



**AVIVA**

C O R P O R A T I O N L T D

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2013**

ABN 31 009 235 956

## CORPORATE DIRECTORY

### Directors

Mr Ian Middlemas – Chairman  
 Mr Lindsay Reed  
 Mr Rob Kirtlan  
 Mr Mark Pearce

### Company Secretary

Mr Stef Weber

### Registered Office

Level 9, BGC Centre  
 28 The Esplanade  
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 Australia

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### Website

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### Share Registry

Computershare Investor Services Pty Ltd  
 Level 2  
 45 St Georges Terrace  
 Perth WA 6000

Telephone: 1300 55 70 10  
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### Solicitors

Hardy Bowen Lawyers

### Auditor

Ernst & Young

### Bankers

Australia and New Zealand Banking Group Limited

### Securities Exchange Listing

Australian Securities Exchange  
 ASX Code: AVA – Ordinary Shares

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## CONTENTS

	<b>Page</b>
Directors' Report	1
Directors' Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10
Auditor's Independence Declaration	16
Independent Auditor's Review Report	17

The Board of Directors of Aviva Corporation Limited present their report on Aviva Corporation Limited (“Company” or “Aviva Corporation”) and the entities it controlled during the half year ended 31 December 2013 (“Group”).

### DIRECTORS

The names and details of the Company's directors in office at any time during the half year or since the end of the half year are:

Mr Ian Middlemas - Chairman (appointed 16 July 2013)  
Mr Lindsay Reed – Non-Executive Director (previously Chief Executive Officer)  
Mr Rob Kirtlan – Non-Executive Director  
Mr Mark Pearce – Non-Executive Director (appointed 16 July 2013)  
Dr Geoff Loftus-Hills – Non-Executive Director (resigned 26 July 2013)

Unless otherwise stated, Directors held their office from 1 July 2013 until the date of this report.

### REVIEW AND RESULTS OF OPERATIONS

During the half year the Company focused on leveraging off its substantial cash reserves of over \$23 million in identifying new business opportunities. A number of new business opportunities were assessed during the half year. This process resulted in the identification, review and negotiation to acquire Decimal Group Pty Ltd.

#### Decimal Group Pty Ltd

On 20 January 2014, Aviva announced that it entered into a conditional agreement to acquire 100% of the shares in Decimal, which holds a 100% interest in the Australian patented intellectual property associated with the Decimal business.

