Edtrin Group Limited

ARBN 169 021 256

Condensed Interim Financial Report - 31 December 2015

Edtrin Group 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 Edtrin Group 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 Edtrin Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Graeme Coomber
Steven Maskell

Principal activities

Edtrin is a multi-national organisation using data-driven insights to form and deliver lifelong education and career needs that cater to the evolving, culturally diverse skill requirements of the people and emergent industries of the 21st century. The group is the only pure-play, large-scale career management, education and training provider in the Asia Pacific, Indian subcontinent, Middle East and North African territories, facilitating significant potential in these key target markets. EDTRIN systems provide the unique interface between best practice educational services and individual learners, offering internationally recognisable skills and qualifications. This creates self-managing learners acceptable to their desired employers.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to US$179,542 (31 December 2014: US$1,115,675).

Significant changes in the state of affairs

During the reporting period:

A number of strategic partnership agreements were signed for the delivery of Education and Training services into the Global Education market. Details of these agreements have been reported on the NSX;

Entered into an agreement with Entamico for the provision of Education and Training services across Australia and New Zealand which included a cross holding share issue of 1,000,000 shares by both Entamico and Edtrin;

Completed the initial stage of developing the content for the first course offerings of the curriculum of Halal related education and training course and English as a second language. The aim is to release these courses into the education market during first half of 2016;

Completed the consolidation of the various Australian operations into one Australian operation as announced on the NSX;

The Annual General Meeting authorised the new issue of 40,000,000 share for new investment;

The company completed the accounting for the acquisition of Finpa Australia Pty Ltd in accordance with AASB 3 Business Combinations. Refer Note 12 Business Combinations; and

Formalised a contract with Corporate Advisory firm for the Frankfurt Listing process.

There were no other significant changes in the state of affairs of the consolidated entity 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 on the following page.

Edtrin Group Limited
Directors' report
31 December 2015

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

Graeme Coomber	Steven Maskell
Chairman	CEO

4 March 2016

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636 St Kilda Road,
Melbourne.
VIC 3004
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Web: www.connectaudit.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the review of Edtrin Group Ltd for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

(a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Edtrin Group Ltd.

George Georgiou FCA
Registered Company Auditor
Auditor Registration: 10310
Melbourne, Victoria
4 March 2016

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General information

The financial statements cover Edtrin Group Limited as a consolidated entity consisting of Edtrin Group Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in US dollars, which is Edtrin Group Limited's functional and presentation currency.

Edtrin Group Limited is an public company listed on the National Stock Exchange of Australia limited by shares incorporated in Samoa. Its registered office and principal place of business are:

Registered office

c/- Asciati Trust Samoa Ltd
Level 2 Lotemu Center
UAEA Center
Apia, Samoa

Principal place of business

Mezzanine Floor
411 Collins Street
Melbourne, Victoria, Australia 3000

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 4 March 2016.

Edtrin Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Note	Consolidated Dec 15 US$	Consolidated Dec 14 US$
Revenue from continuing operations	3	1,371,392	271,310
Other income	4	624	94,192
Expenses			
Cost of sales		(632,003)	(542,190)
Corporate and administration expense		(481,951)	(672,907)
Marketing and promotion expense		(20,203)	(64,762)
Other expenses		(61,196)	(168,645)
Finance costs		(4,474)	(32,673)
Profit/(loss) before income tax expense from continuing operations		172,189	(1,115,675)
Income tax expense		-	-
Profit/(loss) after income tax expense from continuing operations		172,189	(1,115,675)
Loss after income tax expense from discontinued operations	5	(351,731)	-
Loss after income tax expense for the half-year attributable to the owners of Edtrin Group Limited		(179,542)	(1,115,675)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation of foreign entities		(176,133)	-
Other comprehensive income for the half-year, net of tax		(176,133)	-
Total comprehensive income for the half-year attributable to the owners of Edtrin Group Limited		(355,675)	(1,115,675)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(3,944)	(1,115,675)
Discontinued operations		(351,731)	-
		(355,675)	(1,115,675)
		Cents	**Cents**
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Edtrin Group Limited			
Basic earnings / (loss) per share	15	0.24	(2.46)
Diluted earnings / (loss) per share	15	0.24	(2.46)
Earnings per share for loss from discontinued operations attributable to the owners of Edtrin Group Limited			
Basic loss per share	15	(0.49)	-
Diluted loss per share	15	(0.49)	-
Earnings per share for loss attributable to the owners of Edtrin Group Limited			
Basic loss per share	15	(0.25)	(2.46)
Diluted loss per share	15	(0.25)	(2.46)

