



VIVA
LEISURE

VIVA LEISURE LIMITED

Interim Financial Statements

**For the Half Year Ended
31 December 2019**

Viva Leisure Group

Interim Financial Statements for the Half-Year Ended 31 December 2019

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DIRECTORS' REPORT

The Directors of Viva Leisure Limited (Viva Leisure) present their Report together with the financial statements of the Consolidated Entity, being Viva Leisure Limited (the Company) and its controlled entities (Viva Leisure Group or the Group) for the half-year ended 31 December 2019.

Directors

The following persons were Directors of Viva Leisure during or since the end of the financial half-year:

- Harry Konstantinou
- Bruce Glanville
- Mark McConnell
- Susan Forrester

Review of Operations and Financial Results

The profit of the Group has increased to \$1,176,678 (2018: \$966,142).

During the half-year ended 31 December 2019, the following events took place:

- Credit terms were agreed with the Commonwealth Bank of Australia in relation to a \$14.55m five-year senior secured facility, comprising a \$10m Market Rate Loan facility (currently drawn to \$1.3m) to assist in financing future acquisitions, a bank guarantee facility and a direct debit facility
- Completed two separate acquisitions comprising 10 Healthworks Health Clubs located in Queensland
- Completed a fully underwritten \$20m equity raising by way of an institutional placement of approximately 7.5m ordinary shares at \$2.65
- Executed a binding agreement to acquire 13 FitnFast Health Clubs located in the Australian Capital Territory, New South Wales and Victoria

During the half-year ended 31 December 2018, a group restructure occurred whereby the following transactions took place:

- a. On 31st July 2018 the Company reorganised its share capital by executing a share split of 37,500 ordinary class shares for every one share issued, to increase issued capital to 4,500,000 ordinary shares;
- b. On 31st July 2018 the Company acquired the businesses of the Club Group Trust for consideration of 11,850,000 shares in the Company;
- c. On 1st August 2018 the Company acquired the share capital of The Club Group Pty Limited and its subsidiary Club MMM! Pty Limited for consideration of 4,650,000 shares in the Company.

As the restructure was determined to occur under the control of the same shareholders, a common control reserve was created in the equity section of the balance sheet. A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that the control is not transitory.

Where an entity within the group acquires an entity under common control, the acquirer consolidates the carrying values of the acquired entity's assets and liabilities from the date of acquisition. The consolidated financial statements of the group include the acquired entity's income and expenses from the date of acquisition onwards. Any difference between the fair value of the consideration paid/transferred by the acquirer and the net assets/ (liabilities) of the acquired entity are taken to the common control reserve.

The final transactions relating to the Group restructure occurred during the half-year ended 31 December 2019, whereby the Group received a final distribution of income from the Club Group Trust (included in other income).

In addition, the consolidated group as presented in this report contains approximately five months of results post restructure in the comparative period to 31 December 2018.

Earnings per Share

	31 DEC 2019	19
Basic earnings per share (cents)	2.19	N/A
Basic earnings per share (cents) (excluding impacts of AASB16)	5.23	N/A
Diluted earnings per share (cents)	2.08	N/A
Diluted earnings per share (cents) (excluding impacts of AASB16)	4.96	N/A

New Accounting Standard Implemented

The Group has implemented a new accounting standard which has come into effect and is included in the results. AASB 16: Leases has not been applied retrospectively and there has been no restatement of comparatives by recognising the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of retained earnings at 1 July 2019.

Therefore, the comparative information has not been restated and continues to be reported under AASB 117: Leases.

This directors' report is signed in accordance with a resolution of the Board of Directors:



Director

Harry Konstantinou

Dated this 25 day of FEBRUARY 2020.

AUDITORS DECLARATION

HALL CHADWICK  (NSW)

VIVA LEISURE LIMITED AND CONSOLIDATED ENTITIES
ABN 76 607 079 792

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF VIVA LEISURE LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
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In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Viva Leisure Limited. As the lead audit partner for the review of the financial report of Viva Leisure Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

Sandeep Kumar
Partner
Date: 25 February 2020

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

		31 DEC 2019	31 DEC 2018
	Note	\$	\$
Sales revenue		22,384,579	13,119,350
Other income		601,182	10,995
Rental expense	5	(59,241)	(2,768,690)
Employee benefits expense		(6,770,546)	(4,358,993)
Bank Charges		(295,947)	(167,352)
Advertising and marketing costs		(609,361)	(404,060)
Utilities and cleaning		(1,590,507)	(1,062,030)
Licences and subscriptions		(393,348)	(211,951)
Insurances		(109,537)	(83,545)
Repairs and maintenance		(344,662)	(310,210)
Professional fees		(39,863)	(78,173)
Depreciation and amortisation expense	5	(5,903,796)	(894,215)
Finance costs	2	(2,970,367)	(261,230)
Costs of acquisitions, debt facility and capital raise	2	(273,993)	-
Other expenses		(2,157,663)	(1,042,028)
Profit before income tax		1,466,930	1,487,868
Tax expense		(290,252)	(521,724)
Profit for the half-year		1,176,678	966,144
Total other comprehensive income for the half-year		-	-
Total comprehensive income for the half-year		1,176,678	966,142

The accompanying notes form part of these financial statements.

