

***SCANTECH LIMITED  
AND ITS CONTROLLED ENTITIES***

***ACN: 007 954 627***

***HALF YEARLY REPORT***

***31 December 2019***

## **DIRECTORS' REPORT**

The Directors submit the financial report of Scantech Limited for the half year ended 31 December 2019.

### **Directors**

The names of Directors who held office during or since the end of the half year are;

Peter Pedler - Chairman since 1 September 2005 and Non-Executive Director since 12 August 2003.

David Lindeberg – Managing Director and a Director since 20 January 2000.

Laurance Brett - Non-Executive Director since 1 September 2005.

### **Reviews & Results of Operations**

The Company announces an unaudited profit before tax for the half year ended 31 December 2019 of \$2,135,483 compared to \$1,336,791 for the same period last year.

A tax expense of \$525,440 brings the unaudited profit after tax for the half year ended 31 December 2019 to \$1,610,043 compared to \$996,608 for the same period last year. This profit includes a loss of \$28,035 for exchange variance.

Sales were \$12,003,518 (2018: \$9,490,989) an increase of 26% over last half year.

The Company had equipment orders on hand of \$8M as at the 31 December 2019 compared to \$6.7M on hand at 31 December 2018.

### **Auditor's Independence Declaration**

The auditors' independence declaration under section 307C is attached.

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



Peter Pedler  
Chairman

Adelaide, 21<sup>st</sup> day of February, 2020

**Scantech Limited**

ACN: 007 954 627

**Declaration of independence to the directors of Scantech Limited**

As lead auditor for the review of Scantech Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**Bentleys SA Audit Partnership**

**DAVID FRANCIS**  
PARTNER

Dated at Adelaide this 21<sup>th</sup> day of February 2020.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

<b>Consolidated Entity</b>			
	<b>Note</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
		<b>\$</b>	<b>\$</b>
Revenue	3	12,003,518	9,490,989
Cost of Sales		(6,341,217)	(5,020,330)
Gross Profit		5,662,301	4,470,659
Other Income	3	92,974	162,891
Manufacturing Expenses		(389,980)	(372,291)
Engineering and Scientific Expenses		(1,127,394)	(1,054,808)
Marketing Expenses		(1,021,429)	(905,900)
Administration Expenses		(1,051,367)	(929,243)
Borrowing Costs		(29,622)	(34,517)
Profit before Income Tax		2,135,483	1,336,791
Income Tax Expense		(525,440)	(340,183)
<b>Profit after Income Tax Attributable to Owners of the Parent Entity</b>		<b>1,610,043</b>	<b>996,608</b>
Other Comprehensive Income for the period Gain / (Loss) on revaluation of investment shares (net of \$63,965 deferred tax, 2018 \$33,835)		168,636	(89,202)
<b>Total Comprehensive Income attributable to Owners of the Parent Entity</b>		<b>1,778,679</b>	<b>907,406</b>

**The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.**

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

<b>Consolidated Entity</b>			
	<b>Note</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		3,155,213	3,178,123
Trade and Other Receivables		2,195,623	2,360,442
Inventories	4	3,807,643	2,487,453
Amount due from Customers	5	1,531,861	2,310,779
Financial Assets	6	2,554,441	1,555,081
<b>TOTAL CURRENT ASSETS</b>		<b>13,244,781</b>	<b>11,891,878</b>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	6	3,612,010	3,304,352
Property, Plant and Equipment		3,232,684	3,169,694
Right-of-use Asset	7	348,356	0
Patents, Trademarks and Licences		612,271	644,251
Product Development		1,716,045	1,716,045
Deferred Tax Asset		329,998	257,331
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,851,364</b>	<b>9,091,673</b>
<b>TOTAL ASSETS</b>		<b>23,096,145</b>	<b>20,983,551</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		6,623,100	6,217,087
Amount due to Customers	5	1,757,279	2,001,650
Provision for Income Tax		432,112	741,515
Other Provisions		701,082	726,881
Lease Liability	8	100,681	0
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,614,254</b>	<b>9,687,133</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities		975,000	975,000
Other Provisions		24,770	14,492
Deferred Tax Liability		1,013,610	856,027
Lease Liability	8	238,933	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,252,313</b>	<b>1,845,519</b>
<b>TOTAL LIABILITIES</b>		<b>11,866,567</b>	<b>11,532,652</b>
<b>NET ASSETS</b>		<b>11,229,578</b>	<b>9,450,899</b>
<b>EQUITY</b>			
Contributed Equity	9	4,374,962	4,374,962
Reserves		814,042	645,406
Retained Earnings		6,040,574	4,430,531
<b>TOTAL EQUITY</b>		<b>11,229,578</b>	<b>9,450,899</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Ordinary Share Capital	Retained Earnings/ (Accumulated Losses)	Premium on Consolidation	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
<b>Consolidated Entity Balance as at 1 July 2018</b>	4,762,020	7,011,037	13,139	546,815	12,333,011
Profit for the half-year	0	996,608	0	0	996,608
Other comprehensive income	0	0	0	(89,202)	(89,202)
<b>Consolidated Entity Balance as at 31 December 2018</b>	4,762,020	8,007,645	13,139	457,613	13,240,417
	Ordinary Share Capital	Retained Earnings/ (Accumulated Losses)	Premium on Consolidation	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
<b>Consolidated Entity Balance as at 1 July 2019</b>	4,374,962	4,430,531	13,139	632,267	9,450,899
Profit for the half-year	0	1,610,043	0	0	1,610,043
Other comprehensive income	0	0	0	168,636	168,636
<b>Consolidated Entity Balance as at 31 December 2019</b>	4,374,962	6,040,574	13,139	800,903	11,229,578

