

**COMPANY ANNOUNCEMENT**

21 February 2020

**Reverse Corp Limited (ASX: REF) – Half-Year Results Announcement**

Reverse Corp Limited reports EBITDA (earnings before interest, tax, depreciation & amortisation), of (\$208,445) and NPAT (net profit after tax) of \$1,519,553 for the half-year ending 31 December 2019.

The NPAT result reflects:

- An accounting profit on the sale of the Online Contact Lens business to Coastal Contacts (Aus) Pty Ltd of \$1,735,235 on 1 July 2019;
- 1800 Reverse closure costs of \$28,584 and final premises lease costs of \$61,414; and
- REF shell running costs of \$112,222.

Further to the ASX announcement on 28 November 2019, the Board has had no further discussions with any interested parties on the sale of the ASX shell.

The Company has the following assets:

- \$50,000 in cash;
- \$140,000 holdback on the online contacts lenses business sale due 1 July 2020; and
- \$3,243,242 in franking / imputation credits.

Reverse Corp Limited has 92,860,562 shares on issue and 429 shareholders.

By Order of the Board

Dion Soich  
Company Secretary

# REVERSE CORP LIMITED

ACN 085 949 855

## Appendix 4D

Half-year report

for the half-year ended 31 December 2019

(previous corresponding period: half-year ended 31 December 2018)

### Results for announcement to the market:

Revenue from ordinary activities (\$000)	N/A	to \$3
Loss from ordinary activities after tax attributable to members (\$000)	Down 60.4%	to \$109
Total comprehensive income after tax attributable to members (\$000)	Up 428.3%	to \$1,519

Brief explanation of any figures reported above necessary to enable the figures to be understood:

Refer to the accompanying financial statements and notes.

### Dividend:

The Board has not declared a dividend.

	31 December 2019	31 December 2018
<b>Net tangible assets per security:</b>	\$0.003	\$0.014

### Commentary on the Results for the Period:

Refer to the accompanying financial statements and notes.

### Audit/Review Status:

This report is based on accounts to which one of the following applies:  
(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

**Reverse Corp Limited  
and Controlled Entities**

ABN 16 085 949 855

**Interim Financial Report**

for the half-year ended 31 December 2019

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**DIRECTORS' REPORT**

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2019.

**Directors**

The names of directors in office at any time during or since the end of the period are:

Mr Peter D Ritchie – Non-Executive Chairman

Mr Gary B Hillberg – Non-Executive Director

Mr Richard L Bell – Non-Executive Director

**Review and Results of Operations**

Net loss after tax for the half-year ended 31 December 2019, excluding the gain on sale of Online Contact Lens business of \$1,735,235, was \$215,682 compared to a net loss after tax of \$462,869 for the same period last year. Including discontinued operations, group earnings before interest, tax, depreciation and amortisation (EBITDA) were (\$208,445) with revenue for the period \$7,727, excluding gain on sale of Online Contact Lens business. This compared to EBITDA of \$58,912 and revenue of \$3,780,971 for the same period last year.

*Reverse Charge Calling Business*

Following the closure of the Reverse Charge Calling business on 30 June 2019, 1800-Reverse incurred total costs of \$89,998 with \$28,584 to cover closure costs and \$61,414 for final premises lease and associated costs. All IT hardware was sold or scrapped with proceeds totalling \$9,097. No further costs will be incurred.

*Online Contact Lens Business*

On 1 July 2019, the Online Contact Lens business was sold to Coastal Contacts (Aus) Pty Ltd for \$2,908,436. Upfront payments totalling \$2,768,436 were received with a hold back amount of \$140,000 due, subject to no warranty claims, on 1 July 2020. An accounting profit of \$1,735,235 has been recorded, with no income tax due.

Priorities for the Board in the second half are to continue to assess future options for the sale of the company to achieve the best shareholder returns

**Dividends**

No dividend has been declared for the half-year.

A fully franked special dividend of \$0.0275 per share was paid on 2 September 2019.

**Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.



Mr. Peter D. Ritchie  
Chairman

Dated this 21<sup>st</sup> day of February 2020

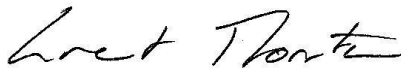
---

**Grant Thornton Audit Pty Ltd**  
King George Central  
Level 18  
145 Ann Street  
Brisbane QLD 4000  
GPO Box 1008  
Brisbane QLD 4001  
T +61 7 3222 0200

## Auditor's Independence Declaration To the Directors of Reverse Corp Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Reverse Corp Limited for the half-year ended 31 December 2019. 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



A F Newman  
Partner – Audit & Assurance

Brisbane, 21 February 2020

Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	Half-Year Ended	
		31 Dec 2019	31 Dec 2018
		\$	\$
Revenue		-	-
Interest revenue		2,929	40,887
Employee benefits expense		-	(148,081)
Other expenses		(112,221)	(140,548)
Finance costs		-	(1,502)
Loss before income tax		(109,292)	(249,244)
Income tax (expense) / benefit		-	(39,239)
<b>Loss for the half-year from continuing operations</b>		<b>(109,292)</b>	<b>(288,483)</b>
Profit/(loss) for the half-year from discontinued operations		1,628,845	(174,386)
<b>Profit/(loss) for the half-year</b>		<b>1,519,553</b>	<b>(462,869)</b>
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the half-year, net of income tax</b>		-	-
<b>Total comprehensive income for the half-year</b>		<b>1,519,553</b>	<b>(462,869)</b>
Profit/(loss) for the half-year attributable to:			
Owners of the parent		1,519,553	(462,869)
		1,519,553	(462,869)
Total comprehensive income for the half-year attributable to owners of the parent:			
Continuing operations		(109,292)	(288,483)
Discontinued operations		1,628,845	(174,386)
		1,519,553	(462,869)
<b>Earnings per share</b>			
<b>Basic earnings per share</b>		<b>0.016</b>	<b>-0.005</b>
Earnings from continuing operations		-0.002	-0.003
Profit/(loss) from discontinued operations		0.018	-0.002
<b>Diluted earnings per share</b>		<b>0.016</b>	<b>-0.005</b>
Earnings from continuing operations		-0.002	-0.003
Profit/(loss) from discontinued operations		0.018	-0.002

The accompanying notes form part of these financial statements.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities**  
**Interim Financial Report**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	31 Dec 2019	30 Jun 2019	
	Note	\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		92,924	374,039
Trade and other receivables		144,410	-
Assets and disposal group classified as held for sale		-	1,844,616
Other current assets		8,560	11,847
<b>TOTAL CURRENT ASSETS</b>		<b>245,894</b>	<b>2,230,502</b>
<b>TOTAL ASSETS</b>		<b>245,894</b>	<b>2,230,502</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,619	204,148
Current tax liabilities		-	(73,075)
Liabilities included in the disposal group held for sale		-	454,828
Short-term employee benefits		-	368,214
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,619</b>	<b>954,115</b>
<b>TOTAL LIABILITIES</b>		<b>3,619</b>	<b>954,115</b>
<b>NET ASSETS</b>		<b>242,275</b>	<b>1,267,387</b>
<b>EQUITY</b>			
Share capital	6	3,576,084	3,576,084
Retained earnings		(3,333,809)	(2,299,697)
<b>TOTAL EQUITY</b>		<b>242,275</b>	<b>1,267,387</b>

The accompanying notes form part of these financial statements.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	Share capital	Retained earnings	Total attributable to owners of parent	Non- controlling interest	Total Equity
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>		<b>3,576,084</b>	<b>(2,299,697)</b>	<b>1,276,387</b>	-	<b>1,276,387</b>
Dividend payments		-	(2,553,665)	(2,553,665)	-	(2,553,665)
<b>Transactions with owners</b>		-	<b>(2,553,665)</b>	<b>(2,553,665)</b>	-	<b>(2,553,665)</b>
Profit/(loss) for the period		-	1,519,553	1,519,553	-	1,519,553
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	<b>1,519,553</b>	<b>1,519,553</b>	-	<b>1,519,553</b>
<b>Balance at 31 December 2019</b>		<b>3,576,084</b>	<b>(3,333,809)</b>	<b>242,275</b>	-	<b>242,275</b>
<b>Balance at 1 July 2018</b>		<b>3,576,084</b>	<b>4,407,799</b>	<b>8,490,598</b>	<b>(102,033)</b>	<b>8,325,565</b>
Dividend payments		-	(5,107,331)	(5,107,331)	-	(5,107,331)
Acquisition of non-controlling interest in Oz Contacts Pty Ltd		-	(172,033)	(172,033)	102,033	(70,000)
<b>Transactions with owners</b>		-	<b>(5,279,364)</b>	<b>(5,279,364)</b>	<b>102,033</b>	<b>(5,177,331)</b>
Profit/(loss) for the period		-	(462,869)	(462,869)	-	(462,869)
Other comprehensive income		-	-	-	-	-
<b>Total comprehensive income for the period</b>		-	<b>(462,869)</b>	<b>(462,869)</b>	-	<b>(462,869)</b>
<b>Balance at 31 December 2018</b>		<b>3,576,084</b>	<b>(1,334,434)</b>	<b>2,685,365</b>	-	<b>2,685,365</b>

