ASX Announcement

23 May 2018

Appendix 4E and 31 March 2018 Financial Report

Attached for release to the market are:

- Appendix 4E – Preliminary final report
- Results Announcement
- 31 March 2018 financial report

Yours faithfully,

Lionel Baldwin
Company Secretary

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Oceania Capital
Partners Limited
Suite 57, 14 Narabang Way
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Oceania Capital Partners Limited (ABN 52 111 554 360) (ASX:OCP) and its controlled entities

Appendix 4E - Preliminary final report for the year ended 31 March 2018 as required by ASX listing rule 4.3A

RESULTS FOR ANNOUNCEMENT TO THE MARKET (All comparisons to the year ended 31 March 2017)	**$'000**	**Up/down**	**Movement %**
Revenue from ordinary activities	54,462	up	9.2%
Profit after tax from ordinary activities after tax attributable to ordinary shareholders	4,472	down	42.7%
Net profit for the period attributable to members	4,472	down	42.7%

DIVIDEND INFORMATION	**Amount per share (cents)**	**Franked amount per share (cents)**	**Tax rate for franking credit**
Final 2018 dividend per share declared	3.0	3.0	30%

Final dividend dates

Ex-dividend date	31 May 2018
Record date	1 June 2018
Payment date	21 June 2018

No interim dividend was declared or paid.

NET TANGIBLE ASSET PER SHARE	**31 March 2018**	**31 March 2017**
Net tangible assets per share	$1.48	$1.37
Net assets per share	$2.81	$2.70

Additional Appendix 4E disclosures can be found in the accompanying 31 March 2018 Financial Report and Results Announcement. This report is based on the consolidated financial statements which have been audited by BDO East Coast Partnership.

23 May 2018

Full Year Results Announcement

Financial and operating summary

Oceania Capital Partners Limited ("OCP") today announced a net profit after tax of $4.2 million for the year ended 31 March 2018 (2017: $7.9 million) and earnings before interest paid, tax, depreciation and amortisation (EBITDA) of $7.2 million (2017: $10.6 million). This is summarised in the following table:

Year ending	31 March 2018 $'000	31 March 2017 $'000
EON Broadcasting (Sunshine Coast Broadcasters)	4,543	3,857
EON 2CH (Radio 2CH)	(2,179)	(208)
Crimsafe	3,625	4,617
Cohort / PureProfile	1,485	2,291
Corporate (including interest income)	(1,484)	(1,387)
Other	1,236	1,436
	7,226	10,606

The net asset value per share as at 31 March 2018 of $2.79 (31 March 2017: $2.66), based on reported consolidated carrying values at that date (net of minority interests), is set out in the following table:

	Carrying value at 31 March 2018		
	$m	$/share	Basis for carrying value
EON Broadcasting	17.6	0.50	Consolidated carrying value
EON 2CH	4.9	0.14	Consolidated carrying value
Crimsafe	27.4	0.78	Consolidated carrying value
Cash at OCP and listed shares	46.3	1.32	Mark to market
Other net assets	1.9	0.05	
	98.1	2.79	

Further details on the underlying investments are set out below.

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Performance of Investee entities

We offer the following comments on the performance of OCP's underlying investee entities.

EON Broadcasting & EON 2CH

The Sunshine Coast radio stations contributed $4.5 million (2017: 3.9 million) of earnings before interest paid, tax, depreciation and amortisation (EBITDA) for the year. Advertising revenue grew 11% over that reported for the prior year. Reported EBITDA for the year has grown 18% compared to that reported for the prior year. During April 2018 the business successfully relocated to new premises. The business has invested a total of $1.3 million in the move over the last 2 financial years including the acquisition of new digital studio equipment.

As previously disclosed the results of the Sunshine Coast Regional Radio Survey released in August 2017 show that 92.7 Mix FM and 91.9 Sea FM have maintained their dominant position in the market as the two most listened to stations. The business continues to pursue an overall digital media strategy to complement the existing radio offering.

OCP acquired Radio 2CH 1170am in January 2017. The business has been successfully transferred to EON and separated from the Macquarie Media Limited ("MML") network on a formal basis. The station retains a relationship with MML as a result of shared broadcast facility arrangements. Considerable progress has been made in reinvigorating 2CH's on-air position as a music and entertainment product focussed on the over 50's demographic.

The other focus in the business during the year has been to establish a stand-alone direct sales team. This process has taken considerably longer than anticipated. While there is a long way to go there are encouraging signs that advertisers are interested in specific and direct access to a demographic that speaks for a considerable amount of discretionary and non-discretionary spend. Given the high proportion of fixed costs in the business, additional revenue adds considerably to profit margin and there is a focus on delivering new and additional revenue streams.

During the year 2CH delivered an operating loss before interest paid, tax, depreciation and amortisation of $2.2 million. This result includes $0.3 million marketing spend on a re-launch of the station. We are not able to compare profitability to the prior comparable period because of the different ownership.

Crimsafe Holdings Pty Ltd ("Crimsafe")

Crimsafe contributed $3.6 million (2017: $4.6 million) of earnings before interest paid, tax, depreciation and amortisation (EBITDA) for the year. Revenue from Crimsafe Australia sales for the year is up 6% on the prior comparable period. Planned increases in the level of operating expenses in the Australian operation have resulted in a flat EBITDA performance in this part of the business when measured against the prior year. The increased expenditures have been targeted on research and development of new product, extensive product testing via the University of Queensland, and increased marketing spend. All of these areas contribute to building a sustainable growth business and we are seeing the benefits coming through in growing sales and market share. During the year under review Crimsafe launched the Premium Hinge

Door which extends Crimsafe's product offering and further entrenches Crimsafe's position as the leading provider of security screens in Australia.

Crimsafe's powder coating division, Proline, experienced significant operational setbacks in the first half of the year which has negatively impacted the Crimsafe group EBITDA. During the year Crimsafe invested $0.6 million in a new powder coating booth to address efficiencies indentified in this part of the business.

As reported at the half year, the US operation's contribution to Crimsafe group EBITDA has been negatively impacted by disruptions on the back of relocating the operation to California. We remain hopeful about the prospects of the US operation contributing significantly to earnings over time and are committed to investing in this part of the business with the aim of growing it. Notwithstanding the difficult period this business has endured we remain committed to this operation and confident that it will contribute positively to the company.

Locally we are positive about the outlook for Crimsafe which is the leading provider of stainless steel security screens in Australia. The business has the premier product in its category and an excellent national licensee network through which it distributes. We are enthusiastic about the growth prospects in the core area of residential homes as well as the growing opportunities which the business has in the commercial environment. As noted above we have increased the planned level of operational spend in Australia. This increased spend is targeted at maximising growth opportunities in the market. Continued strong growth in the Ultimate range of products confirms our view that this is unquestionably the premium product on the market. Crimsafe continues to invest in research and development to ensure it continues to offer new premium products.

Disposal of interest in BC Holdings 1 Pty Ltd ("Baycorp")

During the year OCP disposed of its remaining interest in Baycorp to Encore Australia Holdings to Encore Capital Group, Inc. ("Encore") for $18.2 million. This amount equates to OCP's carrying value of this investment at the time of disposal.

In addition, OCP has entered into an agreement with Encore to extend the period during which Encore may lodge a warranty claim in relation to certain specified circumstances ("the Extended Warranty Period"). $1 million of the above proceeds have been placed in escrow to support any liability arising from any such claim. The quantum of a claim that may arise during the Extended Warranty Period is not limited to the amount placed in escrow.

Cohort earn-out

During the prior year OCP disposed of its interest in Cohort to ASX listed Pureprofile Limited ("PPL"). During the year OCP received the following earn-out consideration in relation to the disposal:

- 4.4 million shares in PPL, with a market value of $0.9 million ($0.21 per PPL share), and;
- a cash amount of $2.15 million.

A profit of $2.9 million (net of costs) was recognised in relation to the Cohort earn-out during the year.

At 31 March 2018 OCP held a total of 7,777,778 PPL shares received in consideration for the Cohort disposal with a market value of $0.86 million ($0.11 per PPL share). These PPL shares were held in escrow at 31 March 2018 and released from escrow on 6 May 2018.

A $1.5 million downward mark-to-market fair value adjustment to the carrying value of these PPL shares was recognised during current the year.

Listed shares

OCP continues to invest in listed shares as part of its overall capital management strategy. At 31 March 2018 the carrying value of OCP's interest in listed shares (other than PPL shares) was $20.7 million.

Dividends

A final dividend of 3 cents per share has been declared for the year ended 31 March 2018, with a record date of 1 June 2018 and a payment date of 21 June 2018.

Investment activities

OCP continues to actively engage in exploring investment opportunities, with the stated investment strategy of investing in operating businesses, whether owned privately or through a listed company, with no pre-determined emphasis on any particular sector.

* * *

Further information on the financial results and performance is contained in the Appendix 4E and audited Financial Report released today. For further information, please contact:

Michael Jacobson (Executive Director)
Tel: +61 2 9986 3863

Oceania Capital Partners Limited

(ABN 52 111 554 360)

2018 Financial Report

CONTENTS

The Directors present their report together with the financial report of the Consolidated Entity, comprising Oceania Capital Partners Limited ("the Company" or "OCP") and its controlled entities (together "the Consolidated Entity") for the year ended 31 March 2018 and the Independent Auditor's report thereon.

