b>	0	7
1.4 <b>Operating (loss) before abnormal items and tax</b>	(157)	(230)
1.5 Abnormal items before tax (detail in item 2.1)	0	0
1.6 Operating (loss) before tax (items 1.4 + 1.5)	(157)	(230)
1.7 Less tax	0	0
1.8 Operating (loss) after tax but before outside equity interests	(157)	(230)
1.9 Less outside equity interests	0	0
1.10 <b>Operating (loss) after tax attributable to members</b>	(157)	(230)
1.11 Extraordinary items after tax (detail in item 2.3)	180	0
1.12 Less outside equity interests	0	0
1.13 Extraordinary items after tax attributable to members	180	0
1.14 <b>Total operating (loss) and extraordinary items after tax (items 1.8 1.11)</b>	23	(230)
1.15 Operating (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .1.12)	0	0
1.16 <b>Operating (loss and extraordinary items after tax attributable to members (items 1.10 +1.13)</b>	23	(230)
1.17 Retained (accumulated losses) at beginning of financial period	(10,647)	(36,187)
1.18 Aggregate of amounts transferred from reserves	0	0
1.19 Total available for appropriation (carried forward)	(10,805)	(36,417)



1.20	Total available for appropriation (brought forward)	(10,805)	(36,417)
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**Consolidated profit and loss account continued**

1.21	Dividends provided for or paid	0	0
1.22	Aggregate or amounts transferred to reserves	0	0
1.23	<b>Retained (accumulated losses) at end of financial period</b>	(10,805)	(36,417)

**Abnormal and extraordinary items**

		Consolidated - current period			
		Before tax \$A'000	Related tax	After tax \$A'000	
2.1	Abnormal items	0	0	0	
2.2	<b>Total abnormal items</b>	0	0	0	
2.3	Extraordinary items	180	0	0	
	Sale of Intellectual property				
2.4	<b>Total extraordinary items</b>	180	0	0	

### Comparison of half year profits

(Preliminary final statement only)

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	23	(230)
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	0	0

### Consolidated

(See note 5)

### balance

### sheet

	Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
4.1	Cash	9	44	162
4.2	Receivable	11	133	384
4.3	Investments	0	0	0
4.4	Inventories	0	0	0
4.5	Other (provide details if material)	0	0	0
4.6	<b>Total current assets</b>	20	178	546
	<b>Non-current assets</b>			
4.7	Receivables	0	0	0
4.8	Investments	0	0	0
4.9	Inventories	0	0	0
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	0	0	0
4.11	Development properties (mining entities)	0	0	0
4.12	Other property, plant and equipment (net)	0	0	16
4.13	Intangibles (net)	0	0	0

4.14	Other (provide details if material)	0	0	0
4.15	<b>Total non-current assets</b>	0	0	16
4.16	<b>Total assets</b>	20	178	562
<b>Current liabilities</b>				
4.17	Accounts payable	0	411	404
4.18	Borrowings	0	0	0
4.19	Provisions	0	0	0
4.20	Other (provide details if material)	0	0	0
4.21	<b>Total current liabilities</b>	0	0	404
<b>Non-current liabilities</b>				
4.22	Accounts payable	0	0	0
4.23	Borrowings	0	0	0
4.24	Provisions	0	0	0
4.25	Other (provide details if material)	0	0	0
4.26	<b>Total non-current liabilities)</b>	0	0	0
4.27	<b>Total liabilities</b>	0	0	404
4.28	<b>Net assets</b>	20	178	158

#### Consolidated balance sheet continued

<b>Equity</b>				
4.29	Capital	10,825	10,825	36,575
4.30	Reserves	0	0	0
4.31	Retained (accumulated losses)	(10,805)	(10,647)	(36,417)
4.32	Equity attributable to members of the parent entity	0	0	0
4.33	Outside equity interests in controlled entities	0	0	0
4.34	<b>Total equity</b>	20	178	158
4.35	Preference capital and related premium included as part of 4.31	0	0	0

#### Exploration and evaluation expenditure capitalised

*To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

	Current \$A'000	period	Previous corresponding period \$A'000
5.1 Opening balance			
5.2 Expenditure incurred during current period			
5.3 Expenditure written off during current period			
5.4 Acquisitions, disposals, revaluation increments, etc.			
5.5 Expenditure transferred to Development Properties			
5.6 <b>Closing balance as shown in the consolidated balance sheet</b> (item 4.9)			

## Development

*(To be completed only by issuers with mining interests if amounts are material)*

