Vista Group International Limited

Interim Report
30 June 2015

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Vista Group International – Commentary

The following interim financial statements, for Vista Group International Limited (Vista Group), are for the six months ended 30 June 2015 and represent the half year results for Vista Group. These financial statements include the independent review report from the auditors thereon.

Highlights

- Revenue up $10.0m (56%) on 2014 at $27.3m
- Forecast to meet PFI revenue with a strong second half expected
- EBITDA(1) up $2.5m (100%) on 2014 at $5.0m
- Operating cash flow strong at +$7.4m
- Progress with commercialisation of Movio Media and the customer expansion of the base Movio cinema analytics platform
- MACCS secured the contract for Warner Brothers in the USA
- Investments to promote growth have been concluded with additional active opportunities being pursued.

Vista Group (NZSX: VGL, ASX: VGI) has today announced its half year results for the 6 months to 30 June 2015. Overall, performance is well up on the 2014 half year. An expected strong second half, based on a solid revenue pipeline, will see the business achieve its 2015 full year PFI revenue targets.

Divisional overview

Vista Entertainment Solutions' had a solid performance. Site numbers increased by over 200 against the full year forecast of just over 500. Maintenance and recurring revenues were strong and the sales pipeline for the 2nd half of 2015 indicates that forecasts will be exceeded. The integration of Ticketsoft and the benefits of the new distribution agreements in France and Japan provide additional growth opportunities.

Veezi reached 250 installed sites by 30 June. Revenue is tracking well and should exceed the 2015 PFI forecasts by year end. Opportunities to expand other markets, especially France, China and India are well advanced.

Movio has added new customers for its core cinema analytics product and a key focus has been the release and commercialisation of its Movio Media platform. This has taken a little longer to achieve than anticipated however the recent signing of NCM and the marketing campaigns run by several major film studios in the USA has it strategically well placed to achieve its future growth objectives.

The core business for **MACCS** performed to expectation. The signing of the contract with Warner Brothers in the USA was the key highlight. While this was achieved later in the period than expected the outlook for MACCS going forward is strong.

Financial overview

Vista Group's trading performance in the first half of 2015 represented a significant increase from 2014 which represented both the enlarged nature of Vista Group post the August 2014 IPO and the improved performance of the operating businesses.

The financial position of Vista Group remains strong and with cash reserves at $29.4m it is well placed to take advantage of strategic opportunities that have been identified and are being actively pursued.

The result for the 2015 half year includes a restatement of the treatment of the deferred consideration on the acquisition of Virtual Concepts Limited. Previously this was recognised as a liability at the time of the acquisition but after review of NZ IFRS 3 it has been determined that it must be recognised as an employee cost over the earn out period. This has resulted in a restatement of the opening balance at 31 December 2014 and the recognition in these financial statements of the expense accrual required by NZ IFRS 3.

Outlook

The existing businesses within Vista Group are strategically well placed in each of their markets and the sales pipeline for each of them looks strong for both the second half of 2015 and the 2016 year.

Vista Group is also looking at additional investments and opportunities to grow core revenue and achieve new market entries and a number of specific strategic opportunities have been identified and are being actively pursued.

(1) EBITDA is a non-GAAP measure and is defined as earnings before interest, tax, depreciation, amortisation and impairment. It is a measure commonly used by shareholders and investors. It can be reconciled to the interim financial statements as operating profit of $2.9m (2014: $2.2m) adding back depreciation, amortization, impairment and deferred consideration accrual charges of $2.1m (2014: $0.3m).

Interim statement of comprehensive income

	Notes	Six months ended 30 June 2015 $'000 Unaudited	Six months ended 30 June 2014 $'000 Unaudited	For the year ended 31 December 2014 $'000 Audited / restated
Revenue		27,268	17,429	47,158
Total revenue		27,268	17,429	47,158
Sales and marketing expenses		2,114	728	3,374
Operating expenses		15,052	9,078	22,552
Administration expenses		7,630	5,435	14,638
Acquisition expenses	3	1,399	-	933
Foreign currency (gains) / losses	3	(1,857)	(19)	81
Total expenses		24,338	15,222	41,578
Operating profit		2,930	2,207	5,580
Less Finance costs	3	(345)	(521)	(150)
Plus Finance income		347	4	706
Less Share of loss from associate		(348)	(149)	(537)
Plus Gain resulting on revaluing the previously held equity accounted 57% share of VCL when it became a subsidiary		-	-	8,500
Less Impairment of VCL goodwill at 31 December 2014	3	-	-	(3,554)
Profit before tax		2,584	1,541	10,545
Less tax expense		(1,328)	(527)	(2,599)
Profit for the period		1,256	1,014	7,946
Attributable to:				
Owners of the parent		1,138	898	8,122
Non-controlling interests		118	116	(176)
		1,256	1,014	7,946
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		709	-	81
Total comprehensive income for the period		1,965	1,014	8,027
Attributable to:				
Owners of the parent		1,847	898	8,203
Non-controlling interests		118	116	(176)
		1,965	1,014	8,027
Earnings per share				
Basic (cents per share)		$0.02	$90.00	$0.10
Diluted (cents per share)		$0.02	$90.00	$0.10

