

Appendix 4D

Indoor Skydive Australia Group Limited Half Year Report Period Ended 31 December 2014

Results for announcement to the market

Details of Reporting Periods

Current:	1 July 2014 to 31 December 2014
Comparative:	1 July 2013 to 31 December 2013

Financial Results	Half year to 31 Dec 2013 \$	Half year to 31 Dec 2014 \$	Change
Total revenue ("revenue from ordinary activities")	81,969	3,184,838	3,885%
Net operating loss ("loss from ordinary activities after tax attributable to members")	(1,165,014)	(1,994,676)	71%
Total comprehensive loss for the period ("net profit for the period attributable to members")	(1,165,014)	(1,994,676)	71%

Commentary on results

Please refer to the attached Interim Financial Report and Financial Statements for further explanation of results.

Dividends	Half year to 31 Dec 2013	Half year to 31 Dec 2014
Interim Dividend	n/a	n/a
Record date for determining entitlement to dividend	n/a	n/a
No dividends have been paid or declared during the period.		

	As at 31 Dec 2013	As at 31 Dec 2014
Net tangible assets per share	\$0.17	\$0.25

Financial Report

The Company's independent auditor, RSM Bird Cameron Partners, has completed a review of the Group's 31 December 2014 Interim Financial Report on which this report is based and has provided an unqualified Review Report. A copy of the Group's Interim Financial Report and Financial Statements, inclusive of the Review Report is attached.

**Indoor Skydive Australia Group Limited
and Controlled Entities**

ABN 39 154 103 607

Interim Financial Report
For the half year ended 31 December 2014

Interim Financial Report

For the half year ended 31 December 2014

Contents

Directors' Report	2
Directors	2
Alternative Director	2
Company Secretary.....	2
Review Of Operations	2
Events Subsequent To Balance Date	2
Auditor's Independence Declaration	3
Auditor's Independence Declaration	4
Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Half Year Ended 31 December 2014	5
Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Half Year Ended 31 December 2014	6
Directors' Declaration	14
Independent Auditor's Review Report To The Members Of Indoor Skydive Australia Group Limited	15

Interim Financial Report

For the half year ended 31 December 2014

DIRECTORS' REPORT

Your directors submit the interim financial report of the consolidated group consisting of Indoor Skydive Australia Group Limited ("the Company") and its controlled entities (the "Group") during the half-year ended 31 December 2014.

Directors

The following persons were directors who held office during the half-year and up to the date of this report, unless otherwise stated:

Stephen BAXTER

Kenneth James GILLESPIE, AC

Daniel Christopher HOGAN, MG

Wayne Peter JONES

David Victor MURRAY, AO

John Flower DIDDAMS (resigned 3 October 2014)

Alternative Director

Malcolm John THOMPSON

Company Secretary

Fiona Louise YIEND

Review of Operations

The principal activities of ISA Group during the half-year were to construct and operate indoor skydiving facilities. Construction continues to be a focus of the Company as additional sites are under development for Gold Coast, Perth and Adelaide. Site identification continues throughout Australia, New Zealand and Asia.

For the half-year ended 31 December 2014, ISA Group reported a loss before interest, tax, depreciation and amortisation of \$1,597,021 (2013: \$1,017,402) and a net loss after tax of \$1,994,676 (2013: \$1,165,014).

The half yearly results include fully costed head office expenses of \$3,099,850 which are in place to support the building and operation of multiple VWT's. Also included in the head office expenses are Share Based Payments of \$1,471,764 which are primarily performance related payments against milestones that have been achieved earlier than originally forecast. The Directors do not expect the Share Based Payment expense for the full year to exceed \$1.9 million.

The Penrith facility contributed an operating profit of \$1,269,093 on revenue of \$2,966,948 for the period.

The Balance Sheet remains in a sound financial position following the capital raise in November 2014 which raised \$14,453,746. After repaying the amount drawn on the Convertible Note facility, the Balance Sheet retains a strong cash position, which will be used to support future growth, and is materially free of debt. Deferred Revenue has grown in the period leading to Christmas and stands at \$1,515,807.

Events Subsequent to Balance Date

There are no significant events subsequent to Balance Date.

Interim Financial Report

For the half year ended 31 December 2014 _____

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 5 of the interim financial report.