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**CASHFLOW STATEMENT**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

**Consolidated Entity**

	31 December 2019	31 December 2018
	\$	\$
<b><u>Cash flows from operating activities:</u></b>		
Receipts from Customers	12,920,680	11,682,308
Payments to Suppliers and Employees	(10,928,477)	(9,700,535)
Interest Received	17,606	34,513
Interest Paid	(29,622)	(34,517)
Income Taxes Paid	(813,893)	(315,794)
Other Income	0	3,675
<b>Net cash provided by operating activities</b>	<b>1,154,048</b>	<b>1,669,650</b>
<b><u>Cash flows from investing activities:</u></b>		
Payments for Property, Plant and Equipment	(124,838)	(69,994)
Loss on Investment	0	1,000
Dividends Received	75,045	70,208
Payments for Patents, Trademarks and Licences	(6,585)	(11,983)
Payments for Investment Shares	(75,057)	(63,592)
Net Payments from movements in Financial Assets	(999,360)	(501,488)
<b>Net cash used in investing activities</b>	<b>(1,130,795)</b>	<b>(575,849)</b>
<b><u>Cash flows from financing activities:</u></b>		
Lease Payments	(52,286)	0
Lease Interest Payments	(6,123)	0
<b>Net cash provided used in financing activities</b>	<b>(58,409)</b>	<b>0</b>
Net (decrease) / increase in cash held	(22,910)	1,093,801
Cash at the beginning of the financial year	3,178,123	824,438
<b>Cash at the end of the half year</b>	<b>3,155,213</b>	<b>1,918,239</b>
<b><u>Reconciliation of cash:</u></b>		
For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank net of outstanding bank overdrafts.		
Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:		
<b>Cash and Cash Equivalents</b>	<b>3,155,213</b>	<b>1,918,239</b>

The above Cashflow Statement should be read in conjunction with the accompanying notes.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

**1 BASIS OF PREPARATION OF FINANCIAL REPORT**

This general purpose condensed financial report for the half-year ended 31 December 2019 has been prepared in accordance with AASB134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2019 and considered together with any public announcements made by Scantech Limited during the half-year ended 31 December 2019 and the Corporations Act 2001.

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the previous annual financial report for the financial year ended 30 June 2019.

The entity has adopted AASB 16 Leases commencing from 1 July 2019. The new Standard introduced a single, on-balance sheet accounting model for leases. As a result, the entity, as a lessee, has recognised right-of-use assets representing its right-of-use the underlying leased asset and lease liability representing its obligation to make lease payments. The entity has applied the modified retrospective approach and accordingly, the comparative information has not been restated. The details of the change in accounting policy is disclosed in Note 7. The change in accounting policy is also expected to be reflected in the consolidated financial statements as at and for the year ending 30 June 2020.

**2 REPORTING BASIS AND CONVENTIONS**

The half-year report has been prepared on an accrual basis and is based on historical costs except for the revaluation of selected non-current assets for which the fair value basis of accounting has been applied.

