

Rules 4.1, 4.3

Appendix 4D

Half yearly report

Name of Entity	CLARITY OSS LIMITED
ACN	057 345 785
Financial Period Ended	31 December 2014
Previous Corresponding Reporting Period	31 December 2013

Results for Announcement to the Market

	\$	Percentage increase/ (decrease) over previous corresponding period
Revenue	44,280	(100%)
Profit after tax attributable to members	411,666	108%
Net profit for the period attributable to members	411,666	108%
Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	N/A	N/A
Interim dividend	N/A	N/A
Previous corresponding period	N/A	N/A
Record date for determining entitlements to the dividends (if any)		N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

The Company was in voluntary administration during the period reported and there was minimal trading with the reported profit attributable to the write back of liabilities due to restructuring. The securities of the Company continued to be suspended from quotation on the ASX during this time. As previously reported, a deed of company arrangement was effectuated on 6 July 2015 and the administrator returned control of the Company to the directors on 9 July 2015. The directors continue to investigate and seek further advice as to the possible future outcomes for the Company and the CPS Group continue to fund the associated costs in the interim.

The half-yearly report is to be read in conjunction with the most recent annual financial report.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(3.9)¢	(5.0)¢

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control gained	N/A
Consolidated profit since the date in the current period on which control was acquired	N/A
Loss of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	N/A
Date control lost	N/A
Consolidated profit/(loss) for the current period to the date of loss of control	N/A
Profit/(loss) of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	N/A

Details of Associates and Joint Venture Entities



Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
N/A				
Aggregate Share of Net Profits				

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	√
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By (Director/ Company Secretary) 	(Director/Company Secretary) 
Dr Ian Campbell Sydney, 30 October 2015	Andrew Wrigglesworth Sydney, 30 October 2015

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014.

Directors

The names of directors who held office during or since the end of the half-year are:

Dr Ian Campbell
Mrs Fiona McLeod (resigned 17 July 2015)
Mr Ian Lancaster
Mr Jon Newbery (resigned 28 July 2014)
Mr Andrew Wigglesworth (appointed 17 July 2015)

Review of Operations and Events Subsequent to Balance Sheet

Clarity OSS Limited ("Clarity OSS" or the "Company") and its controlled entities ("Clarity" or the "Group") is a publicly listed Australian corporation.

Clarity OSS was previously known as Powerlan Limited and listed on the Australian Stock Exchange ("ASX") with the stock code PWR. The change of name was certified by the Australian Securities and Investments Commission on 6 January 2012 with a new stock code, CYO, subsequently being authorised by the ASX. The Group has recorded a profit after tax from discontinued operations for the half year ended 31 December 2014 of \$411,666 (2013: loss of \$4,658,400).

On 24 June 2014, Clarity OSS announced that its secured creditor, the CPS Group ("CPS") and a subsidiary of the Company, had entered into an agreement to sell most of the Clarity Group's assets to the Australian subsidiary of a US quoted corporation ("Buyer").

As disclosed in the Company's Appendix 4D Report for the half year ended 31 December 2013, the Company incurred a net loss for that period of \$4.9 million. In the notes to the Interim Financial Report (Note 1(a)), the Company advised that Dr. Ian Campbell, who, through his company CPS had been financially supporting the Company through a sustained period of losses, had informed the Board that CPS might not be able to provide all the funding that might be necessary to enable the Company to continue as a going concern. CPS had already provided funding that had culminated in a debt of about \$26 million owed by the Company. It was noted in the notes to the Report that, in order to further support the Company through its difficulties, CPS had forgiven \$14.5 million of its debt, leaving a balance owed of \$12.6 million. Subsequently, Dr. Campbell provided further support to the Company by advancing further funds and by paying out the debt owed to Partners for Growth III, L.P.

Despite Dr. Campbell's ongoing support, the Company continued to suffer financial difficulties to the extent that, with CPS and Dr. Campbell no longer having the capacity to support the Company, the appointment of an administrator or liquidator became a real possibility.

During the preceding months, Clarity had been negotiating with several potential purchasers of its assets, which negotiations culminated in an offer by the Buyer. On 23 June 2014, the Company received a letter from Dr. Campbell in which he indicated CPS' intentions to sell the assets - the subject of its securities - to the Buyer. Dr. Campbell pointed out that this was the best offer the Company had received after many months of offering the assets to the market and that if it were not accepted and if the sale were not completed within a very short time frame, the Company would be likely to be placed in liquidation. The directors resolved that the relevant Company subsidiary should join CPS in the Sale by agreeing to sell to the Buyer the Company's assets which were not the subject of any security. The only assets that were not subject to the CPS security were certain contracts with an Indonesian customer, the

net value of which contracts was estimated to be \$50,000 after allowing for the costs of completing the contracts. Dr. Campbell did not participate in the discussion or vote on this resolution.