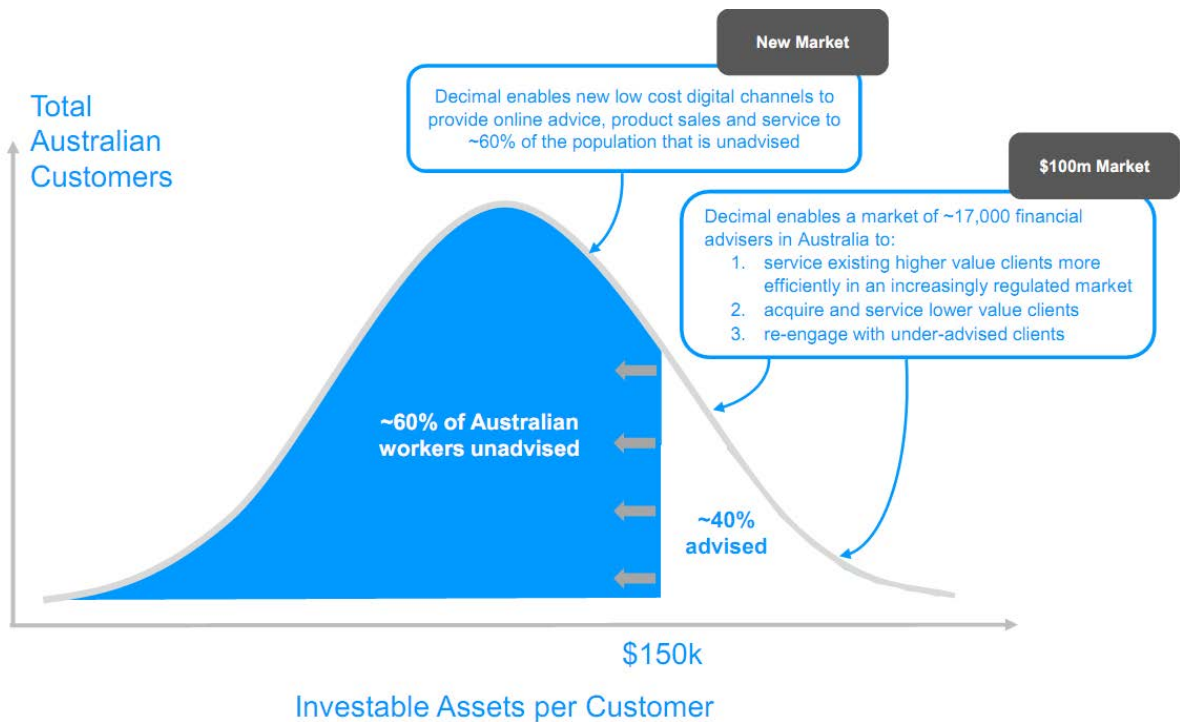


**decimal**

*“Transforming the Financial Services Industry”*

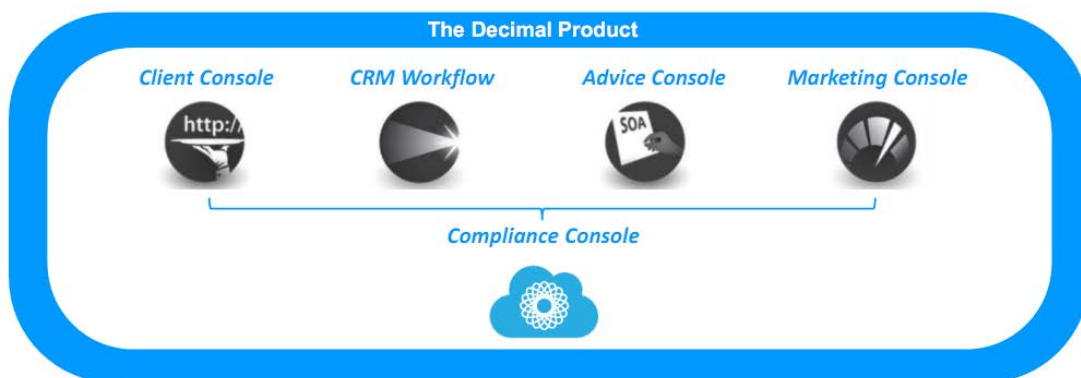
Decimal provides a single instance cloud platform specifically developed for the complex and highly regulated financial services industry that brings together financial advisors, clients, financial products, marketers, compliance and administration to all operate in real-time.

As has happened in other industries disrupted by innovative cloud-based technology solutions (e.g. Xero, SEEK, Carsales and Freelancer), Decimal also provides an industry cloud platform for independent financial advisors (“IFAs”), dealer groups, financial institutions, and superannuation funds to more efficiently service existing clients and to penetrate the approximately 60% of Australian workers that do not currently receive financial advice. Decimal's platform has also been constructed so as to be capable of being rolled-out in multiple jurisdictions, including the US and UK.



**Figure 1: Untapped market for unadvised Australian workers (for illustrative purposes only)**

Decimal has designed and built from the ground-up as an end-to-end mobile enabled cloud platform for the financial services industry. Decimal has been designed to function as simply as possible whilst incorporating all the necessary financial planning steps and investment options required to provide online financial advice. At the core of Decimal's solution is an advanced financial modelling technology engine that generates personalised financial strategy and product plans instantly. The Decimal platform has been designed to generate financial plans based on varied levels of information entered by the user. This capability, and how gaps in information provided by the user are dealt with, has been patented as an alternative financial advice process.



**Figure 2: Summary of the Decimal Solution**

Decimal has undergone more than 6 years of development commensurate with supporting an industry responding to increased regulatory change, contestable consumer markets and internet access ubiquity.