DIRECTORS
The following were the Directors of the Company throughout, and since the end of, the financial year:

Robert Moran	Non-Executive Chairman
Michael Jacobson	Executive Director
Brian Scheiner	Executive Director

Details of the experience and qualifications of the Directors in office at the date of this report are:

Robert Moran
LLB, B.Ec, MAICD
Non-Executive Chairman
Robert Moran served as Managing Director of the Company until June 2014 and was appointed as Non-Executive Chairman in July 2014. He has been involved as a principal investor for over 17 years at a board and strategic level in a variety of businesses and sectors and taking an active involvement in the underlying businesses. He is experienced in investment banking activities, including financings, capital raisings, mergers and acquisitions and has practiced corporate and commercial law at a senior level.

Robert continues to represent the Company's interests as a director of EON Broadcasting Pty Ltd ("EON"), Sunshine Coast Broadcasters Pty Ltd ("SCB"), EON 2CH Pty Ltd ("EON 2CH") and Radio 2CH Pty Ltd ("Radio 2CH").

Robert previously represented the Company as non-executive Chairman of Signature Security Group (from January 2006 until 29 April 2011), as a director of iSOFT Group Limited (from November 2008 until 29 July 2011) and as director of Keybridge Capital Limited from January 2013 to February 2014. He also represented the Company's interests in Baycorp as a director of Baycorp Holdings Pty Limited and BC Holdings 1 Pty Limited ("BC Holdings").

Robert is also a director of Tag Pacific Limited (since 2002).

Michael Jacobson
B.Bus.Sci, CA (SA), CFA
Executive Director
Michael served as Non-Executive Director of the Company from March 2012 to June 2014 when he was appointed as an Executive Director of the Company.

Michael was an executive of Hosken Consolidated Investments Limited Group ("Hosken Group"), a public listed entity incorporated in South Africa and listed on the Johannesburg Stock Exchange. He joined the Hosken Group in 2003 and served as an executive until he left South Africa in January 2011 to jointly found HCI Australian Operations Pty Ltd, the Company's majority shareholder. As an executive in the Hosken Group, Michael held directorships in several Hosken subsidiaries, the larger ones being Tsogo Sun Holdings, Mettle and Seardel Investment Corporation. He also served on numerous audit and remuneration committees. Michael also served as Chief Executive Officer of Johnnic Holdings, which was a Johannesburg Stock Exchange listed property and gaming company. Michael is a non-executive director of Montauk Holdings Ltd, listed on the Johannesburg Stock Exchange.

Michael previously represented the Company as a director of Baycorp Holdings Pty Limited, an alternate director of BC Holdings and a director of Cohort Holdings Australia Pty Ltd ("Cohort"). He is currently a director of Crimsafe Holdings Pty Ltd ("Crimsafe").

Brian Scheiner
BA, LLB, H DIP Advanced Company Law, H Dip Tax
Executive Director
Brian served as Non-Executive Director of the Company from March 2012 to June 2014, when he was appointed as an Executive Director of the Company.

Prior to joining the Hosken Group, Brian had co-founded a successful corporate advisory business. Before that, he spent 10 years at one of the largest law firms in South Africa, where he was a full equity partner, practicing in the corporate and commercial department. He joined the Hosken Group in 2003 and served as an executive until 2007. He and his family then relocated to Australia. Brian re-joined the Hosken Group to jointly found HCI in 2011.

Brian previously represented the Company as a director of Cohort. Brian currently represents the Company as a director of EON, SCB, EON 2CH, Radio 2CH and Crimsafe.

COMPANY SECRETARY
Lionel Baldwin
CA (SA), B.Comm (Hons)
Lionel joined the Hosken Group in 2002 where he held various executive positions in group finance. He has held directorships in several Hosken Group subsidiaries. In January 2011 he left South Africa to jointly found HCI. Lionel performs the role of Chief Financial Officer for the Company and represents the Company as a director of EON, SCB, EON 2CH, Radio 2CH and Crimsafe.

DIRECTOR MEETINGS

The number of Board meetings held and the number of meetings attended by each of the directors of the Company during the financial year were:

DIRECTOR	BOARD MEETINGS	
	A	**B**
Michael Jacobson	6	6
Robert Moran	6	6
Brian Scheiner	6	6

A - Number of meetings held during the time the director held office during the period.
B - Number of meetings attended.

ENVIRONMENTAL REGULATION
The Company and its controlled entities were not subject to any specific environmental regulations during the period.

OPERATING AND FINANCIAL REVIEW
The principal activity of the Company during the current and prior reporting periods was investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary objective has been on investing in businesses which have characteristics of resilience and will grow over the investment period, enabling a successful, profitable exit for the Company.

The Consolidated Entity's principal investments at the end of the year were:

- 95% interest in EON Broadcasting Pty Limited ("EON"), the owner and operator of two commercial FM radio stations in the Queensland Sunshine Coast (increased to 98% on 3 April 2018).
- 85.5% interest in EON 2CH Pty Limited ("EON 2CH"), the owner and operator of a commercial AM radio station and associated DAB+ spectrum in Sydney.
- 97% interest in the Crimsafe Holdings Pty Ltd ("Crimsafe"), a provider of security screen products.

During the year the Consolidated Entity disposed of its 24.875% interest in BC Holdings 1 Pty Ltd ("BC Holdings"), a receivables management company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the changes noted above there were no other significant changes and events affecting the Consolidated Entity during the period under review and until the date of this report.

Results of operations

The net after tax profit of the Consolidated Entity for the year to 31 March 2018 was $4.2 million (2017: $7.9 million).

The current period result includes:

- Interest income of $0.4 million (2017: $0.3 million).
- A $1.5 million downward (2017: $0.1 million downward) mark-to-market adjustment to the carrying value of shares held in Pureprofile Limited.
- A $0.5 million upward (2017: $0.9 million upward) mark-to-market adjustment to the carrying value of other listed securities.
- A profit before tax contribution of $4.2 million from the operations of Sunshine Coast Broadcasters Pty Ltd (SCB) (2017: $3.5 million)
- A loss before tax contribution of $2.3 million from the operations of Radio 2CH Pty Ltd (2017: $0.2 million loss)
- A profit before tax contribution of $3.0 million from the operations of Crimsafe (2017: $4.0 million).
- A $3.1 million realised profit was recognised in relation to the Cohort earn-out. In the prior year a $2.1 million realised profit was recognised on the disposal of the Consolidated Entity's interest in Cohort.

Financial Position

At 31 March 2018 the Consolidated Entity had net assets of $99.1 million (2017: $95.1 million) and cash at bank of $29.2 million (2017 $17.9 million).

At 31 March 2018 the Consolidated Entity's borrowings amounted to $9.4 million (2017: $11.6 million). These borrowings, which are non-recourse to the Company, relate to the bank borrowings of the following subsidiaries:

- EON Broadcasting Pty Ltd, secured over the assets of EON and SCB
- Crimsafe Holdings Pty Ltd, secured over the assets of the Crimsafe group of entities.

EON Broadcasting Pty Ltd – 95%

EON reported revenue for the year of $12.3 million (2017: $11.1 million) and Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of $4.5 million (2017: $3.9 million) from the operations of the radio stations Sea FM 91.9 and 92.7 Mix FM.

EON 2CH Pty Ltd – 85.5%

EON 2CH reported revenue for the year of $1.9 million (2017: $0.3 million) and a Loss Before Interest Tax Depreciation and Amortisation of $2.2 million (2017: $0.2 million loss) from the operations of the Radio 2CH business. The investment in Radio 2CH was acquired by Consolidated Entity on 19 January 2017, accordingly the comparative figures are not directly comparable.

Crimsafe Holdings Pty Ltd – 97%

Crimsafe reported revenue for the year of $39.1 million (2017: $37.5 million) and Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of $3.6 million (2017: $4.6 million).

BC Holdings 1 Pty Ltd

During the year the Consolidated Entity disposed of its remaining 24.875% equity interest in BC Holdings and the associated stapled loan notes issued by BC Holdings, to Encore Capital Group, Inc ("Encore"). The Consolidated Entity received consideration of $18.2 million, which approximates the carrying value of this investment at the time of disposal.

In addition, the Consolidated Entity entered into an agreement with Encore to extend the period during which Encore may lodge a warranty claim in relation to certain specified circumstances ("the Extended Warranty Period"). $1 million of the above proceeds have been escrowed until October 2018 to support any liability arising from any such claim. The quantum of a claim that may arise during the Extended Warranty Period is not limited to the amount placed in escrow.

Cohort earn-out

In the prior year the Consolidated Entity disposed of its interest in Cohort Holdings Australia Pty Ltd to ASX listed Pureprofile Limited ("PPL"). During the current year OCP received the following earn-out consideration in relation to the disposal:

- 4,444,444 shares in PPL on 8 November 2017, with a market value of $0.9 million ($0.21 per PPL share), and;
- $2.15 million in cash.

The Consolidated Entity holds a total 7,777,778 PPL shares received in consideration for the Cohort disposal with a market value of $0.86 million ($0.11 per PPL share) at 31 March 2018. At 31 March 2018 these PPL shares were held in escrow. On 6 May 2018 these PPL shares were released from escrow.