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

On behalf of the Directors



Kenneth James Gillespie, AC

Chairman

Dated: 17 February 2015



Wayne Peter Jones

Director & Chief Executive Officer

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 8226 4500 F +61 2 8226 4501

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Indoor Skydive Australia Group Limited for the half year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



G N Sherwood
Partner

Sydney, NSW
Dated: 17 February 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	31 December 2014 \$	31 December 2013 \$
Revenue		
Sales revenue	3,093,824	-
Interest income	39,470	62,065
Foreign exchange fair value gain	51,544	19,904
Total revenue	3,184,838	81,969
Expenses		
Cost of sales	753,103	-
Depreciation and amortisation	598,754	-
Administration expenses	177,226	62,982
Accounting and audit fees	36,690	27,100
Legal fees	13,878	41,189
Consulting fees	48,688	132,345
Share registry and ASX fees	58,147	50,157
Advertising and marketing expense	319,053	72,061
Travel and entertainment expense	83,324	44,071
Share based payments	1,471,764	27,477
Employee expenses	1,491,380	482,774
Insurance	50,711	50,707
Directors fees	84,250	77,500
Finance costs	192,278	147,612
Occupancy expenses	193,645	31,008
Total expenses	5,572,891	1,246,983
Loss for the period before tax	(2,388,053)	(1,165,014)
Income tax benefit	393,377	-
Loss for the period	(1,994,676)	(1,165,014)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss for the period	(1,994,676)	(1,165,014)
Earnings per share		
From continuing operations:		
– Basic earnings per share (cents)	(2.09)	(1.66)
– Diluted earnings per share (cents)	(2.09)	(1.66)

The accompanying notes form part of these financial statements.

Interim Financial Report

For the half year ended 31 December 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME****For The Half Year Ended 31 December 2014**

	Notes	As at 31 December 2014 \$	As at 30 June 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	10,281,480	1,117,249
Term deposits		956,992	300,278
Trade and other receivables		80,468	323,320
Other financial assets		236,943	-
TOTAL CURRENT ASSETS		11,555,883	1,740,847
NON-CURRENT ASSETS			
Deferred tax asset		1,785,068	1,391,691
Property, plant and equipment	3	19,585,933	17,227,529
Intangible asset		947,507	1,184,384
TOTAL NON-CURRENT ASSETS		22,318,508	19,803,604
TOTAL ASSETS		33,874,391	21,544,451
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		977,623	1,149,006
Provisions		110,761	65,187
Deferred revenue	4	1,515,807	905,497
Borrowings	5	-	1,500,000
TOTAL CURRENT LIABILITIES		2,604,191	3,619,690
NON-CURRENT LIABILITIES			
Provision for site restoration	3	2,224,701	2,197,897
TOTAL NON-CURRENT LIABILITIES		2,224,701	2,197,897
TOTAL LIABILITIES		4,828,892	5,817,587
NET ASSETS		29,045,499	15,726,864
EQUITY			
Issued capital	7	32,309,545	18,467,998
Share based payments reserve		2,565,333	1,093,569
Accumulated losses		(5,829,379)	(3,834,703)
TOTAL EQUITY		29,045,499	15,726,864

The accompanying notes form part of these financial statements.

Interim Financial Report

For the half year ended 31 December 2014

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2014**

	Issued Capital	Share based payments reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2013	6,974,490	-	(1,120,687)	5,853,803
Shares issued during the period	10,446,408	-	-	10,446,408
Share issue costs	(577,576)	-	-	(577,576)
Comprehensive income				
Loss for the period	-	-	(1,165,014)	(1,165,014)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,165,014)	(1,165,014)
Balance at 31 December 2013	16,843,322	-	(2,285,701)	14,557,621
Balance at 1 July 2014	18,467,998	1,093,569	(3,834,703)	15,726,864
Shares issued during the period	14,453,746	-	-	14,453,746
Share issue costs	(612,199)	-	-	(612,199)
Employee share based payment performance rights	-	1,471,764	-	1,471,764
Comprehensive income				
Loss for the period	-	-	(1,994,676)	(1,994,676)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,994,676)	(1,994,676)
Balance at 31 December 2014	32,309,545	2,565,333	(5,829,379)	29,045,499

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Half Year Ended 31 December 2014

	31 December 2014	31 December 2013
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$
Receipts from customers	3,686,479	610,852
Payments to suppliers and employees	(3,347,109)	(569,389)
Interest received	33,698	62,474
Finance costs	(131,732)	(101,793)
Net cash inflows from operating activities	241,336	2,144
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,813,484)	(5,223,720)
Purchase of investments	-	(96,721)
Purchase of term deposits	(656,712)	-
Net cash outflows from investing activities	(3,470,196)	(5,320,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of securities	14,453,746	10,416,183
Proceeds from convertible note	2,600,000	-
Repayment of convertible note	(4,100,000)	(2,000,000)
Share issue costs	(612,199)	(590,865)
Net cash inflows from financing activities	12,341,547	7,825,318
Net increase in cash held	9,112,687	2,507,021
Cash and cash equivalents at beginning of period	1,117,249	5,222,501
Effects of exchange rate changes	51,544	-
Cash and cash equivalents at end of period	10,281,480	7,729,522

