

**Japara Holdings Pty Ltd
and
Controlled Entities
ABN 18 110 466 889**

**Interim Financial Report
For the Half Year ended 31 December 2013**

31 December 2013

Interim Financial Report

Contents

	Page
Contents	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the Interim Financial Statements	7 – 13
Directors' Declaration	14
Independent Audit Report	15-16

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Half year ended 31 December 2013 \$'000
Revenue from ordinary activities	122,678
Details of expenditure:	
Employee benefits expense	(82,774)
Occupancy costs	(16,960)
Cost of services	(9,529)
Depreciation, amortisation and impairment	(3,580)
Finance costs	(1,795)
Administrative expenses	(3,339)
Total expenses from ordinary activities	<u>(117,977)</u>
Profit before income tax	4,701
Income tax expense	(1,429)
Profit for the half year	<u><u>3,272</u></u>
Other comprehensive income, net of tax	-
Total comprehensive income for the half year	<u><u>3,272</u></u>
Profit attributable to members of the group	<u><u>3,272</u></u>
Total comprehensive income attributable to members of the group	<u><u>3,272</u></u>

The accompanying notes form part of these financial statements.

Japara Holdings Pty Ltd and Controlled Entities

ABN 18 110 466 889

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

		31 December 2013	30 June 2013
	Note	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents		38,589	16,720
Trade and other receivables		5,886	8,473
Other assets		3,183	5,486
Total current assets		47,658	30,679
Non-current assets			
Property, plant and equipment		65,066	64,163
Investment property		11,955	10,231
Deferred tax assets		11,395	11,026
Intangibles	3	181,278	176,672
Other assets		1,461	1,314
Investments		6,557	250
Total non-current assets		277,712	263,656
TOTAL ASSETS		325,370	294,335
LIABILITIES			
Current liabilities			
Trade and other payables		34,717	24,555
Financial liabilities - borrowings	4	35,353	18,490
Financial liabilities – other	5	207,652	196,626
Current tax liability		12	1,457
Provisions		20,707	19,190
Other liabilities		5,208	4,955
Total current liabilities		303,649	265,273
Non-current liabilities			
Financial liabilities - borrowings		-	8,250
Deferred tax liabilities		4,170	4,280
Provisions		1,707	1,582
Total non-current liabilities		5,877	14,112
TOTAL LIABILITIES		309,526	279,385
NET ASSETS		15,844	14,950
EQUITY			
Issued capital		108	108
Share buy-back reserve		(21,500)	(21,500)
Retained earnings		37,236	36,342
TOTAL EQUITY		15,844	14,950

The accompanying notes form part of these financial statements.

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued Capital	Share Buy- Back Reserve	Retained Earnings	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	108	(21,500)	36,342	14,950
Profit attributable to members of parent entity	-	-	3,272	3,272
Dividends paid or provided for	-	-	(2,378)	(2,378)
Balance at 31 December 2013	108	(21,500)	37,236	15,844

The accompanying notes form part of these financial statements.

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Half year ended 31 December 2013
Note	\$'000
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers	136,295
Payments to suppliers and employees	(115,343)
Income tax paid	(2,874)
Interest received	349
Financing costs paid	(1,341)
Net cash provided by operating activities	17,086
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property	(135)
Purchase of plant and equipment	(1,142)
Proceeds from sale of property, plant and equipment	13,500
Capital works in progress	(16,651)
Purchase of units in related parties	6 (6,307)
Acquisition of Aged Care business	7 (2,815)
Net cash used in investing activities	(13,550)
CASH FLOW FROM FINANCING ACTIVITIES	
Loans repaid by other related parties	2,875
Proceeds from bank borrowings	8,253
Repayment of bank borrowings	(1,457)
Proceeds from vendor loan	7 1,817
Dividends paid	(2,378)
Net proceeds from accommodation bonds	8,820
Net proceeds from ILU resident loans	403
Net cash provided by financing activities	18,333
Net increase in cash held	21,869
Cash at beginning of financial year	16,720
Cash at half year ended 31 December	38,589

The accompanying notes form part of these financial statements.