LIKELY DEVELOPMENTS AND PROSPECTS

The Company will continue its policy of seeking to make investments in opportunities as identified by the Board of Directors and to add value to these over time. Disclosure of specific information regarding likely developments in the activities of the Company and the Consolidated Entity and the expected results of those activities is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly this information has not been disclosed in this report.

DIVIDENDS

No interim dividend was declared or paid during the year. Since the end of the financial year the directors have determined a final dividend of 3 cents per share totalling $1,056,947 (2017: $Nil). The dividend will be fully franked based on a corporate tax rate of 30%.

SHARE CAPITAL

There were no changes to the issued share capital of the Company during the year.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than as disclosed elsewhere in this report, the directors are not aware of any other matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

DIRECTORS INTERESTS

Director's relevant interests in the shares of Oceania Capital Partners Limited (OCP) as at the date of this report:

Directors	**Fully paid ordinary shares**
Michael Jacobson	2,222,701
Robert Moran	935,988
Brian Scheiner	2,281,430

REMUNERATION REPORT

The Remuneration Report is set out on pages 9 to 14 and forms part of the Directors' Report for the year ended 31 March 2018.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's Constitution provides that the Company may indemnify any current or former director, secretary or executive officer of the Company or of a subsidiary of the Company out of the property of the Company against every liability incurred by a person in that capacity (except a liability for legal costs) and against all legal costs incurred in defending proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity. The Company has entered into Deeds of Access and Indemnity with each of the Officers.

In accordance with the provisions of the Corporations Act 2001, the Company has a Directors and Officers Liability policy which covers all past, present or future directors, secretaries and executive officers of the Company and its controlled entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

The indemnification and insurances are limited to the extent required by law.

AUDIT AND NON-AUDIT SERVICES

Details of amounts paid or payable to BDO, the Company's auditor, for audit services and non-audit services are set out in note 21 to the financial statements. Having considered the nature and value of non-audit services provided by BDO to the Consolidated Entity during the year under review, the directors are satisfied that the provision of these services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

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

The lead auditor's independence declaration is set out on page 15 and forms part of the Directors' Report for the year ended 31 March 2018.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the Financial Report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Robert Moran
Chairman

Dated at Sydney this 23rd day of May 2018

This remuneration report, which forms part of the Directors' Report and is audited, sets out information about the remuneration of the Consolidated Entity's key management personnel for the year ended 31 March 2018.

1. Principles used to determine the nature and amount of remuneration
2. Key management personnel
3. Business performance
4. Details of key management personnel remuneration
5. Equity instruments and disclosures of key management personnel

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The Consolidated Entity's remuneration policies are designed to align the remuneration of executives with the interests of OCP shareholders.

The Board of OCP determines remuneration policies and practices and has responsibility for the remuneration packages and other terms of employment for all key management personnel of the Company. The remuneration arrangements of key management personnel employed by investee entities that are members of the Consolidated Entity are governed by the Remuneration Committee or Board of the relevant member entity. The remuneration policies applied by remuneration committees or boards of those entities are consistent with those of the Company, except as may be required to satisfy the business needs of those entities.

Executive remuneration and other terms of employment are reviewed annually by the relevant remuneration committee or board, having regard to the performance goals set at the start of the year, results of the annual appraisal process, relevant comparative information, and, if necessary, independent expert advice on market compensation levels. As well as a base salary, remuneration packages may include superannuation, retention arrangements, termination entitlements, performance related bonuses, long term incentive arrangements and fringe benefits.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Consolidated Entity's operations and achieving the Company's strategic objectives.

Payment of any performance related bonuses is linked to the achievement of individual objectives which are relevant to meeting the Consolidated Entity's overall goals. In establishing the level of any performance related bonus for an employee, the relevant remuneration committee or board considers the results of a formal annual performance appraisal process.

Remuneration and other terms of employment for executives are formalised in service agreements or letters of employment. Participation in long term incentive plans are separately documented in accordance with applicable plan rules.

Fixed remuneration
Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to non-financial employee benefits) as well as employer contributions to superannuation funds.

Performance linked remuneration
Performance linked remuneration is designed to reward key management personnel for meeting or exceeding key performance objectives, comprising both corporate and personal objectives. Performance linked remuneration is in the form of cash bonuses.

Non-executive director's remuneration
Fees and payments to non-executive directors of the Company reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. Remuneration of non-executive directors of the Company is determined by the Board within the maximum amount approved by shareholders from time to time. The maximum amount currently stands at $1,000,000 per annum in aggregate for all Non-Executive Directors of the Company.

During the current year the level of remuneration of non-executive directors (inclusive of superannuation) was set at $120,000 per annum for the Non-Executive Chairman.

The Company's Constitution also allows the Company to remunerate the non-executive directors for any additional or special duties undertaken at the request of the Board. During the year ending 31 March 2018 fees totalling $18,000 were paid in respect of additional services provided by Robert Moran (2017: $18,000). Directors' fees are paid in cash.

Voting and comments made at the Company's last Annual General Meeting
The Company received 99% of "yes" votes on its Remuneration Report for the financial year ending 31 March 2017. The Company did not receive any specific feedback on its Remuneration Report at the Annual General Meeting.

2. KEY MANAGEMENT PERSONNEL

The directors and other key management personnel of the Consolidated Entity at the end of the financial year under review were:

Non-Executive Director
Robert Moran - Chairman

Executive Directors
Michael Jacobson
Brian Scheiner

Other Senior Executive
Lionel Baldwin - Company Secretary and Chief Financial Officer

3. BUSINESS PERFORMANCE

The tables below set out summary of the Consolidated Entity's earnings business performance as measured by a range of financial indicators for the last five financial periods to 31 March 2018. For further discussion on financial performance, refer to the review of operations section in the Directors' Report.

	31 March 2018 $'000	**31 March 2017 $'000**	**31 March 2016 $'000**	**31 March 2015 $'000**	**31 March 2014 $'000**
Profit (Loss) after net financing cost/income, income tax, depreciation and amortisation (from continuing operations)	4,213	7,926	4,949	2,988	(4,853)
Profit (Loss) attributable to shareholders of Oceania Capital Partners Limited	4,472	7,811	4,854	2,943	(4,883)
Basic earnings per share (cps)	12.69	22.17	13.75	8.33	(13.83)
Share price at period end (cps)	226	225	136	134	150

4. DETAILS OF KEY MANAGEMENT PERSONNEL REMUNERATION

Details of the nature and amount of remuneration of each director of the Company from OCP and each of the following named Company and relevant group executives who receive the highest remuneration are:

(a) For the year ended 31 March 2018:

	Short-term		Post-employment	Other long-term		
	Cash salary $	**Cash bonus $**	**Superannuation $**	**Annual and long- service leave $**	**Total $**	**Performance based percentage of remuneration**
Non-executive directors						
Robert Moran (i)	138,000	-	-		138,000	-
Executive Directors						
Michael Jacobson	270,012	45,000	29,988	6,105	351,105	15%
Brian Scheiner	265,092	45,000	34,908	6,105	351,105	15%
Other executive						
Lionel Baldwin	205,762	35,363	29,988	5,680	276,793	15%
	878,866	125,363	94,884	17,890	1,117,003	

(i) Paid to a body corporate related to Robert Moran in relation to fees for his service as Non-Executive Chairman and additional services provided to the Company.

(b) For the year ended 31 March 2017:

	Short-term		Post-employment	Other long-term		
	Cash salary $	**Cash bonus $**	**Superannuation $**	**Annual and long- service leave $**	**Total $**	**Performance based percentage of remuneration**
Non-executive directors						
Robert Moran (i)	138,000	-	-		138,000	-
Executive Directors						
Michael Jacobson	270,012	45,000	29,988	4,637	349,637	15%
Brian Scheiner	265,092	45,000	34,908	4,637	349,637	15%
Other executive						
Lionel Baldwin	205,762	35,363	29,988	3,959	275,072	15%
	878,866	125,363	94,884	13,233	1,112,346	

(i) Paid to a body corporate related to Robert Moran in relation to fees for his service as Non-Executive Chairman and additional services provided to the Company.

(c) Indemnities and Insurance

Amounts disclosed for remuneration of key management personnel exclude insurance premiums paid by the Consolidated Entity during the period ended 31 March 2018 in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out in the Directors' Report. Disclosure of the total amount of the premium and the nature of the potential liabilities in respect of the policy is expressly prohibited by the policy.

(d) Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements or letters of appointment. These agreements may provide for the provision of performance related cash bonuses and other benefits. Other major provisions of the agreements relating to remuneration are set out below.

All arrangements with executives may be terminated early by either party, subject to applicable notice periods and termination payments as detailed below.

Michael Jacobson, Executive Director, Oceania Capital Partners Limited

Michael Jacobson has been employed as an Executive Director since 1 July 2014. From 1 March 2012 to 30 June 2014 he served as a Non-Executive Director of the Company. Michael's current employment arrangements comprise:

- A base remuneration package of $300,000 per annum including superannuation. Next annual review March 2019.
- Notice period of 3 months.