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

Edtrin Group Limited
Statement of financial position
As at 31 December 2015

	Note	Consolidated Dec 15 US$	Consolidated Jun 15 US$
Assets			
Current assets			
Cash and cash equivalents	6	4,921,419	4,992,246
Trade and other receivables		785,413	596,386
Other		-	1,468
Total current assets		5,706,832	5,590,100
Non-current assets			
Other financial assets	7	216,354	-
Property, plant and equipment		8,769	12,933
Intangibles	8	2,569,699	3,267,332
Total non-current assets		2,794,822	3,280,265
Total assets		8,501,654	8,870,365
Liabilities			
Current liabilities			
Trade and other payables		731,917	752,772
Borrowings	9	7,795,535	7,878,606
Employee benefits		51,881	34,127
Total current liabilities		8,579,333	8,665,505
Non-current liabilities			
Employee benefits		62,125	35,699
Total non-current liabilities		62,125	35,699
Total liabilities		8,641,458	8,701,204
Net assets/(liabilities)		(139,804)	169,161
Equity			
Issued capital	10	2,237,920	2,191,210
Reserves		121,798	297,931
Accumulated losses		(2,499,522)	(2,319,980)
Total equity/(deficiency)		(139,804)	169,161

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

Edtrin Group Limited
Statement of changes in equity
For the half-year ended 31 December 2015

Consolidated	Issued capital US$	Accumulated losses US$	Total equity US$
Balance at 1 July 2014	850,746	-	850,746
Loss after income tax expense for the half-year	-	(1,115,675)	(1,115,675)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(1,115,675)	(1,115,675)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs	521,503	-	521,503
Balance at 31 December 2014	1,372,249	(1,115,675)	256,574

Consolidated	Issued capital US$	Reserves US$	Accumulated losses US$	Total deficiency US$
Balance at 1 July 2015	2,191,210	297,931	(2,319,980)	169,161
Loss after income tax expense for the half-year	-	-	(179,542)	(179,542)
Other comprehensive income for the half-year, net of tax	-	(176,133)	-	(176,133)
Total comprehensive income for the half-year	-	(176,133)	(179,542)	(355,675)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 10)	46,710	-	-	46,710
Balance at 31 December 2015	2,237,920	121,798	(2,499,522)	(139,804)

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

Edtrin Group Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Consolidated	
	Dec 15	**Dec 14**
	US$	**US$**
Cash flows from operating activities		
Receipts from customers	1,018,003	226,250
Payments to suppliers and employees	(1,046,432)	(733,945)
	(28,429)	(507,695)
Interest received	624	-
Interest and other finance costs paid	(6,661)	(32,680)
Net cash used in operating activities	(34,466)	(540,375)
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	-	(3,038,567)
Payments for intangibles	-	(350,691)
Net cash used in investing activities	-	(3,389,258)
Cash flows from financing activities		
Proceeds from issue of shares	46,710	521,503
Proceeds from borrowings	-	99,043
Issue of preference shares	-	2,745,535
Loan granted	-	(50,000)
Net cash from financing activities	46,710	3,316,081
Net increase/(decrease) in cash and cash equivalents	12,244	(613,552)
Cash and cash equivalents at the beginning of the financial half-year	4,909,175	850,745
Cash and cash equivalents at the end of the financial half-year	4,921,419	237,193

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

Note 1. 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.