EARNINGS PER SHARE			
Basic earnings per share (cents)		2.19	N/A
Diluted earnings per share (cents)		2.08	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	31 DEC 2019	30 JUNE 2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		27,097,547	14,385,895
Trade and other receivables		1,277,926	218,443
Other current assets		610,349	365,306
TOTAL CURRENT ASSETS		28,985,822	14,969,644
NON-CURRENT ASSETS			
Trade and other receivables		-	114,230
Property, plant and equipment		16,272,162	19,196,838
Right of use assets	5	122,596,461	-
Intangible assets		9,851,056	6,564,081
Deferred tax assets		35,555,439	3,460,781
TOTAL NON-CURRENT ASSETS		184,275,118	29,335,930
TOTAL ASSETS		213,260,940	44,305,574
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		3,331,145	2,542,778
Borrowings		260,000	-
Lease liabilities	5	9,025,454	2,274,815
Contract liabilities		1,064,914	1,299,678
Current tax liabilities		1,898,510	1,495,149
Provisions		192,905	1,176,473
TOTAL CURRENT LIABILITIES		15,772,928	8,788,893
NON-CURRENT LIABILITIES			
Borrowings		1,040,000	-
Lease liabilities	5	112,016,979	5,668,840
Contract Liabilities		-	1,294,002
Provisions		4,104,991	115,937
Deferred tax liabilities		33,856,226	2,675,844
TOTAL NON-CURRENT LIABILITIES		151,018,196	9,754,623
TOTAL LIABILITIES		166,791,124	18,543,516
NET ASSETS		46,469,816	25,762,058
EQUITY			
Issued capital		63,120,691	43,715,691
Reserves		(21,725,385)	(21,430,110)
Retained earnings		5,074,510	3,476,477
TOTAL EQUITY		46,469,816	25,762,058

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Share Capital	Reserves	Retained Earnings	Total
	\$	\$	\$	\$
For the half-year ended 31 December 2019				
Balance at 1 July 2019	43,715,691	(21,430,110)	3,476,478	25,762,059
Cumulative adjustment upon adoption of new accounting standard – AASB 16	-	-	421,354	421,354
Balance at 1 July 2019 restated	43,715,691	(21,430,110)	3,897,832	26,183,413
Issue of share capital, net of transaction costs and tax	19,405,000	-	-	19,405,000
Common control reserve arising from group restructure ¹	-	(315,559)	-	(315,559)
Share option premium reserve	-	20,284	-	20,284
Transactions with owners	19,405,000	(295,275)	-	19,109,725
Profit for the period	-	-	1,176,678	1,176,678
Total comprehensive profit for the year attributable to members of the entity	-	-	1,176,678	1,176,678
Total transactions with owners and other transfers	19,405,000	(295,275)	1,176,678	20,286,403
Balance at 31 December 2019	63,120,691	(21,725,385)	5,074,510	46,469,816

	Share Capital	Reserves	Retained Earnings	Total
	\$	\$	\$	\$
For the half-year ended 31 December 2018				
Balance at 1 July 2018	120	-	621,374	621,494
Issue of share capital, net of transaction costs and tax	3,500,000	-	-	3,500,000
Issue of share capital under group restructure	21,000,000	-	-	21,000,000
Common control reserve created under group restructure	-	(21,183,734)	-	(21,183,734)
Transactions with owners	24,500,000	(21,183,734)	-	3,316,266
Profit for the period	-	-	966,142	966,142
Total comprehensive profit for the year attributable to members of the entity	-	-	966,142	966,142
Total transactions with owners and other transfers	24,500,000	(21,183,734)	966,142	4,282,408
Balance at 31 December 2018	24,500,120	(21,183,734)	1,587,516	4,903,902