**3 REVENUE AND OTHER INCOME**

Included in profit or loss are the following revenue and other income items:

	<b>Consolidated Entity</b>	
	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Products Revenue	7,307,233	4,109,239
Services Revenue	4,696,285	5,381,750
Total Revenue	<u>12,003,518</u>	<u>9,490,989</u>
Sundry Income	0	3,675
Interest Received	17,929	34,127
Net Foreign Exchange Gain	0	54,881
Franked Dividend Income	75,045	70,208
Total Other Income	<u>92,974</u>	<u>162,891</u>



**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

		<b>Consolidated Entity</b>	
		<b>31 December 2019</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>4 INVENTORIES</b>			
<u>Current:</u>			
Raw Materials and Stores at cost		1,868,016	1,441,022
Work in Progress		1,939,627	1,046,431
		<b>3,807,643</b>	<b>2,487,453</b>
<b>5 CONTRACTS IN PROGRESS</b>			
Cost Incurred plus Profit to Date		19,983,321	16,584,849
Less Billings		(20,208,739)	(16,275,720)
Net Amount		<b>(225,418)</b>	<b>309,129</b>
<u>Represented By:</u>			
Amounts due from Customers (Asset)		1,531,861	2,310,779
Amounts due to Customers (Liability)		(1,757,279)	(2,001,650)
Contracts in Progress (Net Amount)		<b>(225,418)</b>	<b>309,129</b>
<b>6 FINANCIAL ASSETS</b>			
<u>Current:</u>			
Amounts on Deposits at Banks		2,554,441	1,555,081
<u>Non-Current:</u>			
Shares – Listed Entities (at market value)		3,612,010	3,304,352
<b>7 RIGHT-OF-USE ASSET</b>			
Right-of-use Asset		391,901	0
Accumulated Depreciation		(43,545)	0
Total Right-of-use Asset		<b>348,356</b>	<b>0</b>
<u>Movement In Carrying Amounts:</u>			
Right-of-use Asset at the beginning of the year		391,901	0
Additions		0	0
Disposals		0	0
Right-of-use Asset at the end of the year		<b>391,901</b>	<b>0</b>
Accumulated Depreciation at the beginning of the year		0	0
Depreciation Expense		(43,545)	0
Depreciation Expense write back		0	0
Accumulated Depreciation at the end of the year		<b>(43,545)</b>	<b>0</b>
Carrying Amount of Right-of-use Asset at the end of the year		<b>348,356</b>	<b>0</b>
<u>Amounts recognised in profit or loss</u>			
Depreciation expense on right-of-use asset		43,545	0
Interest Expense on lease liabilities		6,123	0
		<b>49,668</b>	<b>0</b>

Scantech marketing offices are located in Brisbane under a lease. The average lease term is 3 years.

The right-of-use asset and lease liability are initially measured at the present value of the lease payments that are not paid as at 1 July 2019, discounted using the entity's incremental borrowing rate.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

**7 RIGHT-OF-USE ASSET (CONT'D)**

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

As a result of applying AASB 16, the consolidated entity recognised \$391,901 of right-of-use assets and lease liability of \$339,614 for the half year period ended 31 December 2019. During the period, the entity also recognised \$43,545 of depreciation charges and \$6,123 of interest expense from the lease.

		<b>Consolidated Entity</b>	
		<b>31 December 2019</b>	<b>30 June 2019</b>
		<b>\$</b>	<b>\$</b>
<b>8 LEASE LIABILITY</b>			
<u>Current:</u>			
Lease Liability – Brisbane Office		100,681	0
		<b>100,681</b>	<b>0</b>
<u>Non-Current:</u>			
Lease Liability – Brisbane Office		238,933	0
		<b>238,933</b>	<b>0</b>
<b>9 CONTRIBUTED EQUITY</b>			
<u>Issued and Paid Up Capital:</u>			
At the beginning of the reporting period		4,374,962	4,762,020
Share buy-back		0	(387,058)
At reporting date		<b>4,374,962</b>	<b>4,374,962</b>
<u>Ordinary Shares:</u>			
At beginning of the reporting period		13,026,898	13,622,371
Share buy-back		0	(595,473)
At reporting date		<b>13,026,898</b>	<b>13,026,898</b>

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have limited amount of authorised capital and issued shares do not have a par value. Ordinary shares carry one vote per share and the rights to dividends.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR HALF YEAR ENDED 31 DECEMBER 2019**

**10 FAIR VALUE MEASUREMENT**

The only assets and liabilities recognised and measured at fair value on a recurring basis are land and buildings and shares in Australian Listed Entities.