Brian Scheiner, Executive Director, Oceania Capital Partners Limited

Brian Scheiner has been employed as an Executive Director since 1 July 2014. From 1 March 2012 to 30 June 2014 he served as a Non-Executive Director of the Company. Brian's current employment arrangements comprise:

- A base remuneration package of $300,000 per annum including superannuation. Next annual review March 2019.
- Notice period of 3 months.

Lionel Baldwin, Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited

Lionel Baldwin has been employed by the Company since 1 May 2012. Lionel's current employment arrangements comprise:

- A base remuneration package of $235,750 per annum including superannuation. Next annual review March 2019.
- Notice period of 3 months.

5. EQUITY INSTRUMENTS DISCLOSURES OF KEY MANAGEMENT PERSONNEL

The number of shares in the Company held, during the financial period, by key management personnel of the Consolidated Entity, including by their personally related entities, are set out below:

Ordinary shares	**Balance At 1 April**	**Purchases**	**Balance at 31 March**
2018			
Directors			
Michael Jacobson	2,222,701	-	2,222,701
Robert Moran	935,988	-	935,988
Brian Scheiner	2,281,430	-	2,281,430
Executives			
Lionel Baldwin	607,144	-	607,144
2017			
Directors			
Michael Jacobson	972,701	1,250,000	2,222,701
Robert Moran	935,988	-	935,988
Brian Scheiner	1,031,430	1,250,000	2,281,430
Executives			
Lionel Baldwin	250,001	357,143	607,144

This concludes the Remuneration Report which has been audited.

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DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF OCEANIA CAPITAL PARTNERS LIMITED

As lead auditor of Oceania Capital Partners Limited for the year ended 31 March 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Oceania Capital Partners Limited and the entities it controlled during the period.

Arthur Milner
Partner

BDO East Coast Partnership

Sydney, 23 May 2018

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 $'000	2017 $'000
Revenue from sales	2	53,390	48,951
Other income	2	1,072	924
Total revenue		54,462	49,875
Profit on sale of financial assets		3,145	2,030
Share of profit of jointly controlled entities		-	577
Fair value adjustment of financial assets		(938)	847
Total operating income		56,669	53,329
Raw materials and inventory		(21,943)	(20,535)
Due diligence and transaction costs		(186)	(333)
Broadcast production costs		(1,110)	(901)
Employee benefits expense		(12,703)	(10,492)
Selling costs		(1,995)	(1,731)
Promotions and marketing		(4,525)	(3,360)
Administration and other operating expenses		(6,981)	(5,371)
Depreciation	7	(677)	(497)
Financing costs		(507)	(628)
Profit before income tax		6,042	9,481
Income tax expense	3	(1,829)	(1,555)
Profit for the year		4,213	7,926
Attributable to:			
Equity holders of the parent entity		4,472	7,811
Non-controlling interests		(259)	115
Profit for the year		4,213	7,926
Earnings per share attributable to equity holders of the parent		**Cents**	**Cents**
Basic earnings per share	13	12.69	22.17
Diluted earnings per share	13	12.69	22.17

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	2018 $'000	2017 $'000
Profit for the year	4,213	7,926
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	(19)	43
Total other comprehensive income (loss) for the period, net of income tax	(19)	43
Total comprehensive income for the year	4,194	7,969
Attributable to:		
Equity holders of the parent entity	4,453	7,853
Non-controlling interests	(259)	116
Total comprehensive income for the year	4,194	7,969

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 $'000	2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	4	29,243	17,918
Trade and other receivables	5	9,484	8,617
Inventory	6	8,139	6,529
Other financial assets	9	22,520	14,756
Current tax assets		32	-
Total current assets		69,418	47,820
Non-current assets			
Other receivables	5	1,016	917
Other financial assets	9	-	19,504
Property, plant and equipment	7	4,330	3,382
Intangible assets	8	46,790	46,790
Deferred tax assets	3	436	412
Total non-current assets		52,572	71,005
Total assets		121,990	118,825
LIABILITIES			
Current liabilities			
Trade and other payables		5,692	4,706
Borrowings	14	1,598	4,208
Current tax liabilities		549	456
Employee benefits		774	467
		8,613	9,837
Non-current liabilities			
Borrowings	14	7,798	7,368
Employee benefits		192	277
Deferred tax liabilities	3	6,273	6,273
		14,263	13,918
Total liabilities		22,876	23,755
Net assets		99,114	95,070
EQUITY			
Share capital	10	243,359	243,359
Reserves	11	25,666	25,685
Accumulated losses		(170,872)	(175,344)
Equity attributable to owners of Oceania Capital Partners Limited		98,153	93,700
Non-controlling interests		961	1,370
Total equity		99,114	95,070

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Contributed Equity $'000	Equity reserve $'000	Foreign Exchange translation reserve $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2016		243,359	25,690	(47)	(183,155)	85,847	819	86,666
Profit for the year		-	-	-	7,811	7,811	115	7,926
Other comprehensive income	11	-	-	42	-	42	1	43
Total comprehensive income for the year		-	-	42	7,811	7,853	116	7,969
Transactions with owners in their capacity as owners								
Issue of shares by subsidiary		-	-	-	-	-	435	435
Balance at 31 March 2017		243,359	25,690	(5)	(175,344)	93,700	1,370	95,070
Balance at 1 April 2017		243,359	25,690	(5)	(175,344)	93,700	1,370	95,070
Profit for the year		-	-	-	4,472	4,472	(259)	4,213
Other comprehensive income	11	-	-	(19)	-	(19)	-	(19)
Total comprehensive income for the year		-	-	(19)	4,472	4,453	(259)	4,194
Transactions with owners in their capacity as owners								
Dividend paid by subsidiary		-	-	-	-	-	(150)	(150)
Balance at 31 March 2018		243,359	25,690	(24)	(170,872)	98,153	961	99,114

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from customers		57,617	52,759
Payments to suppliers and employees		(54,716)	(48,860)
Interest received		254	247
Income taxes paid		(1,847)	(1,541)
Net cash inflow from operating activities	4	1,308	2,605
Cash flows from investing activities			
Proceeds from sale of other financial assets		-	633
Dividends received		719	700
Payments for purchase of property, plant and equipment		(1,626)	(594)
Loans advanced		-	(135)
Payments for purchase of other financial assets		(5,891)	(4,492)
Proceeds on disposal of interest in BC Holdings		17,188	-
Proceeds on disposal of interest in Cohort		2,463	9,375
Payment for acquisition of 2CH, net of cash acquired		-	(5,265)
Net cash inflow from investing activities		12,853	222
Cash flows from financing activities			
Shares issued by subsidiary		-	435
Dividend paid by subsidiary		(150)	-
Repayment of borrowings		(2,179)	(1,882)
Payment of interest and borrowing costs		(507)	(627)
Net cash outflow from financing activities		(2,836)	(2,074)
Net increase in cash and cash equivalents		11,325	753
Cash and cash equivalents at the beginning of the year		17,918	17,165
Cash and cash equivalents at the end of the year	4	29,243	17,918

This consolidated financial report for the year ended 31 March 2018 comprises Oceania Capital Partners Limited ("the Company") and its subsidiaries (together referred to as "the Consolidated Entity") and the Consolidated Entity's interest in associates and jointly controlled entities. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below, and have been consistently applied by each entity in the Consolidated Entity to all periods presented, unless otherwise stated.

Oceania Capital Partners Limited is a limited liability company incorporated and domiciled in Australia. The company is a for-profit entity for the purposes of preparing financial statements.

The principal activity of the Company is investment. The Company has invested in operating businesses, whether privately owned or publicly listed, with decisions being based on the fundamental investment characteristics of the business. The primary focus is on investing capital in businesses which will grow over the investment period, enabling a successful profitable exit for the Company. The Company, either directly or through subsidiary entities, has invested in a number of businesses, including those that operate in the financial services, commercial radio broadcasting, digital lead generation, security screens, healthcare technology and security industries. The investment in the security industry was exited in April 2011. The investment in the healthcare technology industry was exited in July 2011. The investment in the digital lead generation industry was exited in October 2016. The investment in the financial services industry was exited in January 2018.

The financial statements were approved by the Board of Directors on 23 May 2018.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and the Corporations Act 2001, as appropriate for profit oriented entities. The consolidated financial report of the Consolidated Entity complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for the following which are measured at fair value:

- derivative financial instruments
- financial assets

The methods used to measure fair values are discussed further in note 9.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentational currency and the functional currency of the entities in the Consolidated Entity at balance date.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars unless otherwise stated.

Key judgements and estimates

In the process of applying the Consolidated Entity's accounting policies management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

3. Income taxes
6. Inventories
7. Property, plant and equipment
8. Intangible assets
9. Other financial assets
16. Impairment of non-financial assets

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Consolidated Entity. A list of controlled entities (subsidiaries) at year end is contained in note 17.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Foreign currency

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at balance date. The income and expenses of foreign operations are translated into Australian dollars at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenues and expenses are translated at exchange rates at the dates of the transactions). Any exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

Transactions in foreign currencies are initially translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items that are outstanding at reporting date are translated at the foreign exchange rate prevailing at that date. Foreign exchange gains and losses arising on translation are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rates prevailing at the dates the fair value was determined.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the notes to the financial statements.