¹Finalisation of group restructure (adjusted for tax)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019	31 Dec 2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	25,372,046	15,409,866
Payments to suppliers and employees	(12,619,451)	(12,219,458)
Interest received	125,858	6,162
Interest paid	(2,951,753)	(117,972)
Income tax paid	(794,773)	-
Net cash provided by operating activities	<u>9,131,927</u>	<u>3,078,598</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,984,144)	(1,582,967)
Proceeds from sale of property, plant and equipment	116,441	72,228
Purchase of intangibles	(210,982)	(135,864)
Payments for business combinations, net of cash acquired	3 (3,866,074)	(3,293,354)
Net cash (used in) investing activities	<u>(10,944,759)</u>	<u>(4,939,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	20,000,000	3,500,000
Direct costs of issue of shares	(850,000)	-
Proceeds from borrowings	1,300,000	-
Repayment of borrowings	-	(261,075)
Repayment of lease principal	(5,925,516)	(916,174)
Net cash provided by / (used in) financing activities	<u>14,524,484</u>	<u>2,322,751</u>
Net increase in cash held	12,711,652	461,392
Cash at beginning of financial period	14,385,895	535,530
Cash acquired through Group restructure	-	639,870
Cash at end of financial period	<u><u>27,097,547</u></u>	<u><u>1,636,792</u></u>

The accompanying notes form part of these financial statements.

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

Note 1 Summary of Significant Accounting Policies

a. Nature of Operations

Viva Leisure Limited and its Subsidiaries' (Viva Leisure Group or the Group) principal activities are health club operation. No significant change in the nature of these activities occurred during the half-year ended 31 December 2019.

b. General Information and Basis of Preparation

The condensed interim consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2019 and are presented in Australian Dollars (\$AUD), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. 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 and ASX announcements of the Group for the year ended 30 June 2019.

c. 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 for those described below.

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

AASB 16 Leases

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements.

a. Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie leases with a remaining term of 12 months or less) and leases of low value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

- Lease payments included in the measurement of the lease liability are as follows:
 - fixed lease payments less any lease incentives;
 - variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
 - the amount expected to be payable by the lessee under residual value guarantees;
 - the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
 - payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

b. Initial Application of AASB 16: Leases

The Group has recognised a lease liability and right-of-use asset for all leases recognised as operating leases under AASB 117: Leases where the Group is the lessee.

Lease liabilities are shown at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 July 2019 has been used to discount the lease payments.

The right-of-use assets which the Group entered into as a lessee have been measured and recognised in the statement of financial position as at 31 December 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments (that are related to the lease).

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- For a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- Leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for in the same way as short-term leases.
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- Applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- Not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The difference between the undiscounted amount of operating lease commitments at 30 June 2019 and the impact of applying AASB16 as at 1 July 2019 is due to discounting the operating lease commitments at the Group's incremental borrowing rate; the inclusion of option periods and any lease incentives (note 5 b.).

Prior year financial statements have not been restated to reflect the changes in the Group's accounting policies.

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

Note 2 Profit for the Period

	31 Dec 2019	31 Dec 2018
	\$	\$
The following expense item is relevant in explaining the financial performance for the interim period:		
(i) Legal and other professional costs related to the capital raise and debt facility recognised as an expense in the consolidated statement of profit or loss and other comprehensive income	273,993	-
(ii) Interest expense from borrowings at amortised cost:		
External entities	18,614	117,972
Interest expenses for lease liabilities	5 2,951,753	143,258
	<u>2,970,367</u>	<u>261,230</u>

Note 3 Business Combinations

During the period the Group acquired 12 clubs from various vendors as outlined below:

Number of clubs	10	1	1	12
State	QLD	ACT	VIC	Total
	\$	\$	\$	\$
Purchase consideration				
Amount settled in cash	3,430,855	230,000	205,219	3,866,074
Assets and liabilities acquired at fair value				
Property, plant and equipment	738,283	31,525	75,000	844,808
Net identifiable assets /(liabilities) acquired	203,723	9,186	(3,100)	209,809
Goodwill	2,488,849	189,289	133,319	2,811,457
	<u>3,430,855</u>	<u>230,000</u>	<u>205,219</u>	<u>3,866,074</u>
Revenue and profit contribution from the date of acquisition until 31 December 2019				
Revenue	390,503	154,275	72,050	616,829
Profit before depreciation, amortisation, interest and tax	307,397	96,513	47,617	451,527

Acquisition-related costs amounting to \$71,301 have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income.

The goodwill arising from these business combinations is not expected to be deductible for tax purposes.

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

Note 4 Segment reporting

Management has determined that it operates one business segment, being health club services which represents the main service provided by the group. There are no other distinguishable components of the Group that are subject to risks and returns that are different from the main business segment, relating either to the nature, production, class, distribution or regulatory environment of the main service. In addition, management has determined that the Group operates in one geographic segment.