Japara Holdings Pty Ltd and Controlled Entities

ABN 18 110 466 889

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Japara Holdings Pty Ltd and its controlled entities (referred to as the "consolidated group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013.

The interim financial report was approved by the Directors on 20 March 2014.

a. Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed below.

b. New and Revised Accounting Requirements Applicable to the Current Half Year Reporting Period

During the current period, a number of new and revised accounting standards became mandatory for reporting entities under the Corporations Act 2001. The adoption of these standards did not have a significant impact of the financial position or performance of the group for the half year ended 31 December 2013.

Consolidated Financial Statements

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG112 *Consolidation - Special Purpose Entities*.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

Consequential amendments were also made to this and other Standards via AASB 2011-7 and AASB 2012-10.

Disclosure of Interests in Other Entities

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

Fair Value Measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value.

Consequential amendments were also made to other Standards via AASB 2011-8.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Employee Benefits

The revised Standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date and can result in changes to the measurement of some employee benefits.

It also revises the accounting for defined benefit plans. The amendment requires that the liabilities arising from such plans are recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets.

Consequential amendments were also made to other Standards via AASB 2011-10.

Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income

This Standard amends AASB 101 (and consequential amendments to other Standards) to require entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

c. Accounting standards issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these standards and do not expect the adoption of the standards to have a significant impact of the financial position or performance of the group.

Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

Recoverable Amount Disclosures for Non-Financial Assets

Amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

d. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2013 annual report.

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 2: SEGMENT REPORTING

The consolidated group operates predominantly in one business and geographical segment being the provision of residential aged care services throughout Australia.

NOTE 3: INTANGIBLES

**31 December
2013
\$'000**

Goodwill arising upon business acquisitions

– at cost 30,102

Net carry value 30,102

Bed licences (aged care facility approved places)

– at cost 149,062

Net carry value 149,062

Customer related intangibles

– at cost 5,905

Accumulated amortisation (3,791)

Net carry value 2,114

Total Intangibles 181,278

Movements in Carrying Amounts	Goodwill	Bed licences	Customer related intangibles	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2013	29,601	144,662	2,409	176,672
Amortisation expense	-	-	(295)	(295)
Purchase of business	501	4,400	-	4,901
Carrying amount as at 31 December 2013	<u>30,102</u>	<u>149,062</u>	<u>2,114</u>	<u>181,278</u>

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 4: FINANCIAL LIABILITIES - BORROWINGS

	Note	31 December 2013 \$'000
CURRENT		
Bank loans – secured	4a, 4b, 4c	33,340
Insurance premium financing loan - secured		196
Vendor loan – unsecured	7	1,817
		<u>35,353</u>

4a. Whilst the consolidated group's present loan facility agreement expires on 2 July 2015, the Directors are actively seeking to refinance the loan facility with a view to obtaining longer term funding at lower rates. The Directors have received indicative term sheets from the consolidated group's bankers and the Directors intend to refinance the loan facility prior to in the short term. All other terms of the consolidated group's loan facility have remained unchanged since the information disclosed in the consolidated group's 2013 Annual Financial Report. The present loan facility consists of two components: Tranche A which remains fully drawn for an amount of \$21,000,000; and Tranche B of \$20,000,000 which has been drawn to an amount of \$12,340,000 as at 31 December 2013. There have been no further principal amounts drawn or repaid since 31 December 2013 to the date of this interim financial report.

4b. Under the terms of the consolidated group's banking facility, quarterly covenant compliance certificates are required to be lodged with its banking lenders. For the December 2013 quarter, the debt service cover ratio ("DSCR") of 1.60 times was below the required covenant of greater than 1.75 times and the leverage ratio ("LR") was calculated at 3.53 times with the financial covenant requirement to be below 3.50 times. On 2 January 2014 a scheduled principal debt repayment of \$3,250,000 was made, following which the LR fell to 3.46 times. In respect of the DSCR, the consolidated group believes there are mitigating factors and that the results that impact the DSCR are no longer subsisting. Subsequent to 31 December 2013, the consolidated group's bankers agreed that the DSCR and LR financial covenants for the quarter ended 31 December 2013 be waived and therefore the bank loan facility at the date of signing this interim financial report can now be classified between current and non-current liabilities accordingly.