The commercial terms of the Acquisition, which are subject to approval by Aviva shareholders, include the Return of capital of \$0.06 per share to Aviva Shareholders at the Record Date which will be prior to the Acquisition. Share consolidation of Aviva shares on a 1 for 3 basis and the issue of 112.5 million Aviva shares (post Share Consolidation) to the shareholders of Decimal ("Consideration Shares").

Following completion of the Share consolidation and the issue of the Consideration Shares Aviva will have 179.2 million shares on issue. Completion of the Acquisition and issue of the Consideration Shares is expected to occur early to mid-April 2014.

In addition, following completion of the Acquisition, Aviva will appoint Mr Michael Sertorio and Jan Kolbusz to the board of Aviva. Mr Sertorio will be appointed as Executive Chairman and Mr Kolbusz will be appointed as Executive Director.

### **Sale of Mmamantswe Coal Project (“the Project”)**

Aviva completed the sale of the Project to African Energy Resources Limited (“African Energy”) on 12 July 2013 following receipt of the sales price of \$3.5 million. Aviva announced the sale of the Project on 29 April 2013 and approval by Aviva shareholders at the shareholder meeting held on 9 July 2013 satisfied the last condition precedent to this transaction.

Aviva purchased the License under which the Project is operated from Mawana Minerals Pty Ltd (“Mawana Minerals”) for US\$300,000 following Ministerial approval on 4 July 2013. The disposal of the Project to African Energy for more than US\$3 million led to a final payment of US\$22,000 to Mawana Minerals being a proportion of the difference between the disposal price and US\$3 million.

### **REVIEW OF OPERATIONS**

Net operating loss after tax for the half year ended 31 December 2013 was \$ 268,510 (2012: Net profit \$10,757,010). This loss is partly attributable to the following:

- (i) Business development expenditure totalling \$132,514 (2012: \$3,575) incurred in respect of business development activities conducted by the Group during the half year.
- (ii) Employment expenditure totalling \$266,596 (2012: \$528,474) incurred by the Group during the half year.
- (iii) This was partially offset by interest revenue of \$460,862 (2012:\$162,082)

### **SIGNIFICANT POST BALANCE DATE EVENTS**

- (i) As discussed above, on 20 January 2014, Aviva announced that it has entered into a conditional agreement to acquire 100% of the shares in Decimal.

The commercial terms of the Acquisition, which are subject to approval by Aviva shareholders, include the following:

- Return of capital of \$0.06 per share to Aviva Shareholders at the Record Date which will be prior to the Acquisition;
- Share consolidation of Aviva shares on a 1 for 3 basis prior to the Acquisition; and
- Issue of 112,500,000 Aviva shares (post Share Consolidation) to the shareholders of Decimal.

Aviva has provided an unsecured loan facility to Decimal on 31 January 2014 for an amount of A\$2,500,000. The loan is repayable by 30 June 2014 and incurs interest from 31 March 2014 at a rate of 9% per annum.

Current Directors of Aviva will either all resign on the date of completion of the Acquisition or alternatively one current Director will remain. In the case where all current Directors resign Aviva will have the option to appoint one new Director.

## **DIRECTORS' REPORT**

(Continued)

The Acquisition of Decimal constitutes a change to the nature and scale of Aviva's activities. The Company will therefore need to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

ASX may impose some further conditions and requirements, in addition to the Notice of Meeting, for Aviva to meet in order for Aviva to comply with Chapters 1 and 2 of the ASX Listing Rules.

- (ii) On 21 January 2014, Aviva's convertible note investment in Coppermoly of \$125,000 matured, payment was received on 3 February 2014; and
- (iii) On 21 January 2014, 2,000,000 \$0.12 Unlisted Options in Aviva were exercised.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date.