The accompanying notes form part of these financial statements.



**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities**  
**Interim Financial Report**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	<b>Half-year ended</b>	<b>Half-year ended</b>
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Receipts from customers	-	-
Payments to suppliers and employees	(194,175)	(771,572)
Tax refunds	73,075	193,667
Net cash used in continuing operations	(121,100)	(577,905)
Net cash from / (used in) discontinuing operations	(448,383)	1,412,830
Net cash from / (used in) operating activities	(569,483)	834,925
<b>INVESTING ACTIVITIES</b>		
Payments for intangible assets	-	(37,936)
Payment for minority interest	-	(70,000)
Proceeds from the sale of subsidiaries	2,768,436	-
Interest received	4,377	43,681
Proceeds from the sale of property, plant & equipment	9,097	909
Net cash from / (used in) investing activities	2,781,910	(63,346)
<b>FINANCING ACTIVITIES</b>		
Interest paid	-	(2,317)
Proceeds from borrowings	-	59,087
Repayments of borrowings	-	(18,476)
Dividends paid	(2,553,665)	(5,107,331)
Net cash used in financing activities	(2,553,665)	(5,069,037)
Net change in cash and cash equivalents	(341,238)	(4,297,458)
Cash and cash equivalents, beginning of period	434,162	5,313,397
Included in disposal group	-	(139,536)
Cash and cash equivalents, end of period	92,924	876,403

The accompanying notes form part of these financial statements.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities**  
**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 1: GENERAL INFORMATION AND BASIS OF PREPARATION**

These interim financial statements for the interim half-year reporting period ended 31 December 2019 are presented in Australian Dollar (\$AUD), which is the functional currency of the Parent Company and have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*.

This condensed interim financial report is intended to provide users with an update on the latest annual financial statements of Reverse Corp Limited and its controlled entities (the Group). They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the group for the year ended 30 June 2019, together with any public announcements made during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 21 February 2020.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2019.

*Comparative Figures*

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

*Key Estimates and Judgements*

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

*Going Concern*

Notwithstanding that the consolidated entity incurred an operating loss after tax from continuing operations of \$109,292 for the half-year ended 31 December 2019 following the closure of the profitable 1800 Reverse charge calling business and the sale of the Contact Lens business, the financial report has been prepared on a going concern basis, which assumes the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group has cash reserves of \$92,924 at balance date with an additional \$140,000, held back from the sale of the Contact Lens business to cover warranties, is due on 1 July 2020. The Group has reduced its operating costs to a minimal level whilst it continues to explore all options for selling the listed shell. The Group has further options of delisting to further reduce compliance costs.

At the date of this report and having considered the above factors, the directors are confident the consolidated entity will be able to continue as a going concern.

Should all of the above assumptions not eventuate, there exists a material uncertainty regarding the Company's and Group's ability to continue as a going concern and realise its assets and liabilities in the normal course of business and at the amounts stated in the financial statements.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 3: SEGMENT REPORTING**

The group has identified its operating segments based on the internal reports that are reviewed and used by management and the Board of Directors in assessing performance and determining the allocation of resources. The operating segments reflect the ongoing needs of the business.

The group is managed primarily on the basis of the business units.

The operating segments are therefore determined on the same basis.

The following table presents the operating segments for the years ended 31 December 2019 and 2018.