4c. As a result of the matters discussed in 4a and 4b above, the entire debt has been classified as current as at 31 December 2013.

NOTE 5: FINANCIAL LIABILITIES - OTHER

	Note	31 December 2013 \$'000
Accommodation bonds		193,544
ILU resident loans		14,108
		<u>207,652</u>

NOTE 6: INVESTMENTS

	31 December 2013 \$'000
<u>Units held in related parties</u>	
Opening balance as at 1 July 2013	250
Purchase of units during the period	6,307
Closing balance as at 31 December 2013	<u>6,557</u>

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 7: ACQUISITION OF AGED CARE FACILITY

On 19 August 2013 the consolidated group settled on the purchase of the aged care business at 71 Scott Street, Dandenong, VIC; being an aged care facility with 110 bed licences. The gross purchase price of \$5,850,000 was reduced by settlement adjustments of \$3,067,664. A stamp duty amount of \$32,926 was assessed on plant and equipment acquired as part of the business acquisition. The resulting net purchase price of \$2,815,262 was paid for in cash of \$998,626 and an interest free unsecured vendor loan amount of \$1,816,636 repayable in full in August 2014. A deposit of \$150,000 had previously been paid in June 2013.

The financial impact of this acquisition is set out in the table below:

	Half year ended 31 December 2013
The components of the acquisition as relating to the consolidated group are as follows:	\$'000
CONSIDERATION	
Total consideration payable	<u>2,815</u>
Fair value of net assets acquired:	
<u>Non-current assets</u>	
Bed licences	4,400
Property, plant and equipment	601
Deferred tax asset	329
<u>Current liabilities</u>	
Provisions for employee entitlements	(143)
Accommodation bonds	(2,788)
<u>Non-current liabilities</u>	
Provisions for employee entitlements	(56)
Deferred tax liability	(29)
Fair value of net assets acquired	<u>2,314</u>
<u>Net goodwill arising on acquisition</u>	
Consideration payable	2,815
Less: fair value of net assets	<u>(2,314)</u>
Net goodwill arising on acquisition	<u>501</u>
<u>Net cash effect</u>	
Deposit paid in June 2013	150
Cash paid at settlement	848
Vendor loan repayable in August 2014	1,817
Cash consideration paid	<u><u>2,815</u></u>

Goodwill arising upon acquisition is recognised in the statement of financial position as an intangible asset.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying value.

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 8: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no significant change in contingent liabilities or contingent assets since the last annual reporting period.

NOTE 9: CAPITAL AND LEASING COMMITMENTS

	31 December 2013 Land & Buildings \$'000
Operating lease commitments	
Non-cancellable operating leases contracted for but not capitalised in the financial statements:	
Payable	
— not later than 12 months	25,136
— between 12 months and five years	77,644
— greater than five years	44,545
	<u>147,325</u>

The above amounts relate primarily to property leases for the business premises of the consolidated group which are non-cancellable leases with ten-year terms, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by 2.5% per annum from each 1 July after the first full year of the leases inception. Options exist to renew the leases for additional terms of 5 years. If these options are exercised, then 3 subsequent options will exist for 3 additional terms of 5 years.

Capital expenditure commitments

As at the reporting date the consolidated group had entered into contracts relating to capital expenditure. Details of the contracts are included in the table below:

Aged Care Facility	Nature of capital expenditure	Contract amount \$'000	Amount incurred \$'000	Future commitment \$'000	Expected completion date
Mirridong	30 bed extension	7,964	5,952	2,012	June 2014
Millward	63 bed extension	11,152	10,358	794	March 2014
Albury	New 90 bed facility	10,515	7,337	3,178	April 2014
Balmoral Mews	6 independent living units	1,125	763	362	May 2014

Japara Holdings Pty Ltd and Controlled Entities

ABN 18 110 466 889

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 10: EVENTS AFTER REPORTING PERIOD

In February 2014, the consolidated group entered into a construction contract to build a 30 bed extension at the Kelaston aged care facility. The contract sum is in the amount of \$6,100,000 with construction expected to commence in March 2014 for development over a twelve month period.