Comparatives
When required, comparative figures have been adjusted to conform to changes in presentation for the current financial period, including adjustments required upon completion of provisional accounting for business combinations. Refer to Note 12 for details.

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.

Going concern
During the period the consolidated entity incurred a loss $179,541 (December 14 : $1,115,075)and had a net working capital deficiency of $2,872,500 at 31 December 2015 (June 2015 : $3,075,405). These factors indicate the existence of inherent uncertainty in relation in relation to the ability of the consolidated entity to continue as a going concern.

The directors however are confident that the company will be able to continue as a going concern for the following reasons :-

- The current liabilities include $US 5 million in current borrowings, that will be converted to shares upon completion of the Frankfurt listing. This gives rise to an adjusted net working capital surplus of $US 2,127,500.
- The company , in conjunction with a Corporate Advisor, is in the process of listing on the Frankfurt Stock Exchange and will be able to raise significant new capital once this process is complete.
- There are regular cash flows being generated from the sale of 1,000,000 shares to Entamico Pty Ltd and the launch of the a suite of educational courses during Q4 2016 will assist with a significant improvement in operating cash flows.
- The directors believe that losses incurred are in line with expectations for a start up company developing Education and Training courses and are confident that the consolidated entity will generate positive cash flows in future periods.
- Of the overall loss for the current period, $351,731 was attributable to discontinued operations, giving rise to a profit of $172,189 from continuing operations.

In the event that the Company and consolidated entity are unsuccessful in the matters set out above, there is material uncertainty whether the Company and consolidated entity will continue as going concerns and therefore whether they will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Company and consolidated entity not continue as going concerns.

Note 2. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one segment, being online training and software development in Australia. This operating segment 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.

Note 3. Revenue

	Consolidated	
	Dec 15 US$	Dec 14 US$
From continuing operations		
Sales revenue		
Consulting fees	251,334	270,633
License fees	1,119,959	-
	1,371,293	270,633
Other revenue		
Interest	99	677
Revenue from continuing operations	1,371,392	271,310

Note 4. Other income

	Consolidated	
	Dec 15 US$	Dec 14 US$
Net foreign exchange gain	624	109
Discount on acquisition	-	94,083
Other income	624	94,192

Note 5. Discontinued operations

Description
During the current period, the decision has been made to liquidate Project Project Pty Ltd. The process has begun, but is yet to be completed.

Note 5. Discontinued operations (continued)

Financial performance information

	Consolidated	
	Dec 15 US$	**Dec 14 US$**
Consulting fees	51,993	-
Cost of sales	(120,572)	-
Corporate and administration expense	(8,459)	-
Marketing and promotion expense	(96)	-
Other expenses	(46,366)	-
Finance costs	(2,187)	-
Impairment of goodwill	(226,044)	-
Total expenses	(403,724)	-
Loss before income tax expense	(351,731)	-
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(351,731)	-

Cash flow information

	Consolidated	
	Dec 15 US$	**Dec 14 US$**
Net cash from operating activities	326	-

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	Dec 15 US$	**Jun 15 US$**
Cash at bank	4,921,419	4,958,774
Cash on deposit	-	33,472
	4,921,419	4,992,246

Included in the cash at bank balance is $US 4,898,422 that relates to a share purchase to be ratified at the upcoming annual general meeting. This cash is to be spent on growing the business throughout the Asian region.

Note 7. Non-current assets - other financial assets

	Consolidated	
	Dec 15 US$	**Jun 15 US$**
Investment unlisted Australian entity - at cost	216,354	-

Note 8. Non-current assets - intangibles

	Consolidated Dec 15 US$	Consolidated Jun 15 US$
Goodwill - at cost	-	226,044
Learning management system - at cost	4,234,573	3,890,545
Less: Accumulated amortisation	(1,664,874)	(849,257)
	2,569,699	3,041,288
	2,569,699	3,267,332

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

Consolidated	Learning management system US$	Goodwill US$	Total US$
Balance at 1 July 2015	3,041,288	226,044	3,267,332
Exchange differences	(116,101)	-	(116,101)
Write off of goodwill	-	(226,044)	(226,044)
Amortisation expense	(355,488)	-	(355,488)
Balance at 31 December 2015	2,569,699	-	2,569,699