The accompanying notes form part of these financial statements

Interim statement of changes in equity

		Attributable to the equity holders of the Parent						
		Share capital	Retained earnings	Foreign currency translation reserve	Share based payments reserve	Total	Non-controlling interests	Total equity
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2015 (restated)		45,952	15,895	(429)	1,666	63,084	7,675	70,759
Profit for the period		-	1,138	-	-	1,138	118	1,256
Other comprehensive income		-	-	709	-	709	-	709
Total comprehensive income		-	1,138	709	-	1,847	118	1,965
Issue of share capital		-	-	-	-	-	-	-
Share-based payments		-	-	-	979	979	-	979
Balance at 30 June 2015 (unaudited)		45,952	17,033	280	2,645	65,910	7,793	73,703
Balance at 1 January 2014		1,100	11,273	(40)	-	12,333	-	12,333
Profit for the period		-	898	-	-	898	116	1,014
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	898	-	-	898	116	1,014
Dividends		-	(3,552)	-	-	(3,552)	-	(3,552)
Acquisition of non-controlling interests		-	-	-	-	-	12,779	12,779
Balance at 30 June 2014 (unaudited)		1,100	8,619	(40)	-	9,679	12,895	22,574
Balance at 1 January 2014		1,100	11,273	(40)	-	12,333	-	12,333
Profit for the year		-	8,122	-	-	8,122	(176)	7,946
Other comprehensive income		-	-	81	-	81	-	81
Total comprehensive income		-	8,122	81	-	8,203	(176)	8,027
Issue of share capital		44,852	-	-	-	44,852	7,851	52,703
Share-based payments		-	-	-	1,666	1,666	-	1,666
Dividends		-	(3,500)	-	-	(3,500)	-	(3,500)
Acquisition of non-controlling interests		-	-	(470)	-	(470)	-	(470)
Balance at 31 December 2014 (audited / restated)		45,952	15,895	(429)	1,666	63,084	7,675	70,759

Interim statement of financial position

	Notes	30 June 2015 $'000 Unaudited	31 December 2014 $'000 Audited / restated
Assets			
Current assets			
Cash and cash equivalents		29,407	30,746
Trade and other receivables		21,104	21,898
Income tax receivable	3	74	155
Total current assets		50,585	52,799
Non-current assets			
Property, plant and equipment		2,247	2,047
Intangible assets	12	9,378	6,345
Goodwill	13	41,059	33,716
Total non-current assets		52,684	42,108
Total assets		103,269	94,907
Liabilities			
Current liabilities			
Trade and other payables	5	19,749	16,885
Constructive obligations - associates	7	398	50
Income tax payable		275	735
Total current liabilities		20,422	17,670
Non-current liabilities			
Loans and borrowings		4,924	4,671
Deferred consideration		1,759	-
Employee benefits - VCL acquisition	3	236	280
Deferred tax liability		2,225	1,527
Total non-current liabilities		9,144	6,478
Total liabilities		29,566	24,148
Net assets		73,703	70,759
Equity			
Equity attributable to owners of the parent:			
Share capital		45,952	45,952
Retained earnings	3	17,033	15,895
Foreign currency revaluation reserve		280	(429)
Share based payments reserve	3	2,645	1,666
Total equity attributable to owners of the parent		65,910	63,084
Non-controlling interests		7,793	7,675
Total equity		73,703	70,759

For and on behalf of the Board, 28 August 2015

Kirk Senior - Chairman

Susan Peterson – Chairman Audit and Risk Committee

The accompanying notes form part of these financial statements

Interim statement of cashflows

	Notes	30 June 2015 $'000 Unaudited	30 June 2014 $'000 Unaudited
Cash flow from operating activities			
Cash was provided from:			
Receipts from customers		30,486	18,970
Interest received		347	23
		30,833	18,993
Cash was applied to:			
Operating expenses		(21,584)	(13,161)
Taxes paid		(1,695)	(1,031)
Interest paid		(92)	(99)
Listing costs		-	(248)
		(23,371)	(14,539)
Net cash from operating activities		7,462	4,454
Cash flows from investing activities			
Cash was applied to:			
Purchase of property, plant and equipment		(534)	(397)
Purchase of intangible assets	**12**	(2,093)	-
Acquisition of a business, net of cash acquired	**4**	(6,174)	(4,838)
Net cash applied to investing activities		(8,801)	(5,235)
Cash flows from financing activities			
Cash was provided from:			
Drawdown of bank loans		-	4,839
		-	4,839
Cash was applied to:			
Repayment of bank loans		-	(776)
Dividends paid to owners of the parent		-	(3,500)
		-	(4,276)
Net cash provided by financing activities		-	563
Net movement in cash held		(1,339)	(218)
Cash balance at 1 January		30,746	3,436
Cash balance at 30 June		29,407	3,218