### **AUDITOR'S INDEPENDENCE DECLARATION**

Section 307C of the Corporations Act 2001 requires our auditors, Ernst and Young, to provide the directors of Aviva Corporation Limited with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**LINDSAY REED**  
Director

12 February 2014

## DIRECTORS' DECLARATION



In accordance with a resolution of the Directors of Aviva Corporation Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
  - (ii) section 305 (true and fair view); and
- (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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board

A handwritten signature in black ink, appearing to read "Lindsay Reed", written over a light grey rectangular background.

**LINDSAY REED**  
Director

12 February 2014

**CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2013



	Notes	31 December 2013 \$	31 December 2012 \$
<b>Continuing Operations</b>			
Interest revenue	3(a)	460,862	162,082
Other income		46,948	49,744
Profit on Sale of Assets	6(a)	-	11,774,482
Employment expenses		(266,596)	(528,474)
Administration and Corporate expenses		(377,110)	(498,862)
Business development expenses		(132,514)	(3,575)
Impairment expenses		-	(159,911)
Finance costs		(100)	(38,476)
<b>(Loss)/ profit before income tax</b>		<b>(268,510)</b>	<b>10,757,010</b>
Income tax expense		-	-
<b>Net Loss)/ profit for the period</b>		<b>(268,510)</b>	<b>10,757,010</b>
<b>Other comprehensive income</b>			
Other comprehensive income/(loss) for the period, net of tax		-	-
<b>Total comprehensive (Loss)/ profit for the period</b>		<b>(268,510)</b>	<b>10,757,010</b>
<b>(Loss)/profit per Share</b>			
Basic (Loss)/ profit per share (cents per share)		(0.14)	6.47
Diluted (Loss)/ profit per share (cents per share)		(0.14)	6.20

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



**CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**  
AS AT 31 DECEMBER 2013



	Notes	31 December 2013 \$	30 June 2013 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		23,214,564	18,790,763
Trade and other receivables		192,679	204,950
Financial Assets at Fair Value through Profit or loss	7	125,000	125,000
Prepayments		20,493	83,687
		<b>23,552,736</b>	<b>19,204,400</b>
Exploration Assets Held for Sale	6	-	3,500,000
<b>Total Current Assets</b>		<b>23,552,736</b>	<b>22,704,400</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		10,968	18,328
<b>Total Non-Current Assets</b>		<b>10,968</b>	<b>18,328</b>
<b>TOTAL ASSETS</b>		<b>23,563,704</b>	<b>22,722,728</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		190,697	340,288
Provisions		14,311	78,433
		<b>205,008</b>	<b>418,731</b>
Liabilities associated with Assets Held for Sale		-	319,383
<b>Total Current Liabilities</b>		<b>205,008</b>	<b>738,114</b>
<b>TOTAL LIABILITIES</b>		<b>205,008</b>	<b>738,114</b>
<b>NET ASSETS</b>		<b>23,358,696</b>	<b>21,984,614</b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	4	47,851,296	46,208,704
Reserves	5	1,226,698	1,390,940
Accumulated losses		(25,719,298)	(25,615,030)
<b>TOTAL EQUITY</b>		<b>23,358,696</b>	<b>21,984,614</b>

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

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

<b>31 December 2013</b>	<b>Issued Capital</b>	<b>Option Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2013</b>	<b>46,208,704</b>	<b>1,390,940</b>	<b>(25,615,030)</b>	<b>21,984,614</b>
Net Loss for the period	-	-	(268,510)	<b>(268,510)</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(268,510)</b>	<b>(268,510)</b>
<b>Transactions with owners, recorded directly in equity</b>				
Placement of Ordinary Shares	1,650,000	-	-	<b>1,650,000</b>
Adjustment for Expired Unlisted Options	-	(164,242)	164,242	-
Share Issue Costs	(7,408)	-	-	<b>(7,408)</b>
<b>Balance at 31 December 2013</b>	<b>47,851,296</b>	<b>1,226,698</b>	<b>(25,719,298)</b>	<b>23,358,696</b>