Land and buildings are categorised according to the fair value hierarchy as Level 2 – inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly or indirectly. There were no transfers between levels during the financial half-year.

The carrying amount of financial assets and financial liabilities approximate their fair value.

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

**10 FAIR VALUE MEASUREMENT (CONT'D)**

**Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurement Are Categorised**

**Fair Value Measurements at 31 December 2019 Using:**

	<b>Quoted Prices in Active Markets for Identical Assets \$</b>	<b>Significant Observable Inputs Other than Level 1 Inputs \$</b>	<b>Significant Unobservable Inputs \$</b>
<b>Description</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Recurring fair value measurements</b>			
Reinvestment in Shares for the half year period ending 31 December 2019			
- Listed Entities	81,284	-	-
Investment in shares of			
- Listed Entities	3,530,726	-	-
Land and Buildings	-	2,871,250	-
<b>Non- Recurring fair value measurements</b>	-	-	-

**Fair Value Measurements at 30 June 2019 Using:**

	<b>Quoted Prices in Active Markets for Identical Assets \$</b>	<b>Significant Observable Inputs Other than Level 1 Inputs \$</b>	<b>Significant Unobservable Inputs \$</b>
<b>Description</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
<b>Recurring fair value measurements</b>			
Investment in shares of			
- Listed Entities	3,304,352	-	-
Land and Buildings	-	2,885,000	-
<b>Non-Recurring fair value measurements</b>	-	-	-

There were no transfers between Level 1 and Level 2 Fair Values

**SCANTECH LIMITED AND ITS CONTROLLED ENTITIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR HALF YEAR ENDED 31 DECEMBER 2019**

**10 FAIR VALUE MEASUREMENT (CONT'D)**

**Valuation Techniques and Inputs Used to Determine Level 2 Fair Values**

Description	Fair Value at 31 December 2019 \$	Description of Valuation Techniques	Inputs Used
<b>Level 2</b>			
Land and Buildings	2,871,250	Sales price comparison	Sales prices of comparable land and buildings in a similar location are analysed on the bases of rate per square metre of gross lettable area

There were no changes during the period in the valuation techniques used by the Group to determine Level 2 fair values.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at the end of the reporting period.

	December 2019 \$		June 2019 \$	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets:</b>				
Cash and Cash Equivalents	3,155,213	3,155,213	3,178,123	3,178,123
Trade and Other Receivables	2,195,623	2,195,623	2,360,442	2,360,442
Amounts due from customers	1,531,861	1,531,861	2,310,779	2,310,779
Held to Maturity Investments	2,554,441	2,554,441	1,555,081	1,555,081
Shares – Listed Entities	3,612,010	3,612,010	3,304,352	3,304,352
<b>Financial Liabilities:</b>				
Trade and Other Payables	(6,623,100)	(6,623,100)	(6,217,087)	(6,217,087)
Amounts due to customers	(1,757,279)	(1,757,279)	(2,001,650)	(2,001,650)
Loans	(975,000)	(975,000)	(975,000)	(975,000)
Net Exposure	3,693,769	3,693,769	3,515,040	3,515,040

**11 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Group has a contingent liability of \$0 (June 2019: \$0) in relation to a Deed of Deposit and set off over Term Deposit Funds lodged with the bank as cash cover for Bank Guarantee / Letter of Credit facilities.

**12 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

There have been no material events after the reporting period that provide evidence of conditions that existed at the end of the reporting period.

**Scantech Limited Public Company A.C.N. 007 954 627  
And Controlled Entities**

***Directors' Declaration – Half Year***

In accordance with a resolution of the directors of Scantech Limited, we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the financial position as at 31 December 2019 and performance for the half-year ended on that date of the consolidated entity
  - (ii) Complying with Accounting Standard AASB134 Interim Financial Reporting 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.

Signed in accordance with a resolution of directors made pursuant to section 305(5)(a) of the Corporations Act 2001.

On behalf of the Board



Chairman  
P Pedler



Managing Director  
D Lindeberg

Signed in Adelaide, this 21<sup>st</sup> day of February, 2020

**Bentleys SA Audit Partnership**

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**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF SCANTECH LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Scantech Limited, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

**Directors' Responsibility for the Half-Year Financial Report**

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

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Scantech Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Scantech Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Scantech Limited is not in accordance with the Corporations Act 2001 including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 Interim Financial Reports and Corporations Regulations 2001.

**BENTLEYS SA AUDIT PARTNERSHIP**

DAVID FRANCIS  
PARTNER

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