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Indoor Skydive Australia Group Ltd and its controlled entities (collectively referred to as the "Group"). This half-year financial report does not include all notes normally included in an annual financial report and it is recommended that it be read in conjunction with the Group's annual report for the year ended 30 June 2014 and with public announcements made by the Company during the period ended 31 December 2014 in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 17 February 2015.

b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

c) New and revised accounting requirements

For the half-year reporting period to 31 December 2014, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the consolidated entity's accounting policies and has no effect on the amounts reported for the current or prior half-years.

d) Critical Accounting Estimates and Judgements

i. Useful lives, residual values and classification of property, plant and equipment

There is a degree of judgement required in estimating the residual values and useful lives of the Property, Plant and Equipment. There is also a degree of judgement required in terms of the classification of such Property, Plant and Equipment. The Group's main assets comprise Vertical Wind Tunnel Equipment and related Building Infrastructure. The construction of these assets are foreseen in various Agreements to Lease with the Group's landlords, however the Board has exercised their judgement in determining that the nature of these assets are that of buildings and equipment, rather than leasehold improvements. To this extent, in determining the useful life of the property plant and equipment the directors considered the current and future expected lease conditions over the land that the VWT buildings and equipment are to be constructed on. The Board has estimated the useful life of the VWT Equipment to be 20 years, and its related Building Infrastructure to be 40 years. The directors have considered the residual value of the buildings and equipment at the expiration of the respective useful life and determined a residual value of zero is appropriate under the circumstances. The VWT buildings and equipment will be depreciated over their respective estimated useful life once completed.

ii. Provision for site restoration of VWT equipment and building infrastructure

Provisions for site restoration obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

ii. Provision for site restoration of VWT equipment and building infrastructure (Cont)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As stated above, the lease agreement provides that the Group must remove all building works on expiry of the lease. To this extent, an estimate of the cost to remove the VWT and its related Building Infrastructure has been provided for amounting to \$2,224,701. The estimate to remove the equipment was based on current costs using existing technology at current prices. These costs were projected forward at a 2.5% inflationary escalation and then discounted back at 2.5% after consideration of the risks associated with the project and will be depreciated over 20 years. The unwinding of the effect of discounting on the site restoration provision is included within finance costs in the statement of comprehensive income. The initial amounts capitalised into the cost of the asset for site restoration were \$2,144,290 and these costs are being depreciated over 20 years.

iii. Deferred tax

The Group has commenced operations throughout the year, and is expecting to generate a taxable income in future. As it is considered probable that the unused tax losses will be recouped, the directors have recognised a deferred tax asset to the extent of the tax losses and deductible temporary differences.

e) Exclusive Territory Development Agreement Recognition and Amortisation

On 20 December 2013 an Exclusive Territory Development Agreement was entered into between the Company and iFly Australia Pty Ltd (iFly) to exclusively develop projects in Australia and New Zealand for which iFly would receive 2,500,000 shares in the company (ASX: IDZ). iFly is the Australian subsidiary of SkyVenture International, our vertical wind tunnel supplier. The agreement has created an intangible asset which is expected to create a future economic benefit. This intangible asset must be initially valued at cost, in accordance with AASB 138. The cost was calculated as \$1,500,000, being the fair value of the shares granted to iFly, at the IDZ close price of \$0.60 at 20 December 2013.

The term of the agreement is limited, and the asset is therefore classified as a finite life intangible asset. An intangible asset with a finite life is to be amortised over its useful life. The amortisation method selected should reflect the pattern over which the asset's future economic benefit is expected to be consumed. If that pattern cannot be determined reliably, the straight-line method is to be used. The amortisation period and method for an intangible asset with a finite useful life are to be reviewed at least at the end of each annual reporting period. If the expected useful life or expected pattern of consumption of the future economic benefit is different from previous estimates, the period or method is to be revised.

An accelerated amortisation rate of 40% has been used against this intangible asset. This reflects the expected consumption of benefits under the agreement. Although it is conceivable that the agreement could run to the full term of 20 years, management expect that the majority of the benefit will be achieved over the next four years through the delivery of the four tunnels for which deposits have been paid to SkyVenture International.

Interim Financial Report

For the half year ended 31 December 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 2: CASH AND CASH EQUIVALENTS

	As at 31 December 2014 \$	As at 30 June 2014 \$
Cash at bank and on hand	10,281,480	1,117,249
	<u>10,281,480</u>	<u>1,117,249</u>

The above cash balance excludes term deposits of \$956,992.