## properties

	Current \$A'000	period	Previous corresponding period \$A'000
6.1 Opening balance			
6.2 Expenditure incurred during current period			
6.3 Expenditure transferred from exploration and evaluation			
6.4 Expenditure written off during current period			
6.5 Acquisitions, disposals, revaluation increments, etc.			
6.6 Expenditure transferred to mine properties			
6.7 <b>Closing balance as shown in the consolidated balance sheet</b> (item 4.10)			

# Consolidated statement of cash flows

(See note 6)

		Current period \$A'000	Previous corresponding period \$A'000
	<b>Cash flows related to operating activities</b>		
7.1	Receipts from customers	0	0
7.2	Payments to suppliers and employees	(144)	(225)
7.3	Dividends received	0	0
7.4	Interest and other items of similar nature received	0	7
7.5	Interest and other costs of finance paid	0	0
7.6	Income taxes paid	0	0
7.7	Other:	0	0
7.8	<b>Net (Deficit) operating cash flows</b>	(144)	(218)
	<b>Cash flows related to investing activities</b>		
7.9	Payments for purchases of property, plant and equipment	0	0
7.10	Proceeds from sale of property, plant and equipment	0	0
7.11	Payment for purchases of equity investments	0	0
7.12	Proceeds from sale of equity investments	0	0
7.13	Loans to other entities	0	0
7.14	Loans repaid by other entities	0	0
7.15	Proceeds from sale of Intellectual property	180	0
7.16	<b>Net investing cash flows</b>	180	
	<b>Cash flows related to financing activities</b>		
7.17	Proceeds from issues of securities (shares, options, etc.)	0	0
7.18	Proceeds from borrowings	0	0
7.19	Repayment of borrowings	0	0
7.20	Dividends paid	0	0
7.21	Other (provide details if material)	0	0

7.22	<b>Net financing cash flows</b>	0	0
	<b>Net increase (decrease) in cash held</b>	(36)	(218)
7.23	Cash at beginning of period (see <i>Reconciliations of cash</i> )	45	380
7.24	Exchange rate adjustments to item 7.23	0	0
7.25	<b>Cash at end of period</b> (see <i>Reconciliation of cash</i> )	9	162

#### **Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

NIL

#### **Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A'000	Previous corresponding period \$A'000
8.1	Cash on hand and at bank	9	162
8.2	Deposits at call	0	0
8.3	Bank overdraft	0	0
8.4	Other (provide details)	0	0
8.5	Total cash at end of period (item 7.25)	9	162

#### **Ratios**

		Current period	Previous period
<b>Profit before abnormals and tax/sales</b>			
9.1	Consolidated operating loss before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	0	0
<b>Profit after tax/equity interests</b>			
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	0	0

#### **Earnings per security (EPS)**

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a)	<b>Basic</b> EPS		
(b)	Diluted EPS (if materially different from (a))	<b>\$0.0006</b>	\$(0.01)

<b>NTA backing</b> (see note 7)		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	\$0.0005	\$0.0008

#### Details of specific receipts/outlays, revenues/expenses

		Current period A\$'000	Previous corresponding period A\$'000
12.1	Interest revenue included in determining items 1.4	0	7
12.2	Interest revenue included in item 12.1 but not yet received (if material)	0	0
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	0	0
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	0	0
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	0
12.6	Depreciation (excluding amortisation of intangibles)	0	0
12.7	Amortisation of intangibles	0	0

#### Control gained over entities having material effect

(See note 8)

13.1 Name of issuer (or group)

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13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	\$
13.3	Date from which such profit has been calculated	
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	\$

#### Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or <i>group</i> )	
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14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i> ) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i> ) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

#### Reports for industry and geographical segments

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.*

#### Segments

Operating Revenue NIL

Sales to customers outside the economic entity NIL

Inter-segment sales NIL

Unallocated revenue 180

Total revenue (consolidated total equal to item 1.3) 180

Segment result (including abnormal items where relevant) 23

Unallocated expenses (157)



Consolidated operating profit after tax (before equity accounting) (equal to item 1.8) 23

Segment assets	20
Unallocated assets	0
Total assets (equal to item 4.15)	20

## Dividends

15.1 Date the dividend is payable

N/A

15.2 Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

N/A

**18.3 Amount per security**

N/A

		<i>Franking rate applicable</i>	39%	36%	33%
	<i>(Preliminary final statement only)</i>			0¢	
15.4	<b>Final dividend:</b> Current year	0¢	N/A		N/A
15.5	Previous year	0¢	0¢	0¢	0¢
	<i>(Half yearly and preliminary final statements)</i>				
15.6	<b>Interim dividend:</b> Current year	0¢	N/A	0¢	N/A
				0¢	0¢
15.7	Previous year	0¢	0¢		

## Total annual dividend (distribution) per security

*(Preliminary final statement only)*

	Current year	Previous year
15.8 Ordinary securities	0¢	0¢

15.9 Preference securities

0¢	0¢
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**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 Ordinary securities	\$0	\$N/A
15.11 Preference securities	\$0	\$N/A
15.12 <b>Total</b>	\$0	\$N/A

The *dividend or distribution plans* shown below are in operation.