Certain assets relating to certain operations in regions where the Buyer did not propose to carry on business were not included in the sale and these assets were subsequently sold by CPS to the Australian subsidiary of an Iranian based company for a net amount of \$1 million.

On 4 July 2014, Clarity OSS announced that the directors had resolved to place the Company in voluntary administration and to appoint Tim Heesh of TPH Insolvency as the administrator. The securities of Clarity OSS were suspended from quotation by the ASX immediately following this announcement. On 14 October 2014, the creditors resolved pursuant to section 439C(a) of the Corporations Act 2001, that the Company execute a deed of company arrangement ("DOCA") including a Deed Fund providing about 5 cents in the dollar to be advanced by CPS in respect of all known claims of unsecured creditors. CPS's security interest was unaffected in the DOCA and the full amount of monies owed to CPS remain outstanding and subject to CPS's security. The DOCA was subsequently effectuated on 6 July 2015 and the administrator returned control of the Company to the directors on 9 July 2015.

A board meeting was held on 17 July 2015 when the directors decided that further advice and investigation were required as to the possible future options for the Company. The Chairman, Dr. Ian Campbell informed the Board that CPS would continue to provide those funds necessary to enable the undertaking of the investigations and the obtaining of the desired advice. At the FY14 Annual General Meeting held on 30 September 2015, the Company advised that these investigations are on-going.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2014.

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



Dr Ian Campbell
Director
Sydney, 30 October 2015

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF CLARITY OSS LIMITED

As lead auditor for the review of Clarity OSS Limited for the half-year ended 31 December 2014, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Clarity OSS Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Bresolin', with a stylized flourish at the end.

John Bresolin
Partner

BDO East Coast Partnership

Sydney, 30 October 2015

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2014		2014	2013
	Note	\$	\$
Discontinuing Operations			
Sales revenue	2(a)	44,280	9,515,200
Other income	2(b)	1,471,585	15,564,229
Operating expenses	3(a)	(612,752)	(15,345,965)
Finance costs	3(b)	(491,447)	(277,633)
Impairment of intangibles		-	(14,366,986)
Profit/(Loss) from discontinued operations		411,666	(4,911,155)
Income tax expense		-	(62,382)
Profit/(Loss) from discontinued operations after income tax expense		411,666	(4,973,537)
Other comprehensive income			
Translation of foreign controlled entities		-	315,137
Other comprehensive income for the period, net of tax		-	315,137
Total comprehensive income for the period		411,666	(4,658,400)
Profit/(Loss) attributable to:			
Members of the parent entity		411,666	(4,658,400)
Profit/(Loss) for the period		411,666	(4,658,400)
		Cents	Cents
Earnings per share for loss from discontinuing operations			
Basic and diluted earnings per share		0.12	(1.43)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes.

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Financial Position

As at 31 December 2014		31-Dec-14	3-Jul-14
	Note	\$	\$
Current Assets			
Cash and cash equivalents		-	178,047
Trade and other receivables		61,128	285,332
Inventories		-	1,000,000
Total Current Assets		61,128	1,463,379
Non-Current Assets			
Total Non-Current Assets		-	-
Total Assets		61,128	1,463,379
Current Liabilities			
Trade and other payables		5,546,674	6,872,045
Financial Liabilities	6	8,162,197	-
Short term provisions		28,087	269,330
Deferred revenue		-	32,325
Total Current Liabilities		13,736,958	7,173,700
Non-Current Liabilities			
Long term provisions		-	56,530
Financial liabilities	6	-	8,320,644
Total Non-Current Liabilities		-	8,377,174
Total Liabilities		13,736,958	15,550,874
Net Liabilities		(13,675,830)	(14,087,495)
Equity			
Issued capital		164,301,899	164,301,899
Reserves		(1,197,424)	(1,197,423)
Accumulated losses		(176,780,305)	(177,191,971)
Total Equity		(13,675,830)	(14,087,495)

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

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Changes in Equity For The Half Year Ended 31 December 2014

Attributable to equity holders of the consolidated entity	Issued Capital	Foreign Currency Reserve	Other Reserves	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2013	164,301,899	(282,000)	(1,519,701)	(175,287,358)	(12,787,160)
Loss attributable to members of the consolidated entity	-	-	-	(4,971,537)	(4,971,537)
Adjustments from translation of foreign controlled entities	-	315,137	-	-	315,137
Total comprehensive income for the period	-	315,137	-	(4,971,537)	(4,656,400)
Balance at 31 December 2013	164,301,899	33,137	(1,519,701)	(180,258,895)	(17,443,560)
Balance at 3 July 2014	164,301,899	322,278	(1,519,701)	(177,191,971)	(14,087,495)
Profit attributable to members of the consolidated entity	-	-	-	411,666	411,666
Adjustments from translation of foreign controlled entities	-	-	-	-	-
Total comprehensive income for the period	-	-	-	411,666	411,666
Balance at 31 December 2014	164,301,899	322,278	(1,519,701)	(176,780,305)	(13,675,830)