<b>Half-Year ended 31 December 2019</b>	<b>Reverse Charges (Disc) \$</b>	<b>Online Contacts (Disc) \$</b>	<b>Unallocated \$</b>	<b>Inter Segment Eliminations \$</b>	<b>Group \$</b>
<b>REVENUE</b>					
External revenue (a)	3,350	-	-	-	3,350
Other income	-	1,735,235	-	-	1,735,235
Interest revenue	1,448	-	2,929	-	4,377
<b>Total revenue</b>	<b>4,798</b>	<b>1,735,235</b>	<b>2,929</b>	<b>-</b>	<b>1,742,962</b>
<b>RESULT</b>					
Segment result	(106,390)	1,735,235	(109,292)	-	1,519,553
<b>OTHER SEGMENT INFORMATION</b>					
Segment assets	57,789	-	3,707,414	(3,519,309)	245,894
Segment liabilities	-	-	3,619	-	3,619
Interest expense	-	-	-	-	-
Capital expenditure	-	-	-	-	-
Depreciation and amortisation	682	-	-	-	682
Income tax expense/(benefit)	-	-	-	-	-

- (a) External revenue includes revenue from reverse charge calls and the sale of contact lens products which are recognised at a point in time.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 3: SEGMENT INFORMATION (CONT)**

	Reverse Charges (Disc)	Online Contacts (Disc)	Unallocated	Inter Segment Eliminations	Group
<b>Half-Year ended 31 December 2018</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>					
External revenue (a)	1,136,340	2,644,631	-	-	3,780,971
Other income	10,611	1,895	-	(10,502)	2,004
Interest revenue	2,794	-	201,740	(160,853)	43,681
<b>Total revenue</b>	<b>1,149,745</b>	<b>2,646,526</b>	<b>201,740</b>	<b>(171,355)</b>	<b>3,826,656</b>
<b>RESULT</b>					
Segment result	114,578	(269,128)	(249,244)	-	(403,794)
<b>OTHER SEGMENT INFORMATION</b>					
Segment assets	26,846,270	2,237,346	16,682,604	(42,195,682)	3,570,538
Segment liabilities	16,752,265	4,815,652	18,289,632	(38,972,377)	885,172
Interest expense	554	161,114	1,502	(160,853)	2,317
Capital expenditure	-	37,938	-	-	37,938
Depreciation and amortisation	17,208	216,055	-	-	233,263
Income tax expense/(benefit)	100,724	(80,888)	39,239	-	59,075

\* Parent entity costs are not allocated across each segment. Segment revenues, expenses and results include transfers between segments. All such transactions are eliminated on consolidation of the group's financial statements.

The prices charged on inter-segment transactions are at an arms length.

The totals presented for the Group's operating segments reconcile to the key financial figures as presented in the financial statements as follows:

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Total reportable segment revenues	1,742,962	3,826,656
Discontinued operations	(1,740,033)	(3,785,769)
Elimination of intersegment revenues	-	-
<b>Group revenues</b>	<b>2,929</b>	<b>40,887</b>
<b>Profit or loss</b>		
Total reportable segment operating profit/(loss)	1,519,553	(403,794)
Operating loss of discontinued operations	106,390	154,550
Profit on sale of discontinued operations	(1,735,235)	-
<b>Group operating profit/(loss) from continuing operations</b>	<b>(109,292)</b>	<b>(249,244)</b>

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 4: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

**NOTE 5: CHANGES IN COMPOSITION OF CONSOLIDATED ENTITY**

Since the consolidated entity's last annual reporting date there have been the following changes in the composition of the consolidated entity:

Unlisted investments, at cost:	Principal activities	Country of Incorporation	Ownership Interest	
			31 December 2019	30 June 2019
			%	%
1800 Reverse Pty Ltd	Reverse Charge Calling Services	Australia	100	100
0800 Reverse Pty Ltd (v)	Dormant Entity	Australia	100	100
Oz Contacts Pty Ltd (iv)	Online Contact Lenses	Australia	0	100
Net Optical (Aust.) Pty Ltd (i) (iv)	Online Contact Lenses	Australia	0	100
Webcontacts Pty Ltd (i) (iii) (iv)	Online Contact Lenses	Australia	0	100
1800 Reverse Operations Pty Ltd (ii)	Service Entity	Australia	100	100
15-15 Pty Ltd (v)	Dormant Entity	Australia	100	100
Yourcontacts Pty Ltd (i) (iv)	Online Contact Lenses	Australia	0	100

(i) Subsidiary of Oz Contacts Pty Ltd

(ii) Subsidiary of 1800 Reverse Pty Ltd

(iii) Formerly known as Online Contact Lenses (Aust.) Pty Ltd

(iv) Subsidiaries sold on 1 July 2019 to Coastal Contacts (Aus) Pty Ltd

(v) Subsidiaries deregistered with ASIC on 6 November 2019

**NOTE 6: ISSUED CAPITAL**

The total number of shares on issue at 31 December 2019 is 92,860 562 (30 June 2019: 92,860,562).

**NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE**

Since the end of the reporting period, no matters other than mentioned above have arisen which significantly effected or may significantly effect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 8: DISPOSALS AND DISCONTINUED OPERATIONS**

**(a) Online Contact Lenses**

On 1 July 2019, The Group disposed of its 100% equity interests in subsidiary Oz Contacts Pty Ltd and its subsidiaries Net Optical (Aust) Pty Ltd, Webcontacts Pty Ltd and Yourcontacts Pty Ltd (“Oz Contacts Pty Ltd and its subsidiaries”) to Coastal Contacts (Aus) Pty Ltd as a going concern. Oz Contacts Pty Ltd and its subsidiaries were classified as held for sale in the 2019 financial statements.

The consideration for the disposal is \$2,908,436. Upfronts payments of \$2,713,208 and \$55,228 were received on 1 July 2019 and 5 September 2019 respectively. The remaining amount of \$140,000 is to be held back by Coastal Contacts (Aus) Pty Ltd for a period of twelve months to cover any breach of warranty claims against the Group.

The carrying amount of the net assets of Oz Contacts Pty Ltd and its subsidiaries at the date of disposal were as follows:

	\$
<b>Non-current assets</b>	
Property, plant and equipment	9,092
Goodwill	145,038
Other intangibles	911,675
<b>Current assets</b>	
Trade and other receivables	11,765
Inventories	372,343
Other current assets	28,135
<b>Total assets</b>	<b>1,478,048</b>
<b>Current Liabilities</b>	
Trade and other payables	371,861
<b>Total liabilities</b>	<b>371,861</b>
<b>Total net assets</b>	<b>1,106,187</b>
Consideration received in cash	2,768,436
Cash and cash equivalents disposed of	67,013
<b>Net cash received (Upfront)</b>	<b>2,701,423</b>
Hold back consideration receivable in cash <sup>^</sup>	140,000
<b>Net Cash receivable (Inc. Hold back amount)</b>	<b>2,841,423</b>

<sup>^</sup> Hold back amount due to be received on 1 July 2020 has been recorded as a sundry receivable in Reverse Corp Limited.

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 8: DISPOSALS AND DISCONTINUED OPERATIONS (CONT)**

Operating profit/(loss) of Oz Contacts Pty Ltd and its subsidiaries until the date of disposal is summarised as follows:

	<b>Half- year Ended 31 Dec 2019</b>	<b>Half-year Ended 31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Revenue	-	2,643,452
Other revenue	-	1,895
Direct costs associated with revenue	-	(2,297,658)
Employee benefits expense	-	(270,079)
Depreciation and amortisation expense	-	(216,055)
Other costs	-	(130,423)
Finance costs	-	(260)
<b>Loss from discontinued operations before tax</b>	<b>-</b>	<b>(269,128)</b>
Tax benefit	-	80,888
<b>Loss for the half-year</b>	<b>-</b>	<b>(188,240)</b>
<b>Profit before tax on disposal</b>	<b>1,735,235</b>	<b>-</b>
Tax benefit/(expense)	-	-
<b>Total Profit</b>	<b>1,735,235</b>	<b>-</b>
<b>Profit/(loss) for the half-year from discontinued operations</b>	<b>1,735,235</b>	<b>(188,240)</b>

Cash flows generated by Oz Contacts Pty Ltd and its subsidiaries for the reporting periods under review until disposal are as follows:

	<b>Half-year Ended 31 Dec 2019</b>	<b>Half-year Ended 31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Operating activities	-	1,083,447
Financing activities	2,768,436	(37,138)
<b>Cash flow from discontinued operations</b>	<b>2,768,436</b>	<b>1,046,309</b>

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities**  
**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 8: DISPOSALS AND DISCONTINUED OPERATIONS (CONT)**

**(b) Reverse Charge Calls**

On 30 June 2019, 1800 Reverse Pty Ltd and its subsidiaries discontinued the reverse charge calls business following the termination of key Telstra agreements which made the service unviable. Following the discontinued reverse charge calls service closure costs of \$28,584 were incurred to cover closure of data centres, decommissioning of key IT equipment and legal fees.