1. Segment information

Operating segments are determined based on the industry sectors in which the Consolidated Entity has invested, which is consistent with the business plan to invest in operating businesses. The primary operating segments during the year ended 31 March 2018 were:

- Financial Services: receivables management
- Commercial Radio Broadcasting: operation of AM & FM radio stations
- Digital lead generation: online lead generation and marketing
- Security screens: supply of door and window security screens

Segment information is disclosed in a manner that reflects the management information reviewed by the Chief Operating Decision Maker and on a financial reporting basis to reflect that the Consolidated Entity does not fully own and, therefore, does not consolidate all the businesses in which it has invested.

The Consolidated entity operates materially in one geographical area being the Asia Pacific region.

Segment revenues and results

The following is an analysis of the Consolidated Entity's revenue and results from operations by reportable segment.

	Segment revenue		Segment profit	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Commercial radio broadcasting	14,208	11,415	1,818	3,194
Security screens	39,182	37,536	2,992	3,951
Digital lead generation	-	-	1,485	2,291
Unallocated	-	-	1,254	1,436
	53,390	48,951	7,549	10,872
Interest income			353	318
Central administration and employee costs			(1,860)	(1,709)
Profit before tax from continuing operations			6,042	9,481

Segment profit reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2017: Nil).

Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment income, finance costs and income tax expense. The share of equity accounted profits of joint ventures is allocated to the relevant segment.

1. Segment information (continued)

Segment assets and liabilities

	2018 $'000	2017 $'000
Segment assets		
Commercial radio broadcasting	31,345	31,257
Financial services	-	18,170
Security screens	42,041	38,635
Total segment assets	73,386	88,062
Unallocated	48,604	30,763
Total assets	121,990	118,825
Segment liabilities		
Commercial radio broadcasting	8,231	8,752
Security screens	14,255	14,669
Total segment liabilities	22,486	23,421
Unallocated	390	334
Total liabilities	22,876	23,755

For the purposes of monitoring segment performance and allocation resources between segments:
(1) all assets are allocated to reportable segments other than current and deferred tax assets. Goodwill is allocated to reportable segments, and;
(2) all liabilities are allocated to reportable segments other than current and deferred tax liabilities.

Other segment information

	Depreciation		Additions to Property, plant and equipment and Intangibles	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Commercial radio broadcasting	423	285	811	1,950
Security screens	249	208	799	251
Unallocated	5	4	16	3
	677	497	1,626	2,204

2. Income

	2018 $'000	2017 $'000
Sales revenue		
Advertising revenue	14,208	11,415
Sale of goods	39,182	37,536
	53,390	48,951
Other income		
Interest income	353	318
Dividend income	719	606
	1,072	924

Recognition and measurement

Revenue
Revenue is income that arises in the course of ordinary activities of the Consolidated Entity and is recognised at the fair value of the consideration received or receivable. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably.

Commercial radio broadcasting
Revenue represents revenue earned primarily from the sale of advertising airtime and related activities, including sponsorship. Revenue is recorded when the service is provided being primarily when the advertisement is aired. Commissions payable to media agencies are recognised as selling costs. Other regular sources of operating revenue are derived from commercial production for advertisers, including facility sharing revenue and program sharing revenue. Revenue from commercial production is recognised on invoice, at the time of completion.

Security screens
Security screens revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest income
Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

Dividend income
Dividend income is recognised in the income statement when the entity's right to receive payment is established.

3. Income taxes

Income tax expense recognised in the income statement

	2018 $'000	2017 $'000
Current tax	1,853	1,633
Deferred tax	(24)	(78)
Income tax expense	1,829	1,555
Deferred income tax in the income statement relates to:		
Tax losses	-	(93)
Other	(24)	15
	(24)	(78)

Tax reconciliation

	2018 $'000	2017 $'000
Profit before tax	6,042	9,481
Income tax at the Australian tax rate of 30%	1,813	2,844
Non-deductible expenses	290	11
Equity accounted results of jointly controlled entities	-	(173)
Franking credits converted to tax losses	-	64
Previously unrecognised tax losses now recouped	(1,687)	(1,301)
Tax losses not recognised	1,221	-
Other	192	110
Income tax on profit before tax	1,829	1,555

Unrecognised tax assets

	2018 $'000	2017 $'000
Tax losses for which no deferred tax asset has been recognised	189,848	192,296
Potential tax benefit at 30%	56,954	57,689

Deferred income tax in the balance sheet relates to the following:

	2018 $'000	2017 $'000
Employee entitlements	224	202
Other	212	117
Tax losses	-	93
Deferred tax assets	436	412
Intangible assets	6,273	6,273
Deferred tax liabilities	6,273	6,273

3. Income taxes (continued)

Recognition and measurement

The income tax expense or benefit on the profit or loss for the year comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is also recognised directly in equity.

Current tax is the expected tax payable on the current period's taxable income, using tax rates enacted or substantially enacted at balance date. Current tax also includes any adjustment to tax payable in respect of previous years.

Deferred tax is measured using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and income tax purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the underlying items and the tax rates which are enacted or substantially enacted at balance date and expected to apply when the assets are recovered or liabilities are settled. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising from the recognition of goodwill.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation
The Company and its wholly-owned Australian controlled entities formed a tax consolidated group on 1 July 2005 meaning that all members of the tax consolidated group are taxed as a single entity. The Company is the head entity of the tax consolidated group.

Key estimate: unrecognised deferred tax assets
The Consolidated Entity has unrecognised benefits relating to carried forward tax losses. These losses relate to taxable losses incurred on the disposal of investments by the Consolidated Entity in 2011 and 2016. The Consolidated Entity has determined that at this stage future eligible income to utilise the tax assets are not sufficiently probable.

4. Cash and cash equivalents

	2018 $'000	2017 $'000
Cash at bank	4,123	5,735
Deposits at call	25,120	12,183
	29,243	17,918

Reconciliation of net profit after tax to net cash flows from operations

	2018 $'000	2017 $'000
Profit for the year	4,213	7,926
Adjustments for non cash items:		
Depreciation	677	497
Fair value movement of financial assets	938	(847)
Share of profit of jointly controlled entities	-	(577)
(Profit) loss on sale of other financial assets	(17)	117
Profit on sale of jointly controlled entity	(2,942)	(2,147)
Other non-cash items	(329)	(129)
Changes in operating assets and liabilities:		
Increase in receivables	(1,168)	(1,210)
Increase in inventories	(1,610)	(1,539)
(Increase) decrease in net current and deferred tax assets and liabilities	(17)	13
Increase in creditors	1,288	459
Increase in employee entitlements	275	42
	1,308	2,605

Recognition and measurement

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management strategy are reported within liabilities in the Balance Sheet, but included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

5. Trade and other receivables

	2018 $'000	2017 $'000
Trade receivables	8,494	7,680
Provision for doubtful debts	(34)	(66)
Interest receivable	33	17
Pre-payments and other receivables	991	986
Current	9,484	8,617
Other loans receivable	1,016	917
Non-current	1,016	917

Trade receivables past due but not impaired

	2018 $'000	2017 $'000
Under three months	377	329
Three to six months	159	-
	536	329

The Consolidated Entity has recognised an expense in respect of bad and doubtful trade receivables during the period ended 31 March 2018 of $20,006 (2017: $26,394). The provision for doubtful debts is based on known bad debts and past experience for receipt of trade debtors.

Recognition and measurement

Trade receivables are initially recognised at fair value. Trade receivables are generally due for settlement within 30 to 60 days. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

6. Inventories

	2018 $'000	2017 $'000
Current		
Finished goods	8,139	6,529

The costs of individual items of inventory are determined using weighted average costs.

Recognition and measurement

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour, and an appropriate proportion of overhead expenditure. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Key estimate: net realisable value

The key assumptions, which require the use of management judgement, are the variables affecting costs recognised in bringing the inventory to their location and condition for sale, estimated costs to sell and the expected selling price. These key assumptions are reviewed at least annually. The total expense relating to inventory write-downs during the year was $159,000 (2017: $81,127). Any reasonably possible change in the estimate is unlikely to have a material impact.

7. Property, plant and equipment

	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Cost			
Balance at 31 March 2016	160	2,161	2,321
Additions	137	457	594
Disposals	-	(13)	(13)
Acquisition of subsidiary	-	1,610	1,610
Balance at 31 March 2017	297	4,215	4,512
Additions	592	1,034	1,626
Disposals	-	(8)	(8)
Balance at 31 March 2018	889	5,241	6,130
Accumulated depreciation			
Balance at 31 March 2016	16	628	644
Depreciation	21	476	497
Disposals	-	(11)	(11)
Balance at 31 March 2017	37	1,093	1,130
Depreciation	101	576	677
Disposals	-	(7)	(7)
Balance at 31 March 2018	138	1,662	1,800
Carrying amounts			
At 31 March 2017	260	3,122	3,382
At 31 March 2018	751	3,579	4,330

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The carrying amount of an item of property, plant and equipment includes the cost of replacing part of such an item when that cost is incurred if it is probable that future economic benefits embodied within the item will eventuate and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the income statement as incurred. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

- leasehold improvements: shorter of lease term or useful life
- other plant and equipment: 2-20 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

Key estimate: property, plant and equipment

The estimations of useful lives, residual value and amortisation methods require management judgement and are reviewed annually. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances impacting specific assets or groups of assets. These changes are limited to specific assets and as such, any reasonably possible change in the estimate is unlikely to have a material impact on the estimations of useful lives, residual value or amortisation methods.