Note 9. Current liabilities - borrowings

	Consolidated Dec 15 US$	Consolidated Jun 15 US$
Bank overdraft	-	83,071
Consideration payable on acquisition	2,795,535	2,795,535
Loan to be converted to shares	5,000,000	5,000,000
	7,795,535	7,878,606

Note 10. Equity - issued capital

	Consolidated Dec 15 Shares	Consolidated Jun 15 Shares	Consolidated Dec 15 US$	Consolidated Jun 15 US$
Ordinary shares - fully paid	71,119,121	71,119,121	2,191,210	2,191,210
Ordinary shares - partly paid	1,000,000	-	46,710	-
	72,119,121	71,119,121	2,237,920	2,191,210

Note 10. Equity - issued capital (continued)

Movements in partly paid share capital

Details	Date	Shares	Issue price	US$
Balance	1 July 2015	-		-
Share issued as part of Entamico deal	25 November 2015	1,000,000	US$0.047	46,710
Balance	31 December 2015	1,000,000		46,710

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.

Partly paid shares
Under its deal with Entamico instalments are payable until May 2016. Until all payments are made these shares do not entitle the holder to participate in dividends, the proceeds on the winding up of the company or have any voting rights.

Note 11. Equity - dividends

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

Note 12. Business combinations

Finpa Group
On 1 July 2014, Edtrin acquired 100% of the ordinary shares of the Finpa Group for the total consideration transfer of :-

a) 3,184,931 fully paid ordinary shares. These have been valued at US 14.5 cents per share. The directors have valued this with reference to the weighted average seed capital contributed from incorporation to 30 June 2014.. This has been done because the company was not listed at the time and the directors believe that the seed capital contributed provided the best estimate of the value of the entity's equity instruments.
b) 274,553,450 convertible preference shares. These have been accounted for as debt because, the directors believe that the full liability will ultimately be settled for cash.
c) cash amounting to $US87,200

This business combination was accounted for using provisional accounting provisions, permissible under AASB 3 Business Combinations in the prior period. During the current period an independent valuation was performed to allow the company to complete its accounting for the acquisition under AASB 3 Business Combinations.

Details of the acquisition are as follows:

	Fair value US$
Cash and cash equivalents	8,954
Trade receivables	50,667
Software	404,070
Learning management system (intangible asset)	3,352,759
Trade and other payables	(165,358)
Bank overdraft	(70,899)
Borrowings	(147,167)
Net assets acquired	3,433,026
Goodwill	-
Acquisition-date fair value of the total consideration transferred	3,433,026
Representing:	
Cash paid or payable to vendor	87,200
Edtrin Group Limited shares issued to vendor	456,208
Liability recognised in relation to convertible preference shares	2,795,535
Discount on acquisition	94,083
	3,433,026

Note 12. Business combinations (continued)

Project Project
On 2nd February 2015, the company acquired Project Project. The consideration for the acquisition was 4,819,277 fully paid ordinary shares in Edtrin Group Limited. These have been valued at US 2.3 cents per share. The directors have valued this with reference to the weighted average of seed capital contributed between 1 July 2014 and 2 February 2015. Whilst the company was listed on the National Stock Exchange at this time, the directors believe that the value of the shares on that observable market did not accurately reflect the value of the company, due to low volume of share trade.

During the current period the board have decided to liquidate Project Project, and the good will has been written off in full.

Details of the acquisition are as follows:

	Fair value US$
Cash and cash equivalents	4,195
Trade and other receivables	123,731
Income tax refund due	50,020
Plant and equipment	7,271
Trade and other payables	(204,873)
Bank overdraft	(97,029)
Net liabilities acquired	(116,685)
Goodwill	226,044
Acquisition-date fair value of the total consideration transferred	109,359
Representing:	
Edtrin Group Limited shares issued to vendor	109,359

Note 13. Restatement of comparatives on completion of provisional accounting

During the current period, the consolidated entity has completed its accounting for acquisition of the Finpa Group. This has resulted in adjustments that have been recognised in the prior financial period. Refer to Note 12 for details relating to the acquisition. As part of completing this process adjustment have been made in the prior accounting period.