Operating profit/(loss) of 1800 Reverse Pty Ltd and its subsidiaries until the date of discontinuing operations is summarised as follows:

	<b>Half-year Ended 31 Dec 2019</b>	<b>Half-year Ended 31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Revenue	3,350	1,136,340
Other revenue	1,448	2,903
Direct costs associated with revenue	(10,753)	(281,863)
Employee benefits expense	(11,214)	(378,989)
Credit losses	-	(233,126)
Depreciation and amortisation expense	(682)	(17,208)
Impairment of intangibles	(1,618)	-
Other costs	(86,921)	(112,925)
Finance costs	-	(554)
<b>Loss from discontinued operations before tax</b>	<b>(106,390)</b>	<b>114,578</b>
Tax benefit/(expense)	-	(100,724)
<b>Profit/(loss) for the half year from discontinued operations</b>	<b>(106,390)</b>	<b>13,854</b>

Cash flows generated by 1800 Reverse Pty Ltd and its subsidiaries for the reporting periods under review until discontinued are as follows:

	<b>Half-year Ended 31 Dec 2019</b>	<b>Half-year Ended 31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Operating activities (i)	(448,383)	329,383
Financing activities	10,544	2,903
<b>Cash flow from / (used in) discontinued operations</b>	<b>(437,839)</b>	<b>332,286</b>

- (i) Cash flow from operating activities includes staff redundancy and associated payments accrued in the 30 June 2019 financial reports.



**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTE 8: DISPOSALS AND DISCONTINUED OPERATIONS (CONT)**

**(c) Total**

	<b>Half-year Ended 31 Dec 2019</b>	<b>Half-year Ended 31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Revenue	3,350	3,779,792
Other revenue	1,448	4,798
Direct costs associated with revenue	(10,753)	(2,579,521)
Employee benefits expense	(11,214)	(649,068)
Credit losses	-	(233,126)
Depreciation and amortisation expense	(682)	(233,263)
Impairment of intangibles	(1,618)	-
Other costs	(86,921)	(243,348)
Finance costs	-	(814)
<b>Profit / (loss) from discontinued operations before tax</b>	<b>(106,390)</b>	<b>(154,550)</b>
Tax benefit / (expense)	-	(19,836)
<b>Profit / (loss) for the half year</b>	<b>(106,390)</b>	<b>(174,386)</b>
<b>Profit before tax on disposal</b>	<b>1,735,235</b>	<b>-</b>
Tax benefit/(expense)	-	-
<b>Total Profit</b>	<b>1,735,235</b>	<b>-</b>
<b>Profit/(loss) for the half year from discontinued operations</b>	<b>1,628,845</b>	<b>(174,386)</b>

	<b>Half-year Ended 31 Dec 2019</b>	<b>Half-year Ended 31 Dec 2018</b>
	<b>\$</b>	<b>\$</b>
Operating activities	(448,383)	1,412,830
Financing activities	2,778,980	(34,235)
<b>Cash flow from discontinued operations</b>	<b>2,330,597</b>	<b>1,378,595</b>

**Reverse Corp Limited ABN 16 085 949 855 and Controlled Entities  
Interim Financial Report**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 15:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
  
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr. Peter D. Ritchie  
Chairman

Dated this 21<sup>st</sup> day of February 2020

# Independent Auditor's Report

## To the Members of Reverse Corp Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Reverse Corp Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Reverse Corp Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss from continuing operations of \$109,292 and operating cash outflows from continuing operations of \$121,100 during the half year ended 31 December 2019 following the closure of the profitable 1800 Reverse charge calling business and the sale of the contact lens business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

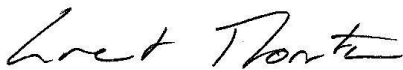
#### Auditor's responsibility

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 Group's financial position as at 31 December 2019 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 Reverse Corp Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



A F Newman  
Partner – Audit & Assurance

Brisbane, 21 February 2020