Notes to the financial statements

1. General information

Vista Group International Limited (the Company or the Parent) is a profit orientated company incorporated and domiciled in New Zealand, and whose shares are publicly traded on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX). Vista Group International Limited completed an IPO in August 2014. The Company was previously called Vista Group Limited and before that, VSource Investments Limited. The Company changed its name to Vista Group International Limited on 18 June 2014.

The principal activity of the Group is the sale, support and associated custom development of software for the film industry.

These condensed interim financial statements were approved for issue on 28 August, 2015.

These condensed interim financial statements have been reviewed, not audited.

2. Summary of significant accounting policies

a. Basis of preparation of financial statements

The interim financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting and consequently, do not include all the information required for full financial statements. These condensed Group interim financial statements should be read in conjunction with the annual report for the year ended 31 December 2014.

The interim financial statements of the Group have been prepared in accordance with the requirements of the New Zealand Stock Exchange Main Board (NZX) listing rules. Vista Group International Limited is registered under the Companies Act 1993 and is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

The condensed interim financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand.

The consolidated interim financial statements have been prepared under the historical cost convention, as modified for those financial assets and liabilities at fair value through profit and loss.

The statement of comprehensive income for the year ended 31 December 2014 and the statement of financial position as at 31 December 2014 have been restated. Refer note 3.

b. Accounting standards

The accounting policies and methods of computation and presentation adopted in the preparation of the consolidated interim financial statements are consistent with those described and applied in the annual report for the financial year ended 31 December 2014.

There are no new standards and amendments relevant and adopted by the Group as of 30 June 2015 that have had a material impact on the interim financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3. Prior Year Restatement

a. Restatement related to acquisition of remaining 43% of share capital of Virtual Concepts Limited (VCL)

Following the appointment of PwC as auditors, a review of the accounting treatment adopted in relation to the acquisition of VCL during the year ended 31 December 2014 was undertaken. This review indicated that the accounting treatment of deferred consideration payable under the sale and purchase agreement was not in accordance with NZ IFRS 2, Share Based Payments and NZ IFRS 3, Business Combinations. The most significant impact of this is that the liability for deferred consideration previously recognised on acquisition has been derecognised resulting in an equivalent reduction in the goodwill arising from the acquisition and the associated impairment charge recognised for the year ended 31 December 2014. As the deferred consideration is conditional on the vendors remaining employed by the Group, the deferred consideration under NZ IFRS 3 needs to be recognised as an employee cost over the earn out period with a liability recognised for the cash component and an amount recognised in the share based payment reserve for the share based payment component.

The impact of the above restatement is as follows:

Statement of Comprehensive Income for the year ended 31 December 2014

$'000	As previously stated	Adjustment	As restated
Acquisition expenses - employee costs	-	(933)	(933)
Finance costs	(422)	272	(150)
Impairment of goodwill	(8,500)	4,946	(3,554)
Profit before tax	6,260	4,285	10,545
Less tax expense	(2,523)	(76)	(2,599)
Profit for the year	3,737	4,209	7,946

The restatement has no impact for the 6 month period ended 30 June 2014.

Statement of financial position

$'000	As previously stated	Adjustment	As restated
Deferred consideration	5,218	(5,218)	-
Employee benefits – VCL acquisition	-	280	280
Tax receivable	231	(76)	155
Net Assets	65,897	4,862	70,759
Share based payment reserve	1,013	653	1,666
Retained earnings	11,686	4,209	15,895
Total equity	65,897	4,862	70,759
Earnings per share			
Basic and diluted (cents per share)	$0.06	$0.04	$0.10

The restatement has no impact on periods prior to the year ended 31 December 2014 and no impact on the statement of cashflows.

The value of deferred consideration recognised as an employee cost in the six months ended 30 June 2015, is as follows:

$'000	30 June 2015 $'000 Unaudited
Share based payment	979
Payable in cash	420
Total acquisition expenses	1,399

The statement of comprehensive income for the year ended 31 December 2014 has also been restated to show foreign currency losses as a separate line item.