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	As at 31 December 2014 \$	As at 30 June 2014 \$
VWT Equipment and Building Infrastructure		
At cost	17,154,142	14,501,459
Accumulated depreciation	(399,466)	(118,000)
Total VWT Equipment and Building Infrastructure	<u>16,754,676</u>	<u>14,383,459</u>
 Provision for Site Restoration of the VWT Equipment and Building Infrastructure on Termination of Lease		
At cost	2,144,290	2,144,290
Accumulated depreciation	(160,822)	(107,214)
Total Provision for Site Restoration of the VWT Equipment and Building Infrastructure	<u>1,983,468</u>	<u>2,037,076</u>
 VWT Construction Work in Progress		
VWT deposits paid	847,789	806,994
Total Construction Work in Progress	<u>847,789</u>	<u>806,994</u>
 Total		
At cost	20,146,221	17,452,743
Accumulated depreciation	(560,288)	(225,214)
Total	<u>19,585,933</u>	<u>17,227,529</u>

NOTE 4: DEFERRED REVENUE

	As at 31 December 2014 \$	As at 30 June 2014 \$
Deferred revenue	1,515,807	905,497
	<u>1,515,807</u>	<u>905,497</u>

Deferred revenue primarily represents prepaid sales in respect of flight time purchased in advance. The sales are released to revenue at the time the services are rendered.

Interim Financial Report

For the half year ended 31 December 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 5: BORROWINGS

	As at 31 December 2014 \$	As at 30 June 2014 \$
Convertible note	-	1,500,000
	-	1,500,000

The Convertible Note Facility was fully repaid on 13 November 2014, prior to the conversion date of 10 December 2014. It is the Group's intention is to allow the convertible note facility to lapse with a zero balance. The undrawn Facility is now \$5,911,000. An amount of \$192,256 is included in finance expenses for the period in relation to this Facility.

NOTE 6: SEGMENT INFORMATION

The consolidated group operates in Australia. The consolidated group has one business segment, being the construction and operation of indoor skydiving facilities in Australia.

NOTE 7: ISSUED CAPITAL

	As at 31 December 2014 \$	As at 30 June 2014 \$
117,406,870 (30 June 2014: 87,305,666) fully paid ordinary shares	33,958,354	19,504,608
Share issue costs	(1,648,809)	(1,036,610)
	32,309,545	18,467,998

	31 December 2014 No.	30 June 2014 No.
Ordinary Shares		
At the beginning of the reporting period	87,305,666	58,810,833
• Shares issued during the period	28,907,492	28,262,333
• Share based payments	1,193,712	232,500
	117,406,870	87,305,666

NOTE 8: DIVIDENDS

No dividends have been paid or declared during the period.

Interim Financial Report

For the half year ended 31 December 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 9: CONTINGENT LIABILITIES AND COMMITMENTS FOR EXPENDITURE

The Consolidated Group does not have any contingent liabilities at balance date. The Consolidated Group has the following other commitments summarised as follows:

a. Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments:

- Not later than 12 months	346,774	85,350
- Between 12 months and five years	1,665,786	200,000
- Later than five years	6,586,155	750,000
	<u>8,598,715</u>	<u>1,035,350</u>

b. Capital Commitments

Capital commitments contracted for but not recognised in the financial statements. Payment to SkyVenture of USD \$1,177,500 representing amount due for Gold Coast wind tunnel equipment.

NOTE 10: EVENTS AFTER THE END OF THE INTERIM PERIOD

There are no significant events subsequent to Balance Date.

NOTE 11: INTEREST IN SUBSIDIARIES

Set out below are the Group's subsidiaries at 31 December 2014. The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's country of incorporation or registration is also its principal country of business.

Subsidiaries	Country of Incorporation	2014 %	2013 %
Indoor Skydiving Penrith Holdings Pty Ltd	Australia	100	100
Indoor Skydiving Penrith Pty Ltd	Australia	100	100
Indoor Skydiving Gold Coast Pty Ltd	Australia	100	-
Indoor Skydiving Adelaide Pty Ltd	Australia	100	-
Indoor Skydiving Perth Pty Ltd	Australia	100	-
ISAG Holdings D Pty Ltd	Australia	100	-
upRAW Café & Juice Bar Pty Ltd	Australia	100	-

*Percentage of voting power is proportional to ownership

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Indoor Skydive Australia Group Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 13 are in accordance with the *Corporations Act 2001*, including:
 - A. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - B. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Kenneth James Gillespie, AC

Chairman

Dated: 17 February 2015



Wayne Peter Jones

Director & Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
INDOOR SKYDIVE AUSTRALIA GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Indoor Skydive Australia Group Limited which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 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 company's financial position as at 31 December 2014 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 Indoor Skydive Australia Group 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 Indoor Skydive Australia Group Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 Indoor Skydive Australia Group 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 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

 **G N Sherwood**
Partner

Sydney, NSW
Dated: 17 February 2015