N/A

The last date(s) for receipt of election notices to the *dividend or distribution plans* N/A

Any other disclosures in relation to dividends (distributions)

N/A

**Equity accounted associated entities and other material interests**

*Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.*

<b>Investments in associated entities</b>	Current period A\$'000	Previous corresponding period A\$'000
16.1 Statutory carrying value of investments in associated entities (SCV)	0	0
16.2 Share of associated entities' retained profits and reserves not included in SCV:	0	0
Retained profits	0	0
Reserves	0	0

16.3 **Equity carrying value of investments**

0	0
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**Material interests in entities which are not controlled entities**

*The economic entity has an interest (that is material to it) in the following entities.*

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	<b>Equity accounted associated entities</b>	Current period	Previous corresponding period	Current period	Previous corresponding period
		N/A	N/A	<i>Equity accounted</i>	
				N/A	N/A
17.2	<b>Other material interests</b>	N/A	N/A	<i>Not equity accounted (ie part of item 1.14)</i>	
				N/A	N/A

**Issued and listed securities**

*Description includes rate of interest and any redemption or conversion rights together with prices and rates.*

<b>Category of securities</b>		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	<b>Preference securities (description)</b>				
18.2	Issued during current period	NIL	NIL	NIL	NIL
18.3	<b>Ordinary securities</b>	54,406,000	54,406,000	\$0.20	\$0.20
18.4	Issued during current	NIL	NIL	NIL	NIL

period				
18.5	<b>Convertible debt securities</b> (description and conversion factor)	NIL	NIL	NIL
18.6	issued during current period	NIL	NIL	NIL
18.7	<b>Options</b> (description and conversion factor)			Exercise price
		53,056,000	53,056,000	\$0.30
18.8	Issued during current period	NIL	NIL	
18.9	Exercised during current period	NIL		
18.10	Expired during current period	NIL		
18.11	<b>Debentures</b> (totals only)	NIL		
18.12	<b>Unsecured Notes</b> (totals only)	NIL		

### Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement,. The comments do not take the place of the directors' report and statement (as required by the Corporations Act 2001) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

### Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 134: Interim Financial Reporting and the Corporations Act 2001. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period.

Material factors affecting the revenues and expenses of the issuer for the current period

During the half year the company disposed of its intellectual property

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NIL


Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 134 Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)*

NIL

### Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act 2001* or other standards acceptable to the Exchange (see note 13).
2. This statement, and the financial statements under the *Corporations Act 2001* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. The financial statements have been subject to review by a registered auditor
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The *issuer* does not have a formally constituted audit committee.

Sign here:  Date: 14 March 2008  
CHAIRMAN - DIRECTOR

Print name: .COLI(N ARCHER

### Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down.

2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

Item 1.1 The definition of “operating revenue” and an explanation of “sales revenue” (or its equivalent) and “other revenue” are set out in *AASB 1004: Disclosure of Operating Revenue*.

Item 1.2 “other revenue” includes abnormal items, but excludes extraordinary revenue items.

Item 1.4 “operating profit (loss) before abnormal items and tax” is calculated before dealing with outside equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg. fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

**Format** The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 134*. Banking institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 19-21 of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030*.

6. **Statement of cash flows** For definitions of “cash” and other terms used in this statement see *AASB 1026: Statement of Cash Flows*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. Mining exploration *issuers* may use the form of cash-flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a

material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under an ASIC Class Order dated 17 August 1994, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are normally the unadjusted figures from the previous corresponding period. However, if the previously reported figures are adjusted to achieve greater comparability, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the list rules for an *issuer* to complete this statement does not prevent the *issuer* issuing reports more frequently. Additional material lodged with the ASIC under the *Corporations Act* must also be given to the Exchange. For example, a *directors'* report and statement, if lodged with the ASIC, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Borrowing corporations** As at 1/7/96, this statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards. However, borrowing corporations must comply with Schedule 5 of the Corporations Regulations. See regulation 3.6.02(4).

## **Independent Review Report to the Members of Appollo Assets Ltd**

### **The financial report and directors' responsibility**

The interim financial report comprises the balance sheet, income statement, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Appollo Assets Ltd for the half-year ended 31 December 2007.

The Company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

### **Review approach**

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the financial position as at 31 December 2007 and the 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 Appollo Assets Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Appollo Assets Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the financial position of the company as at 31 December 2007 and of its performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay

Graham R Swan  
**Partner**

Dated this 13<sup>th</sup> day of March 2008