<b>31 December 2012</b>	<b>Issued Capital</b>	<b>Option Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2012</b>	<b>46,177,862</b>	<b>1,386,456</b>	<b>(38,652,479)</b>	<b>8,911,839</b>
Net Profit for the period	-	-	10,757,010	<b>10,757,010</b>
<b>Total comprehensive profit for the period</b>	<b>-</b>	<b>-</b>	<b>10,757,010</b>	<b>10,757,010</b>
<b>Transactions with owners, recorded directly in equity</b>				
Share based payments	-	3,598	-	<b>3,598</b>
<b>Balance at 31 December 2012</b>	<b>46,177,862</b>	<b>1,390,054</b>	<b>(27,895,469)</b>	<b>19,672,447</b>

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

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



	31 December 2013	31 December 2012
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(891,572)	(846,883)
Interest received	445,216	18,853
Rebates received	-	41,382
Other receipts	46,948	32,295
<b>Net cash outflow from operating activities</b>	<b>(399,408)</b>	<b>(754,353)</b>
<b>Cash flows from investing activities</b>		
Receipts from Sale of Assets	3,500,000	20,111,102
Receipts from Term Deposit maturity	-	400,000
Payments for Exploration, Evaluation and Licenses	(319,383)	(785,993)
Payments for Property, Plant and Equipment	-	(5,673)
<b>Net cash outflow from investing activities</b>	<b>3,180,617</b>	<b>19,719,436</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	1,650,000	-
Transaction costs from issue of shares	(7,408)	-
<b>Net cash inflow from financing activities</b>	<b>1,642,592</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents held	4,423,801	18,965,083
Net foreign exchange differences	-	(4,327)
Cash and cash equivalents at the beginning of the half year	18,790,763	670,406
<b>Cash and cash equivalents at the end of the half year</b>	<b>23,214,564</b>	<b>19,631,162</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim condensed consolidated financial statements of the Group for the half year ended 31 December 2013 were authorised for issue in accordance with the resolution of the directors on 12 February 2014.

The interim condensed consolidated financial statements for the half year reporting period ended 31 December 2013 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Aviva Corporation Limited for the year ended 30 June 2013 and any public announcements made by Aviva Corporation Limited and its controlled entities during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### **(a) Basis of Preparation of Half Year Financial Report**

The interim condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2013, other than as detailed below.

For the purposes of preparing the half year financial report, the half-year has been treated as a discrete reporting period.

### **(b) Changes to Accounting Policies**

In the current reporting period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013. The adoption of these new and revised standards has not resulted in any significant changes to the Group's accounting policies or to the amounts reported for the current or prior periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2013. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

## **2. SEGMENT INFORMATION**

Subsequent to the sale of the Mmamantswe Coal Project, the Group operates in one operating segment. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Group.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**  
(Continued)



**2. SEGMENT INFORMATION (Continued)**

	Australia	Africa	Unallocated	Total
	\$	\$	\$	\$
<b>Half-year ended 31 December 2013</b>				
Segment Revenue	507,810	-	-	507,810
Segment Expenses	(776,320)	-	-	(776,320)
<b>Segment (Loss)/Profit (before income tax)</b>	<b>(268,510)</b>	<b>-</b>	<b>-</b>	<b>(268,510)</b>
<b>Segment Result (before income tax)</b>	<b>(268,510)</b>	<b>-</b>	<b>-</b>	<b>(268,510)</b>
Income tax benefit / (expense)	-	-	-	-
<b>Segment Result (net of tax)</b>	<b>(268,510)</b>	<b>-</b>	<b>-</b>	<b>(268,510)</b>
<b>At 31 December 2013</b>				
<b>Segment assets</b>	<b>23,563,704</b>	<b>-</b>	<b>-</b>	<b>23,563,704</b>
<b>Segment liabilities</b>	<b>205,008</b>	<b>-</b>	<b>-</b>	<b>205,008</b>