8. Goodwill and other intangible assets

	2018 $'000	2017 $'000
Commercial radio licences		
Cost		
Balance at the beginning of the year	12,410	10,000
Acquisition of subsidiary	-	2,410
	12,410	12,410
Brands and related intangibles		
Cost		
Balance at the beginning of the year	8,500	8,500
	8,500	8,500
Goodwill		
Cost		
Balance at the beginning of the year	25,880	24,000
Acquisition of subsidiary	-	1,880
	25,880	25,880
Total non-current	46,790	46,790

Goodwill is monitored by management at an entity level within each of the Consolidated Entity's operating segments.

A segment level summary of goodwill is presented below:

	2018 $'000	2017 $'000
Commercial radio broadcasting	11,318	11,318
Security screens	14,562	14,562
	25,880	25,880

Recognition and measurement

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Refer to note 16 for further details on impairment.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and method is reviewed at each financial year end. Intangible assets with indefinite lives are tested for impairment in the same way as goodwill.

Intangible asset	Useful life
Commercial radio licences	Indefinite
Crimsafe brands	Indefinite

8. Goodwill and other intangible assets (continued)

Key judgement: useful life of intangible assets
The Crimsafe brand has been assessed as having an indefinite useful life on the basis of strong brand strength, ongoing expected profitability and continuing support.

Radio broadcasting licences have been assessed as having an indefinite useful life. These licences are renewable for a minimal cost every five years under provisions within the Broadcasting Services Act. The Directors understand that the revocation of a commercial radio licence has never happened, without cause, in Australia and have no reason to believe that the licences have a finite life.

9. Other financial assets

	2018 $'000	2017 $'000
Current		
Other financial assets		
Investment in listed securities	21,520	14,256
Other		
Escrowed sale proceeds	1,000	500
	22,520	14,756
Non-current		
Other financial assets		
Investment in BC Holdings 1 Pty Limited	-	18,170
Other		
Escrowed sale proceeds	-	1,334
	-	19,504

Included in listed securities is an amount of $0.86 million, being the carrying value of 4.44 million ordinary PureProfile Limited shares held in escrow at 31 March 2018. These shares were released from escrow on 6 May 2018.

During the year the Consolidated Entity disposed of its remaining 24.875% equity interest in BC Holdings and the associated stapled loan notes issued by BC Holdings, to Encore Capital Group, Inc ("Encore"). In addition, the Consolidated Entity entered into an agreement with Encore to extend the period during which Encore may lodge a warranty claim in relation to certain specified circumstances ("the Extended Warranty Period"). $1 million of the proceeds have been escrowed until October 2018 to support any liability arising from any such claim. The quantum of a claim that may arise during the Extended Warranty Period is not limited to the amount placed in escrow.

Fair value measurement
(a) Fair value hierarchy
The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

9. Other financial assets (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018				
Financial assets designated at fair value through profit or loss				
Listed securities	21,520	-	-	21,520
	21,520	-	-	21,520
2017				
Financial assets designated at fair value through profit or loss				
Listed securities	15,590	-	-	15,590
Unlisted investment in BC Holdings 1 Pty Ltd (BC Holdings)	-	-	18,170	18,170
	15,590	-	18,170	33,760

(b) Valuation techniques used to determine fair values

Level 1

The fair value of financial instruments traded in active markets, such as publicly traded securities and available-for-sale securities, are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Consolidated Entity is the closing bid price at balance date.

Level 2 & 3

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques and/or consideration of specific circumstances affecting recovery of the financial instruments at balance date.

(c) Other financial instruments not carried at fair value

The Consolidated Entity also has financial assets and liabilities which are not measured at fair value on the Balance Sheet. The fair values of these instruments are not materially different to their carrying value as the interest rate payable is close to current market rates or the instruments are short term in nature.

Recognition and measurement

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition or subsequently re-designated in compliance with Accounting Standards. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial instruments are designated at fair value through profit or loss if the Consolidated Entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are classified as at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

10. Share capital

	Company		Company	
	31 March 2018 shares	**31 March 2017 shares**	**31 March 2018 $'000**	**31 March 2017 $'000**
Ordinary fully paid shares	35,231,572	35,231,572	243,359	243,359

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

11. Reserves

	2018 $'000	**2017 $'000**
Equity reserve		
Opening balance	25,690	25,690
	25,690	25,690
Foreign currency translation reserve		
Opening balance	(5)	(47)
Translation differences during the year	(19)	42
Closing balance	(24)	(5)
Total reserves	25,666	25,685

(a) Equity reserve
In accordance with Accounting Standards, a financial asset was recognised in respect of unpaid share capital receivable from shareholders, discounted to fair value at recognition. This treatment resulted in the recognition of $25.7 million of interest income during the financial years 2005 to 2007 which represented the unwinding of the discount over the term to recovery of the receivable. The Directors have determined that this income should not be used to pay future dividends and approved the transfer of this amount to an equity reserve.

(b) Foreign currency translation reserve
The foreign currency translation reserve comprises of all foreign exchange differences arising from the translation of the financial statements of controlled foreign entities.

12. Dividends

No interim dividend was declared or paid during the year (2017: $Nil). Since the end of the financial year the directors have determined a final dividend of 3 cents per share totalling $1,056,947 (2017: $Nil). The dividend will be fully franked based on a corporate tax rate of 30%.

Estimated franking credits at 31 March 2018 available for the payment of dividends in subsequent financial years based on a tax rate of 30% total $6,212,684 (2017: $4,751,145). Adjusting for the payment of the final dividend for the year ended 31 March 2018, the franking balance would be $5,759,707.

13. Earnings per share

	2018	2017
	$cents	**$cents**
Basic earnings per share	12.69	22.17
Diluted earnings per share	12.69	22.17
	$'000	**$'000**
Reconciliation of profit used in the calculation of basic earnings per share		
Profit for the year	4,213	7,926
Profit attributable to non-controlling interests	259	(115)
Profit used in the calculation of total basic earnings per share	4,472	7,811
Profit used in the calculation of total diluted earnings per share	4,472	7,811
		Number of shares
Weighted average number of ordinary shares used in the calculation of basic earnings per share	35,231,572	35,231,572
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	35,231,572	35,231,572

Calculation of earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

14. Borrowings

	2018 $'000	2017 $'000
Current		
Secured bank borrowings	1,598	4,208
Non-current		
Secured bank borrowings	7,798	7,368

Secured bank borrowings

(i) Secured term loan of $2.3 million (2017: $3.06 million) bearing interest at BBSY plus 2.55%, repayable over 3 years with the final instalment due on 5 November 2020. The loan is secured over all of the assets of the Company's subsidiaries: EON Broadcasting Pty Ltd ("EON") and Sunshine Coast Broadcasters Pty Ltd. The carrying value of assets pledged as security is as follows:

	2018 $'000	2017 $'000
Total current assets	4,318	4,228
Total non-current assets	20,865	20,282
Total assets	25,183	24,510

The Company has subordinated a claim of $5 million against EON in favour of the lender.

(ii) Secured term loan of $7.1 million (2017: $8.5 million) bearing interest at BBSY plus 2.75% repayable over 5 years, with the final instalment due in March 2020. The loan is secured over the all of the assets of the Company's subsidiary entities: Crimsafe Holdings Pty Ltd, Crimsafe Security Systems Pty Ltd, Proline Quality Finishing Pty Ltd, Crimsafe North America LLC and IPH International Pty Ltd. The carrying value of assets pledged as security is as follows:

	2018 $'000	2017 $'000
Total current assets	17,082	14,354
Total non-current assets	24,959	24,281
Total assets	42,041	38,635

The Company has subordinated a claim of $14.3 million against Crimsafe Holdings Pty Ltd in favour of the lender.

(iii) Asset finance totalling $0.1 million (2017: $0.1 million) secured over property, plant and equipment with a carrying value of $0.2 million (2017: $0.2 million).

The bank borrowings referred to in (i) and (ii) above are subject to certain financial covenants. These include maximum leverage and interest cover ratios. The Consolidated Entity has complied with all financial covenants during the year.

Recognition and measurement

All loans and borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

15. Financial risk management

The Consolidated Entity has exposure to a variety of financial risks, which are categorised as market risk, credit risk, and liquidity risk. This note presents information about the Consolidated Entity's exposure to each of these risks. Additional disclosures are presented throughout this financial report. The understanding and management of risk, particularly preservation of capital, is critical to the Company. The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business.
Documented policies and processes to enable appropriate management of business and investment risk have been adopted. Investee entities are responsible for their own risk management. The Company oversees the risk management practices of investee entities through representation on the boards of those entities and involvement in actively assisting and overseeing the management of the businesses.

The risk management policies and analysis described below and throughout this financial report refer to those practices adopted by the entities that are members of the Consolidated Entity.

(a) Market risk
Market risk refers to the potential for changes in the market value of the Consolidated Entity's investment positions or earnings streams. There are various types of market risks including exposures associated with interest rates, foreign currencies and equity market prices. The Consolidated Entity may use derivative financial instruments to hedge certain risk exposures. The methods used to measure the types of risk to which the Consolidated Entity is exposed are described below.