The consolidated group has appointed advisors to take advantage of lower interest rates and a better lending environment and to assist in refinancing its banking arrangements and review future capital raising opportunities.

Other than mentioned above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

The interim financial report was authorised for issue on 20 March 2014 by the Board of Directors.

NOTE 11: RELATED PARTY TRANSACTIONS

Japara Property Management Limited, a wholly-owned subsidiary of the Japara Holdings Pty Ltd, is the Responsible Entity for the Japara Aged Care Property Trust ("the Trust").

On 1 July 2013, Japara Holdings Pty Ltd subscribed \$3,000,000 and acquired 2,777,778 ordinary fully paid units in the Trust. On 18 September 2013, Japara Holdings Pty Ltd acquired a further 2,985,486 ordinary fully paid units for \$3,250,000. On 1 January 2014, Japara Holdings Pty Ltd acquired a further 2,985,486 ordinary fully paid units for \$3,250,000.

On 29 November 2013, CRPSM Pty Ltd acquired 53,185 ordinary fully paid units in the Trust for \$57,000.

On 11 December 2013, Japara Developments Pty Ltd which is a wholly-owned subsidiary of Japara Holdings Pty Ltd, sold the land and buildings of the Sandhill aged care facility in Launceston, Tasmania to the Trust for a cash consideration of \$13,500,000. The amount was at fair market value in accordance with an independent valuation of the property by an external qualified valuer.

There have been no other significant changes in the nature of the related party transactions from those disclosed in the 30 June 2013 annual report.

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time Japara Holdings Pty Ltd, the parent company of the consolidated group invests in the Japara Aged Care Property Trust, which is a related entity. These investments are on the same terms and conditions as those entered into by other scheme investors.

Japara Holdings Pty Ltd and Controlled Entities
ABN 18 110 466 889

DIRECTORS' DECLARATION

In the opinion of the directors of Japara Holdings Pty Ltd:

1. The interim financial statements and notes, as set out in the interim financial report on pages 3 to 13 give a true and fair view of the financial position of the consolidated group as at 31 December 2013 and of its performance for the half year ended on that date and comply with Australian Accounting Standard AASB 134: *Interim Financial Reporting*.
2. There are reasonable grounds to believe that the consolidated group 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:



(Mark) Andrew Sudholz – Director
Melbourne
Dated this 20th day of March 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JAPARA HOLDINGS PTY LTD**

Report on the Half-Year Financial Report

We have audited the accompanying half-year financial report of Japara Holdings Pty Ltd (the company) and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period end or from time to time during the period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 an opinion on the half-year financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the half-year financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the half-year financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the half-year financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the half-year financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the half-year financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Nexia Melbourne

Level 18, 530 Collins Street, Melbourne VIC 3000
p +61 3 9608 0100, f +61 3 9608 0192
info@nexiamelbourne.com.au, www.nexia.com.au

Independent member of Nexia International



Nexia Melbourne (ABN 16 847 721 257) is an independent Victorian firm of chartered accountants using the Nexia international trademark under licence. It is affiliated with, but independent from, Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Professional Accounting Bodies.

Basis for Qualified Opinion

The half-year financial report does not include comparative disclosure information, in accordance with the minimum disclosure requirements in AASB 134: *Interim Financial Reporting*. The comparative disclosures have been omitted by management and are otherwise not readily available to the auditor. Accordingly the financial report has not been prepared in accordance with AASB 134: *Interim Financial Reporting* with respect to comparative disclosure information for the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and explanatory notes.

Qualified Opinion

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* paragraph, the half-year financial report gives a true and fair view of the financial position of Japara Holdings Pty Ltd and controlled entities as at 31 December 2013, and of its financial performance for the half-year then ended in accordance with AASB 134: *Interim Financial Reporting*.

NEXIA MELBOURNE
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit & Assurance Services

Melbourne

20 March 2014