Note 5 Leases

	31 Dec 2019	30 June 2019
	\$	\$
(i) AASB 16 related amounts recognised in the balance sheet		
Right of use assets		
Leased buildings:		
Opening balance	-	-
Additions to right-of-use assets	117,295,062	-
Depreciation expense for the half-year ended	(4,406,095)	-
Net carrying amount	<u>112,888,967</u>	<u>-</u>
Leased equipment:*		
Opening balance	9,427,644	426,939
Additions to right-of-use assets	1,092,999	10,176,990
Disposals of right-of-use assets	(7,011)	(46,639)
Depreciation expense for the half-year ended	(806,138)	(1,129,646)
Net carrying amount	<u>9,707,494</u>	<u>9,427,644</u>
Total right-of-use assets	<u>122,596,461</u>	<u>9,427,644</u>
*FY2019 leased equipment included in Property, plant and equipment		
Lease liabilities		
Leased buildings:		
Opening balance	-	-
Additions to lease liabilities	115,352,473	-
Principal repayments for the half-year ended	(2,032,080)	-
Net carrying amount	<u>113,320,393</u>	<u>-</u>
Leased equipment:		
Opening balance	7,943,655	379,512
Additions to lease liabilities	972,089	9,652,559
Principal repayments for the half-year ended	(1,193,704)	(2,088,416)
Net carrying amount	<u>7,722,040</u>	<u>7,943,655</u>
Total lease liabilities	<u>121,042,433</u>	<u>7,943,655</u>
Current liabilities	9,025,454	2,274,815
Non-current liabilities	112,016,979	5,668,840
	<u>121,042,433</u>	<u>7,943,655</u>

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

Net carrying amount	31 Dec 2019	31 Dec 2018
	\$	\$
(ii) AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets (included in total depreciation and amortisation expense)	5,212,233	474,422
Interest expense on lease liabilities (included in total finance costs)	2,951,753	143,258
(iii) Cash outflows relating to leases / rental payments		
Property lease payments*	4,731,813	2,768,690
Equipment lease payments	1,445,724	916,174
Short-term leases expense	59,241	-
Total half-yearly cash outflows for leases / rental payments	6,236,778	3,684,864

*property lease payments for the half-year ended 31 December 2018 refer to rental payments

The Group has a commitment of \$29,783 for short-term leases as at 31 December 2019

a. Options to Extend or Terminate

The options to extend or terminate are contained in several of the property leases of the Group. There were no extension options for equipment leases. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Group. The extension options or termination options which management were reasonably certain to be exercised have been included in the calculation of the lease liability.

b. Reconciliation from Operating Lease Commitments to lease liabilities

Operating lease commitments as at 30 June 2019	77,162,659
Add/Less: Other Adjustments	972,405
Initial Lease liability recognised	78,135,064

Other adjustments include:

- discounting the existing lease commitment at the incremental borrowing rate
- inclusion of option periods in the lease liability calculation
- adjusting for lease incentives

Note 6 Contingent Liabilities and Contingent Assets

The Group has no contingent assets or liabilities.

Note 7 Events After the Reporting Period

The following events occurred after the reporting period:

- On 13th February 2020, the Group completed the FitnFast acquisition as announced on the 3rd December 2019 comprising 13 health clubs in Victoria, New South Wales and the ACT.

Note 8 Fair Value Measurement

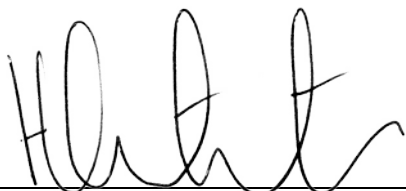
Financial assets and financial liabilities measured at fair value in the statement of financial position are measured at amortised cost.

VIVA LEISURE GROUP DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Viva Leisure Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 14, are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated 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.

Director



Harry Konstantinou

Dated this 25 day of FEBRUARY 2020.

INDEPENDENT AUDITOR'S REVIEW REPORT

HALL CHADWICK  (NSW)

VIVA LEISURE LIMITED AND CONSOLIDATED ENTITIES
 ABN 76 607 079 792
 INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
 VIVA LEISURE LIMITED

SYDNEY
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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Viva Leisure Limited, which comprises the consolidated statement of financial position as at 31 December 2019, 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, 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 Viva Leisure Limited are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim 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 interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Viva Leisure Limited's financial position as at 31 December 2019 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Viva Leisure Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

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HALL CHADWICK  (NSW)

**VIVA LEISURE LIMITED AND CONSOLIDATED ENTITIES
ABN 76 607 079 792
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
VIVA LEISURE LIMITED**

SYDNEY

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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 Viva Leisure Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Viva Leisure Limited's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

Sandeep Kumar
Partner
Date: 25 February 2020