(i) Interest rate risk
The nature of the Company's business has been to invest in listed and unlisted entities. As part of the funding arrangements for transactions, the Board may elect to raise a level of debt to partially fund the Consolidated Entity's investments. Debt funding exposes the Consolidated Entity to the risk of movements in interest rates.

Interest rate swaps may be used by the Consolidated Entity to manage exposure to interest rate risk. The majority of the derivative financial instruments are floating-to-fixed interest rate swaps. Such derivative financial instruments have the economic effect of converting assets and liabilities from variable interest rate to fixed interest rate arrangements. Under the interest rate swaps, the relevant entity agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The Consolidated Entity had no exposure to interest rate swaps at 31 March 2018.

As at the end of the reporting period, the Consolidated Entity had the following variable rate borrowings outstanding:

	2018 $'000	**2017 $'000**
Bank borrowings	9,396	11,576
Weighted average interest rate	4.68%	4.81%

15. Financial risk management (continued)

Interest Rate Sensitivity

The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to a reasonable possible change in interest rates, with all other variables held constant. It assesses the effect that a 100 basis point increase or decrease in the yield curve in the Australian interest rate at 31 March 2018 would have on equity and profit or loss (before tax) at the reporting date. The analysis was performed on the same basis in 2017.

	2018		**2017**	
	Profit or loss $'000	**Equity $'000**	**Profit or loss $'000**	**Equity $'000**
100 basis point increase	105	105	125	125
100 basis point decrease	(105)	(105)	(125)	(125)

A sensitivity of 100 basis points has been selected as this is considered reasonable given the current level of short-term and long-term interest rates and the volatility observed both on an historical basis and market expectations for future movements.

(ii) Foreign currency risk

The Company has made investments in Australian dollars only. Each of the businesses in which the Consolidated Entity has invested may conduct operations outside of Australia and may be exposed to foreign currency exchange risk. Each investee entity is responsible for managing its own exposure to these risks.

OCP's policy is to require operating subsidiary companies to manage their foreign exchange risk against their functional currency.

Sensitivity analysis

The Consolidated Entity is not considered to have any material sensitivity to foreign currency exchange risks.

For the Consolidated Entity, any foreign currency translation risk associated with foreign investments results in some volatility to the foreign currency translation reserve. The impact on the foreign currency translation reserve relates to translation of the net assets of foreign controlled entities including the impact of hedging. The movement taken to the foreign currency translation reserve takes into account the related hedges and represents the impact of the unhedged portion.

(iii) Equity price risk

The Consolidated Entity is exposed to equity securities price risk arising from its investment in listed securities. Hedging is not entered into in respect of the risk of a general decline in equity market values. The Consolidated Entity does not actively hedge its exposure to the risk of a general decline in equity market values, believing that such strategies are not cost-effective. Instead, the Consolidated Entity prefers to actively manage the underlying business or asset to ensure that its fundamental value is preserved and enhanced.

The Consolidated Entity may enter into hedges of highly probable forecast transactions for payments for listed equity investments. At the reporting date, no derivatives were held for that purpose.

15. Financial risk management (continued)

Equity pricing sensitivity
The following table summarises the sensitivity of the Consolidated Entity's financial assets and liabilities to equity price risk at balance date.

	2018		**2017**	
	Carrying amount $'000	**Market or fair value $'000**	**Carrying amount $'000**	**Market or fair value $'000**
Listed shares (accounted for using the fair value method)	21,520	21,520	15,590	15,590

Listed securities are measured at fair value as represented by the share price at balance date. A 10% movement in the share price as at 31 March 2018 would have resulted in an increase or decrease in the fair value of the shares of approximately $2.15 million (2017: $1.56million).

The price risk for any other unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

The Consolidated Entity is not exposed to commodity price risk.

(b) Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company or its subsidiaries. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk arises from all financial assets included in the statement of financial position.

The Company has invested in listed and unlisted entities. The Company, or a subsidiary entity, will usually only provide loans to investee entities when it forms part of the overall funding provided for an investment transaction. Approval of such funding is the responsibility of the Board.

Operating businesses that the Company invests in will have their own credit risk policies. The Company is actively involved in assisting and overseeing the managing of the business of investee entities, including overseeing that appropriate policies are in place.

The carrying amount of the financial assets recognised in the Balance Sheet best represents the Consolidated Entity's maximum exposure to credit risk at the reporting date.

15. Financial risk management (continued)

Ageing of financial assets

The following table summarises the credit risk of the Consolidated Entity's financial assets by assessing the ageing of the carrying amount of financial assets. It also details any financial assets that are individually impaired and a description of collateral held where relevant.

			Past due but not impaired					
	Total $'000	**Neither past due nor impaired $'000**	**<30 days $'000**	**30-60 days $'000**	**60-90 Days $'000**	**>90 days $'000**	**Collectively impaired $'000**	**Individually Impaired $'000**
2018								
Cash & cash equivalents	29,243	29,243	-	-	-	-	-	-
Receivables	9,518	8,948	199	86	92	159	5	29
Other financial assets	22,520	22,520	-	-	-	-	-	-
	61,281	60,711	199	86	92	159	5	29
2017								
Cash & cash equivalents	17,918	17,918	-	-	-	-	-	-
Receivables	8,683	8,288	-	283	46	-	66	-
Other financial assets	14,756	14,756	-	-	-	-	-	-
	41,357	40,962	-	283	46	-	66	-

Based on past payment behaviour and analysis of customer credit risk, unimpaired past due amounts are considered to be collectible in full.

(c) Liquidity risk

Liquidity risk is the risk that the Company or its subsidiaries will not be able to meet financial obligations as they fall due.

The Board has approved a Financial Management Policy applicable to the Company and its wholly owned subsidiaries. The Financial Management Policy includes policies for the investment of surplus cash and monitoring of the liquidity position.

Operating businesses in which the Company has invested and which are not wholly owned are required to manage their own liquidity requirements so as to meet their financial obligations as they fall due. This includes maintaining an appropriate level of surplus cash to support the business and having appropriate overdraft and debt facilities available. The Company is represented on the boards of these entities and is able to monitor the liquidity position.

The liquidity position of the Consolidated Entity is monitored for the impact of potential investment acquisitions or divestments, including any potential borrowing requirements.

15. Financial risk management (continued)

The following table analyses the Consolidated Entity's financial liabilities into relevant maturity groupings based on the remaining contractual maturity period at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows (including both interest and principal cash flows).

			Residual contract maturities				
	Carrying amount $'000	**Contractual cash flows $'000**	**6 months or less $'000**	**6-12 months $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**
2018							
Trade & other payables	5,692	5,692	5,692	-	-	-	-
Interest bearing loans and borrowings	9,396	10,247	903	1,150	7,355	839	-
	15,088	15,939	6,595	1,150	7,355	839	-
2017							
Trade & other payables	4,706	4,706	4,706	-	-	-	-
Interest bearing loans and borrowings	11,576	12,749	1,230	3,489	1,489	6,541	-
	16,282	17,455	5,936	3,489	1,489	6,541	-

The borrowings of the Consolidated Entity are subject to certain financial covenants; these include debt service cover ratios and maximum leverage ratios. The Consolidated Entity has ongoing procedures in place to monitor compliance with these covenants. The Consolidated Entity has complied with all such covenants during the year ended 31 March 2018.

(d) Capital risk management
The Board reviews the Company's capital plan including dividend policy, share issuance or repurchase programmes and the issuance of debt.

The Company, directly or indirectly, has invested in listed and unlisted operating businesses. In making investment decisions, the Board considers an appropriate level of equity investment and debt for each transaction with the aim of reducing the equity requirement and maximising the return on capital invested.

16. Impairment of non-financial assets
Testing for impairment
The Consolidated Entity tests, property, plant and equipment, intangibles and goodwill for impairment:

- at least annually for indefinite life intangibles and goodwill, and;
- where there is an indication that the asset may be impaired, which is assessed at least each reporting date; or
- where there is an indication that previously recognised impairment (on assets other than goodwill) may have changed.

If the asset does not generate independent cash flows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the cash generating unit (CGU) to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal (FVLCOD) or value in use (VIU).

16. Impairment of non-financial assets (continued)

The value of the Consolidated Entity's Broadcasting licences, Brands and goodwill are tested for impairment at the individual entity level to which they relate ("CGU").

The recoverable amount of the relevant CGU's at 31 March 2018 was determined based on a VIU discounted cash flow model.

VIU calculations use cash flow projections based on the 2019 financial budget extended over the subsequent four year period ("forecast period") using estimated growth rates. Cash flows beyond the five year period are extrapolated using growth rates that do not exceed the long term average growth rate for the business in which the CGU operates.

The estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Discount rates used in both calculations are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Other assumptions are determined with reference to external sources of information and use consistent, conservative estimates for variables such as terminal cash flow multiples. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

Key assumptions

Commercial radio broadcasting CGU's

Sunshine Coast Broadcasters ("SCB")

Assumptions used in the value in use calculation include a pre-tax discount rate of 14.25% (2017:13.5%), revenue and operating cost growth rates of 4% and 3% respectively and a long term growth rate of 2.5%. As at 31 March 2018, no reasonable increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the SCB CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease from 4% to below 0% or the operating expense growth assumption was to increase from 3% to above 17.5% over the forecast period it would result in the SCB CGU carrying amount exceeding its recoverable amount.