The effect of these adjustments has been outlined below.

Notes

Non current assets - intangibles

	Consolidated	
	Jun 15 Final US$	Jun 15 Provisional US$
Goodwill - at cost	226,044	3,523,737
Software - at cost	3,890,545	537,786
Less : accumulated amortisation	(849,257)	(178,706)
	3,267,332	3,882,817

Note 13. Restatement of comparatives on completion of provisional accounting (continued)

As a result of the independent valuation report an additional amount $3,352,759 has been included in the cost of the learning management asset and a discount on acquisition of $94,083 during the prior period. An amount of $3,258,676 was previously recognised as goodwill under the provisional accounting requirements. No goodwill has been recognised in relation to this transaction, now that the accounting for the business combination has been completed. The learning management system is an intangible asset that the directors have determined has a useful life of 5 years. As a result of an amortisation expense of $670,551 has been recognised in the prior financial period.

Total equity

	Consolidated	
	Jun 15 Final US$	**Jun 15 Provisional US$**
Issued capital	2,191,210	2,191,210
Reserves	297,937	297,937
Accumulated losses	(2,319,980)	(1,743,512)
	169,167	745,635

There is a difference of $576,468 in total accumulated losses upon completion of provisional accounting. The difference has been caused by $670,551 of additional amortization charges on the identifiable intangible assets, offset by a $94,083 discount on acquisition.

Note 14. Events after the reporting period

No 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 15. Earnings per share

	Consolidated	
	Dec 15 US$	**Dec 14 US$**
Earnings per share for profit/(loss) from continuing operations		
Profit/(loss) after income tax attributable to the owners of Edtrin Group Limited	172,189	(1,115,675)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	71,119,121	45,325,780
Adjustments for calculation of diluted earnings per share:		
Amounts uncalled on partly paid shares and calls in arrears	196,721	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	71,315,842	45,325,780
	Cents	**Cents**
Basic earnings / (loss) per share	0.24	(2.46)
Diluted earnings / (loss) per share	0.24	(2.46)

Note 15. Earnings per share (continued)

	Consolidated	
	Dec 15 US$	Dec 14 US$
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Edtrin Group Limited	(351,731)	-

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	71,119,121	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	71,119,121	-

	Cents	Cents
Basic loss per share	(0.49)	-
Diluted loss per share	(0.49)	-

	Consolidated	
	Dec 15 US$	Dec 14 US$
Earnings per share for loss		
Loss after income tax attributable to the owners of Edtrin Group Limited	(179,542)	(1,115,675)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	71,119,121	45,325,780
Weighted average number of ordinary shares used in calculating diluted earnings per share	71,119,121	45,325,780

	Cents	Cents
Basic loss per share	(0.25)	(2.46)
Diluted loss per share	(0.25)	(2.46)

Edtrin Group 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

Graeme Coomber	Steven Maskell
Chairman	CEO

4 March 2016

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636 St Kilda Road,
Melbourne.
VIC 3004
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF EDTRIN GROUP LTD

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Edtrin Group Ltd, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Edtrin Group Ltd'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 Edtrin Group 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.

Independence
In conducting our review, we have compiled with the independence requirements of the *Corporations Act 2001.* We confirm that the independence declaration required by the *Corporations Acts 2001*, which has been given to the directors of Edtrin Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's 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 Edtrin Group Ltd is not in accordance with the *Corporations Act 2001* including:

a) Giving a true and fair view of the company'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 Corporations Regulations 2001.*

Emphasis of Matter
Without modifying our conclusion, we draw attention to note 1 in the half year financial report which indicates the existence of material uncertainty which may cast a significant doubt on the consolidated entity's ability to continue as a going concern. Therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the half year financial report.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
4 March 2016