	Australia	Africa	Unallocated	Total
	\$	\$	\$	\$
<b>Half-year ended 31 December 2012</b>				
Segment Revenue	-	11,774,482	211,826	11,986,308
Segment Expenses	(916,957)	(68,301)	(84,129)	(1,069,387)
<b>Segment (Loss)/Profit (before income tax)</b>	<b>(916,957)</b>	<b>11,706,181</b>	<b>127,697</b>	<b>10,916,921</b>
Impairment of exploration expenditure	(617)	(159,294)	-	(159,911)
<b>Segment Result (before income tax)</b>	<b>(917,574)</b>	<b>11,546,887</b>	<b>127,697</b>	<b>10,757,010</b>
Income tax benefit / (expense)	-	-	-	-
<b>Segment Result (net of tax)</b>	<b>(917,574)</b>	<b>11,546,887</b>	<b>127,697</b>	<b>10,757,010</b>
<b>At 31 December 2012</b>				
<b>Segment assets</b>	<b>38,939</b>	<b>4,680</b>	<b>19,915,530</b>	<b>19,959,149</b>
<b>Segment liabilities</b>	<b>260,145</b>	<b>557</b>	<b>26,000</b>	<b>286,702</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**  
(Continued)



**3. REVENUE AND EXPENSES**

	31 December 2013 \$	31 December 2012 \$
<b>(a) Revenue</b>		
Interest revenue	460,862	162,082
<b>(b) Depreciation and Amortisation</b>		
Depreciation and Amortisation Included in Statement of Profit or Loss and other Comprehensive Income	(7,360)	(18,961)

**4. CONTRIBUTED EQUITY**

	31 December 2013 \$	30 June 2013 \$
<b>(a) Share Capital</b>		
188,993,287 (30 June 2013: 173,993,287) Ordinary Shares	47,851,296	46,208,704
	<b>47,851,296</b>	<b>46,208,704</b>

**(b) Movement in Share Capital during the Past Six Months**

		Number of Ordinary Shares	Issue Price \$	\$
<b>01-Jul-13</b>	<b>Opening Balance</b>	173,993,287	-	46,208,704
09-Jul-13	Share Placement	15,000,000	\$0.11	1,650,000
	Share issue costs	-	-	(7,408)
<b>31-Dec-13</b>	<b>Closing balance</b>	<b>188,993,287</b>	-	<b>47,851,296</b>

**5. RESERVES**

	31 December 2013 \$	30 June 2013 \$
Option Reserve	1,226,698	1,390,940
	<b>1,226,698</b>	<b>1,390,940</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**  
(Continued)



**5. RESERVES (Continued)**

**(a) Movement in Options during the Past Six Months**

		Number of Incentive Options	\$
<b>01-Jul-13</b>	<b>Opening Balance</b>	7,000,000	1,390,940
15-Jul-13	Issue of 10,000,000 unlisted free- attaching options with an Exercise price of \$0.175	10,000,000	-
31-Dec-13	Expiry of 500,000 Unlisted Options with an exercise price of \$0.20	(500,000)	(24,344)
31-Dec-13	Expiry of 500,000 Unlisted Options with an exercise price of \$0.30	(500,000)	(20,153)
31-Dec-13	Expiry of 750,000 Unlisted Options with an exercise price of \$0.20	(750,000)	(64,761)
31-Dec-13	Expiry of 750,000 Unlisted Options with an exercise price of \$0.20	(750,000)	(54,984)
<b>31-Dec-13</b>	<b>Closing balance</b>	<b>14,500,000</b>	<b>1,226,698</b>

**6. PROFIT ON SALE OF ASSET**

		31 December 2013 \$	31 December 2012 \$
<b>(a) Profit on disposal of Assets held for Sale</b>			
<b>Consideration received:</b>			
	Settlement proceeds received in cash	3,500,000	20,111,102
	Settlement of liabilities in cash	(319,383)	-
	<b>Total value of consideration received on disposal</b>	<b>3,180,617</b>	<b>20,111,102</b>
<b>Net assets relinquished:</b>			
	Cash and cash equivalents	-	-
	Exploration Assets	3,500,000	8,115,330
	Exploration Liabilities	(319,383)	-
	Other net assets	-	221,290
	<b>Total value of net assets disposed</b>	<b>3,180,617</b>	<b>8,336,620</b>
	<b>Profit on disposal of Assets held for Sale</b>	<b>-</b>	<b>11,774,482</b>
<b>(b) Net cash flow on disposal of Assets held for Sale</b>			
	Settlement proceeds received in cash	3,500,000	20,111,102
	Settlement of liabilities in cash	(319,383)	-
	Cash relinquished on disposal of Asset held for Sale	-	-
	<b>Net cash inflow on disposal of Assets held for Sale</b>	<b>3,180,617</b>	<b>20,111,102</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**  
(Continued)