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

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Cash Flows

For the half year ended 31 December 2014	2014	2013
	\$	\$
Discontinuing Operations		
Cash flows from discontinuing operations		
Receipts from customers (inclusive of GST)	48,708	15,099,972
Proceeds from mortgagee sale of assets	1,000,000	-
Payments to suppliers and employees (inclusive of GST)	(625,521)	(15,589,000)
Finance costs	-	(198,105)
Net cash outflow in operating activities	423,187	(687,133)
Cash flows from investing activities		
Payments for purchase of plant & equipment	-	(48,105)
Proceeds for held to maturity investments	-	-
Net cash inflow/(outflow) in investing activities	-	(48,105)
Cash flows from financing activities		
Loan proceeds from financing parties	398,813	1,000,000
Loan repaid to financing parties	(1,000,000)	(1,745,060)
Net cash inflow/(outflow) in financing activities	(601,187)	(745,060)
Net increase/(decrease) in cash and cash equivalents	(178,000)	(1,480,298)
Cash and cash equivalents at the beginning of the year	178,000	1,993,071
Cash and cash equivalents at the end of the year	-	512,773

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

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Consolidated Financial Report for the half year ended 31 December 2014

Note 1. Basis of Preparation

This consolidated financial report for the half-year ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated 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 for the year ended 30 June 2014 and any public announcements made by Clarity OSS Limited ("Clarity" or the "Company") during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

(a) Going Concern

On 4 July 2014, Clarity OSS announced that the directors had resolved to place the Company in voluntary administration and to appoint Tim Heesh of TPH Insolvency as the administrator. The administrator returned control of the Company to the directors on 9 July 2015.

Refer to Note 7, Matters Subsequent to the End of the Financial Year for further information.

The Company is also dependent on a credit facility from CPS Group Investments Pty Ltd ("CPS"), which owns 47.63% of the share capital in Clarity. Details of the funding facility can be found in Note 6.

The ability of the Company to emerge from administration as a going concern is dependent upon continued financial support from CPS to facilitate obtaining and evaluating further advice and investigations as to the possible future options of the Company. The financial support from CPS includes ensuring the Company can pay its debts as they are incurred and become due and payable. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

After taking into account all of the available information, including the continued financial support from the Chairman of the Company and CPS, the directors have concluded that there are reasonable grounds to believe that the basis for the preparation of the financial statements on a going concern basis after administration is appropriate.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due

(b) Early adoption of Standards

Clarity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') which are mandatory to apply to the current interim period. Any new, revised or amending Accounting Standards and Interpretations that are not yet mandatory have not been early adopted. Adoption of these Accounting Standards and Interpretations did not have any effect on the financial position or performance of the Company.

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Consolidated Financial Report for the half year ended
31 December 2014

Note 2: Revenue

For the half year ended 31 December 2014	Consolidated	
	2014	2013
	\$	\$
(a) Revenue from discontinued operations		
Sale of goods	-	1,516,967
Services revenue	44,280	7,998,233
Total sales revenue	44,280	9,515,200
(b) Other		
Interest received	-	675
Forgiveness of debt	-	14,499,509
Gain due to restructure	1,471,585	1,064,045
Total other income	1,471,585	15,564,229

Gain due to restructure

Restructuring of all Australian entities continued with the voluntary winding up of Clarity International Pty Ltd, Clarity Group Holdings Pty Ltd, Clarity International Pty Ltd and Clarity Philippines Pty Ltd with an associated write back of liabilities of \$1.5m.

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Consolidated Financial Report for the half year ended
31 December 2014

Note 3: Operating Expenses

	Consolidated	
For the half year ended 31 December 2014	2014	2013
	\$	\$
Profit/(Loss) for the year is stated after charging the following items		
(a) Expenses, excluding finance costs		
Employee benefit expenses	132,993	8,248,941
Cost of sales	-	5,201,515
Travel expenses	-	382,355
Operating lease - minimum lease payments	200,356	518,942
Marketing and promotion	-	137,099
Professional fees	134,885	431,222
Communication expenses	-	172,811
Realised foreign exchange (gain)/loss	-	(281,886)
Depreciation of property, plant & equipment	-	80,890
Unrealised foreign exchange (gain)/loss	144,519	(126,096)
Bad debts written off	-	3,613
Other expenses	-	576,558
Total expenses, excluding finance costs and impairment	612,753	15,345,964
(b) Finance costs		
Finance cost includes:		
- other persons	491,447	277,632
Total finance costs	491,447	277,632

Note 4: Dividends Paid

There were no dividends paid or declared during the period.