Radio 2CH ("2CH")

Assumptions used in the value in use calculation include a pre-tax discount rate of 14.5% (2017:13.5%), average revenue and operating cost growth rates of 20% and 4.6% respectively and a long term growth rate of 2.5%. As at 31 March 2018, no reasonable increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the 2CH CGU carrying amount exceeding its recoverable amount. If either the average revenue growth assumption was to decrease from 20% to below 15% or the operating expense growth assumption was to increase from 4.6% to above 10.5% over the forecast period it would result in the 2CH CGU carrying amount exceeding its recoverable amount.

Security screens CGU

Assumptions used in the value in use calculation include a pre-tax discount rate of 15.25% (2017:15.25%), revenue and operating cost growth rates of 5% and 3% respectively and a long term growth rate of 2.5%. As at 31 March 2018, no reasonable increase in the discount rate to reflect a higher cost of debt finance than currently forecast or other changes in the cost of equity would result in the security screen CGU carrying amount exceeding its recoverable amount. If either the revenue growth assumption was to decrease from 5% to below 4% or the operating expense growth assumption was to increase from 3% to 6% over the forecast period it would result in the security screen CGU carrying amount exceeding its recoverable amount.

17. Subsidiaries

The Consolidated Financial Statements incorporate the assets, liabilities and results of the following entities:

Name of entity	Country of incorporation	Class of shares / units	Effective Equity Holding (%) 2018	2017
EON Broadcasting Pty Ltd	Australia	Ordinary	95.0	95.0
Sunshine Coast Broadcasters Pty Ltd	Australia	Ordinary	95.0	95.0
OCP Shelf 2 Pty Ltd	Australia	Ordinary	100.0	100.0
EON 2CH Pty Ltd	Australia	Ordinary	85.5	85.5
Radio 2CH Pty Ltd	Australia	Ordinary	85.5	85.5
Crimsafe Holdings Pty Ltd	Australia	Ordinary	97.0	97.0
Crimsafe Security Systems Pty Ltd	Australia	Ordinary	97.0	97.0
Proline Quality Finishing Pty Ltd	Australia	Ordinary	97.0	97.0
IPH International Pty Ltd	Australia	Ordinary	97.0	97.0
IP Unit Trust	Australia	Units	97.0	97.0
Crimsafe North America, LLC	USA	Ordinary	97.0	97.0

Recognition and measurement

The consolidated financial statements of Oceania Capital Partners Limited incorporate the assets and liabilities of all entities controlled by the Company as at 31 March 2018 and the results of all controlled entities for the year then ended. Control exists when the Consolidated Entity has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

18. Commitments and contingencies

Non-cancellable operating leases

The Consolidated Entity leases various offices and warehouses under non-cancellable operating leases expiring within 1 to 4 years. These leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	2018 $'000	2017 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,595	1,496
Later than one year but not later than five years	2,867	3,152
	4,462	4,648

During the year the Consolidated Entity recognised $1,949,000 (2017: $1,428,482) operating lease costs as an expense.

Other

During the year the Consolidated Entity disposed of its remaining 24.875% equity interest in BC Holdings and the associated stapled loan notes issued by BC Holdings, to Encore Capital Group, Inc ("Encore"). In addition, the Consolidated Entity entered into an agreement with Encore to extend the period during which Encore may lodge a warranty claim in relation to certain specified circumstances ("the Extended Warranty Period"). $1 million of the proceeds have been escrowed until October 2018 to support any liability arising from any such claim. The quantum of a claim that may arise during the Extended Warranty Period is not limited to the amount placed in escrow.

In addition, certain subsidiaries of the Company are party to various legal actions that have arisen in the normal course of business. It is expected that any liabilities arising from such legal action would not have a material effect on the Consolidated Entity's financial performance.

19. Events after the reporting date

Other than as disclosed elsewhere in this financial report, there have been no significant events subsequent to balance date.

20. Parent entity disclosures

	2018 $'000	2017 $'000
Result of the parent entity		
Profit for the year	5,161	2,250
Other comprehensive income	-	-
Total comprehensive income for the period	5,161	2,250
Financial position of the parent entity at period end		
Current assets	46,703	28,000
Total assets	88,587	83,369
Current liabilities	298	255
Total liabilities	391	334
Total equity of the parent comprising:		
Share Capital	243,359	243,359
Equity reserve	25,690	25,690
Profit reserve	8,805	3,644
Accumulated losses	(189,658)	(189,658)
	88,196	83,035
Operating lease commitments		
Within one year	21	-

Contingent liabilities of the Company at 31 March 2018 are detailed in note 18. The company had no capital expenditure or investment commitments at 31 March 2018.

21. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	2018 $	2017 $
Audit services		
BDO East Coast Partnership:		
Statutory audit and review of financial reports	196,400	151,500
BDO (QLD) Pty Limited:		
Statutory audit and review of financial reports	-	50,000
Non - Audit services		
BDO East Coast Partnership:		
Other services - tax advisory and consulting	54,919	57,600

22. Related party transactions

Ultimate controlling entity
Rivetprops 47 (Pty) Ltd (Incorporated in the Republic of South Africa)

Ultimate controlling entity incorporated within Australia
HCI Investments Australia Pty Ltd

Controlling entity
HCI Australian Operations Pty Ltd

Key management personnel

The following were key management personnel of the Consolidated Entity at the end of the reporting period:
Directors
Robert Moran (Chairman)
Michael Jacobson (Executive Director)
Brian Scheiner (Executive Director)

Executive
Lionel Baldwin (Chief Financial Officer and Company Secretary, Oceania Capital Partners Limited)

(a) Details of remuneration
Details of the total remuneration of all key management personnel, including their personally related entities, are as follows:

	2018	**2017**
	$	**$**
Short-term employee benefits	1,004,229	1,004,229
Other- long term benefits	17,890	13,233
Post-employment benefits	94,884	94,884
	1,117,003	1,112,346

Remuneration paid to directors of parent company, HCI Australian Operations Pty Ltd, during the period was $979,003 (2017: $974,346).

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or the Consolidated Entity since the end of the previous financial period and there were no material contracts involving key management personnel interests existing at balance date.

23. Other accounting policies

(a) New accounting standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for the 31 March 2018 reporting period. The Consolidated Entity has assessed the impact of these new standards, and does not expect that the initial application of these will materially affect any of the amounts recognised in the financial report, but may change disclosures made in relation to the Consolidated Entity;

- AASB 15 – *Revenue from contracts with customers* – effective for accounting periods commencing 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
  The directors are of the opinion that AASB 15 will not have a material impact on the financial statements.

- AASB 16 – *Leases* – effective for accounting periods commencing 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main impact of the adopting of the new standard is that operating leases of 12 months or longer will be brought on balance sheet. The main changes introduced by the new Standard include:
  - Recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - Depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components; and
  - Additional disclosure standards.

(b) New and amended accounting standards adopted by the Consolidated Entity
A number of new and amended accounting standards became applicable in the current financial year. The Consolidated Entity did not have to change its accounting policies or make any retrospective adjustments as a result of adopting these new or amended accounting standards.

In the opinion of the Directors of Oceania Capital Partners Limited ("the Company"):

a) the consolidated financial statements and notes set out on pages 16 to 49 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 March 2018 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards, other mandatory professional reporting requirements and the Corporations Regulations 2001.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention the notes to the financial statements, which include a statement of compliance with International Financial Reporting Standards on page 22.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the year ended 31 March 2018.

Signed in accordance with a resolution of the Directors.

Robert Moran
Chairman

Dated at Sydney this 23rd day of May 2018.

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INDEPENDENT AUDITOR'S REPORT

To the members of Oceania Capital Partners Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Oceania Capital Partners Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 March 2018, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 March 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How the matter was addressed in our audit*
Impairment assessment of intangible assets The Group's intangible assets consist of radio licences, brand names, related trademarks and goodwill. Details of the Group's intangibles and accounting policy can be found in Note 8. Under AASB 138, the Group is required to test intangible assets with indefinite useful lives and goodwill annually for impairment indicators. Note 16 details the Group's accounting policy for impairment of intangible assets and the key assumptions and judgements management have made in applying that policy. In addition to the significant balance at year end, this annual impairment test was significant to our audit because management's assessment process is complex and highly judgmental and is based on assumptions, which are affected by expected future market or economic conditions.	To address the key audit matter, our procedures included, amongst others: • Evaluating actual performance against historical forecasts, obtaining explanations and ensuring necessary adjustments to operating margins and growth rates were considered in the forecasts. • Reviewing the reasonableness of these assumptions against external benchmarks and in particular evaluating the appropriateness of the cost of capital and the discount rate applied. • Performing sensitivity analysis around those assumptions that impact significantly on the recoverable amount. • We also assessed the adequacy of the disclosures regarding asset carrying values and those assumptions pertaining to impairment testing including sensitivity of those that have the most significant effect on the determination of recoverable amounts.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 31 March 2018, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 31 March 2018.

In our opinion, the Remuneration Report of Oceania Capital Partners Limited, for the year ended 31 March 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

BDO

Arthur Milner
Partner

Sydney, 23 May 2018