**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	31 December 2013 \$	30 June 2013 \$
Financial assets at fair value through profit or loss	125,000	125,000

In January 2013, Aviva made an investment of \$125,000 in Coppermoly Limited (“Coppermoly”) through a convertible note. The maturity date of the convertible note is 12 months from date of issue and conversion is at Aviva’s election at \$0.033 per share. The Company received repayment of the convertible note on 3 February 2014.

As part of the agreement with Coppermoly, Aviva was also issued with 1,000,000 unlisted options with an exercise price of \$0.05 per option, expiring 36 months from issue date.

The investment including both the convertible notes and options are designated as at fair value through profit and loss and classified as a Level 3 instrument valued on non-market observable inputs. The Group believes the fair value of the investment has not changed since acquisition date.

**8. COMMITMENTS AND CONTINGENCIES**

Other than as disclosed in this report, there have been no changes to the commitments or contingencies disclosed in the most recent annual financial report of the Company.

**9. DIVIDENDS PAID OR PROVIDED FOR**

No dividend has been paid or provided for during the half year (31 December 2012: nil).

**10. SUBSEQUENT EVENTS AFTER BALANCE DATE**

(i) As discussed in the Directors report, on 20 January 2014, Aviva announced that it has entered into a conditional agreement to acquire 100% of the shares in Decimal.

The commercial terms of the Acquisition, which are subject to approval by Aviva shareholders, include the following:

- Return of capital of \$0.06 per share to Aviva Shareholders at the Record Date which will be prior to the Acquisition;
- Share consolidation of Aviva shares on a 1 for 3 basis prior to the Acquisition; and
- Issue of 112,500,000 Aviva shares (post Share Consolidation) to the shareholders of Decimal.

Aviva has provided an unsecured loan facility to Decimal on 31 January 2014 for an amount of A\$2.5 million. The loan is repayable by 30 June 2014 and incurs interest from 31 March 2014 at a rate of 9% per annum.

Current Directors of Aviva will either all resign on the date of completion of the Acquisition or alternatively one current Director will remain. In the case where all current Directors resign Aviva will have the option to appoint one new Director.

The Acquisition of Decimal constitutes a change to the nature and scale of Aviva’s activities. The Company will therefore need to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

The ASX may impose some further conditions and requirements, in addition to the Notice of Meeting, for Aviva to meet in order for Aviva to comply with Chapters 1 and 2 of the ASX Listing Rules.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**  
(Continued)



**10. SUBSEQUENT EVENTS AFTER BALANCE DATE (Continued)**

- (ii) On 21 January 2014, Aviva's convertible note investment in Coppermoly of \$125,000 matured, payment was received on 3 February 2014; and
- (iii) On 21 January 2014, 2,000,000 \$0.12 Unlisted Options in Aviva were exercised.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date.



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## Auditor's Independence Declaration to the Directors of Aviva Corporation Ltd

In relation to our review of the consolidated financial report of Aviva Corporation Ltd and its controlled entities for the half year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



G A Buckingham  
Partner  
Perth  
12 February 2014



Ernst & Young  
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## To the members of Aviva Corporation Ltd

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aviva Corporation Ltd, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and 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 controls as the directors determine are 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 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 2013 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 Aviva Corporation Ltd and the entities it controlled during the half-year, 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## INDEPENDENT AUDITOR'S REVIEW REPORT (Continued)



### 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 Aviva Corporation Ltd 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 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



Ernst & Young



G A Buckingham  
Partner  
Perth  
12 February 2014