Note 5: Contingent Liabilities

There are no material changes to the contingent liabilities as set out in the Company's 2014 annual report.

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Consolidated Financial Report for the half year ended
31 December 2014

Note 6: Financial Liabilities

	31-Dec-14	3-Jul-14
	\$	\$
Current financial liabilities		
CPS loan	8,162,197	-
Total current financial liabilities	8,162,197	-
Non-Current financial liabilities		
CPS loan	-	8,320,644
Total non-current financial liabilities	-	8,320,644
Total financial liabilities	8,162,197	8,320,644

Pursuant to a Loan Note Subscription Agreement dated 10 May 2005 ("Loan Agreement"), as amended, CPS agreed to subscribe for and pay the Issue Price (as defined in the Loan Agreement) to the Company for a Note (as defined in the Loan Agreement) that the Company agreed to allot and issue to CPS on the terms set out in the Loan Agreement. The Note is secured by a fixed and floating charge established on 11 May 2005 and later amended on 28 December 2010.

The balance outstanding to CPS under the note at 31 December 2014 was \$8.2 million. Further, CPS has indicated an intention to provide continued financial support should it be required to enable the Company to pay its debts as they become payable.

The remaining operating assets subject to security and not sold by the mortgagee in July 2014 were subsequently sold by CPS to the Australian subsidiary of an Iranian based company in September 2014 for a net amount of \$1 million. The loan balance to CPS was accordingly reduced by \$1m.

Note 7: Events Subsequent to Reporting Date

The following circumstances have arisen since the end of the period reported which will significantly affect the operations of the group, the results of those operations, and the state of affairs of the Company in future financial years.

For context, on 3 July 2014, the Company's secured creditor CPS notified the Company that it had, as secured creditor, sold most of the secured assets of the Company and its subsidiaries to an unrelated corporation for a price of \$7 million.

On 4 July 2014, Clarity OSS announced that the directors had resolved to place the Company in voluntary administration and to appoint Tim Heesh of TPH Insolvency as the administrator. The securities of Clarity OSS were suspended from quotation by the ASX immediately following this announcement.

CLARITY OSS LIMITED AND CONTROLLED ENTITIES

Notes to and forming part of the Consolidated Financial Report for the half year ended 31 December 2014

On 10 October 2014, the second meeting of the Company's creditors was reconvened at which it was resolved that the Company execute a deed of company arrangement ("DOCA"), the purpose of which was to provide for the business, property and affairs of the Company to be administered in a way that maximizes the chances of the Company continuing in existence, or, if that is not possible, results in a better return for creditors of the Company and members that would result from an immediate winding up of the Company.

On 30 October 2014, the DOCA was executed with a deed fund being established to fund the Administrator and his disbursements together with settlement of admitted priority and non-priority creditors capped at 5 cents in the dollar. The deed outlined that a creditor was deemed to have abandoned their claim if, prior to the declaration of a final dividend to creditors, they failed to submit proof of debt/claim or having submitted a formal proof of debt or claim in respect of the creditor's claim which is rejected, fails to appeal to court against the rejection.

The deed did not affect the liability of the Company to any secured creditors. The secured creditor, CPS, paid a contribution sum of \$144,812 to fund the DOCA.

The DOCA was subsequently fully effectuated on 6 July 2015 and the administrator returned control of the Company to the directors on 9 July 2015.

A board meeting was held on 17 July 2015 when the directors decided that further advice and investigations were required before the directors could inform the members as to the possible future options for the Company. The Chairman, Dr. Ian Campbell informed the Board that CPS would continue to provide those funds necessary to enable the undertaking of the investigations and the obtaining of the desired. At the AGM held on 30 September 2015 for the year ended 3 July 2014, the Company advised that these investigations are on-going and will report back to shareholders in due course.

Note 8: Segment Reporting

Operating segments are based upon the reports reviewed by the chief operating decision maker. Following the cessation of trading upon entry into voluntary administration on 4 July 2014, the Group no longer has an operating segment as all of its operations have been discontinued. Previously, the Group operated as a software and services provider to the telecom industry.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporate Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- 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 303(5) of the *Corporations Act 2001*.



**Dr Ian Campbell
Director
Sydney, 30 October 2015**



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Clarity OSS Limited

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Clarity OSS Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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's 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 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 Clarity OSS 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 Clarity OSS Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership ABN 53 236 955 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 279, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensors.



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 Clarity OSS 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*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon continued financial support from CPS Group Investments Pty Ltd and further advice and investigations as to the possible future options of the company. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt as to the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'J Bresolin', is written over a faint, larger 'BDO' logo.

John Bresolin
Partner

Sydney, 30 October 2015