4. Business Combinations

TicketSoft acquisition

On April 1st 2015 Vista Group International acquired the assets of US-based cinema software company, TicketSoft Inc, including customer licences, an existing customer revenue stream, intellectual property and employees. Consideration was paid in cash of $6.2m with additional contingent consideration payable, up to a maximum of $1.76m, based on certain performance obligations being met, primarily being the number of sites transitioned to Vista software over defined periods. Management expect these performance obligations to be met.

The following table summarises the consideration transferred to acquire the assets of TicketSoft Inc and the carrying values of the assets acquired:

$'000	30 June 2015 $'000 Unaudited
Cash	6,174
Contingent consideration	1,759
Total consideration	7,933
Intangible assets - intellectual property	193
Intangible assets - customer relationships	1,083
Goodwill	7,015
Deferred tax liability	(358)
Total net assets	7,933

Revenue included in the interim statement of comprehensive income from 1 April 2015 to 30 June 2015 contributed by TicketSoft was $0.32m. TicketSoft also contributed profit before tax of $0.06m over the same period.

Had TicketSoft been consolidated from 1 January 2015, the impact on the interim statement of comprehensive income for the six months ended 30 June 2015 would show pro-forma revenue of $0.82m and pro-forma profit before tax of $0.27m.

Goodwill is attributable to both synergies with Vista, together with growth opportunities available in the US market, being the primary reasons for the acquisition.

5. Trade and Other Payables

	30 June 2015 $'000 Unaudited	31 December 2014 $'000 Audited
Trade payables	718	912
Sundry accruals	3,095	2,217
Prebilled licence and maintenance income	14,142	12,210
Employee benefits	1,331	1,546
Employee benefits – VCL acquisition	463	-
Total	19,749	16,885

Employee benefits – VCL acquisition relates to the amount payable in cash with regard to the deferred consideration for the acquisition of VCL. This amount is payable in March 2016 and is therefore classified under current liabilities. This amount represents 30% of the total amount payable for the first tranche of deferred consideration, with the remaining 70% accrued under the share based payment reserve.

6. Segment Reporting

The Group operates in a single vertical film/cinema market and is structured through operating subsidiaries that report monthly to the Chief Executive and Senior Management Team. The Chief Executive and Senior Management Team are considered to be the chief operating decision makers in terms of NZ IFRS 8 Operating Segments. Revenue is reported via three main sources – Product, Maintenance, and Services and there is no material indirect revenue source. No allocation of costs or assets is made against these revenue groups that would enable disclosure of segmented profitability.

Revenue is allocated to geographical segments on the basis of where the sale is recorded by each operating entity within the Group. Independent resellers are used to promote the Vista products in multiple jurisdictions. The revenues recognised via these independent resellers are not allocated geographically rather they are shown within the Oceania Segment.

Revenue	30 June 2015 $'000 Unaudited	30 June 2014 $'000 Unaudited
Oceania	8,443	4,550
Asia	2,135	1,147
Americas	7,938	5,572
Europe/Africa	8,752	6,160
Total external revenue	27,268	17,429

Non-current operating assets	30 June 2015 $'000 Unaudited	31 December 2014 $'000 Audited
Oceania	25,182	24,936
Asia	131	64
Americas	8,455	259
Europe/Africa	18,916	16,849
Total non-current operating assets	52,684	42,108

Revenue by Type	30 June 2015 $'000 Unaudited	30 June 2014 $'000 Unaudited
Services	4,672	5,019
Maintenance	14,050	9,661
Product	8,546	2,749
Total operating revenue	27,268	17,429

7. Constructive obligation in associate

Constructive obligation in Associate	30 June 2015 $'000 Unaudited	31 December 2014 $'000 Audited
Opening carrying value	(50)	2,528
Investment in associate	-	440
Acquisition of control in VCL	-	(2,528)
Share of loss from associate	(348)	(490)
Total constructive obligation in associate	(398)	(50)

The share of loss from associate relates to Numero Ltd for which Vista pays a share of expenses in line with its shareholding.

8. Related parties

a. Related party disclosure

	Nature of Transaction	June 2015 Transaction $'000 Unaudited	June 2015 Receivable/ (payable) $'000 Unaudited	June 2014 Transaction $'000 Unaudited	December 2014 Receivable/ (payable) $'000 Audited
Transactions with associates:					
Numero Ltd	Intercompany Loan	219	1,824	307	1,605

The amounts receivable /payable are unsecured and no guarantees are in place. No amounts receivable are impaired.

b. Compensation of key management personnel

	30 June 2015 $'000 Unaudited	30 June 2014 $'000 Unaudited
Salaries including bonuses	1,106	941

Key management personnel include the Company's board of directors and senior management.

9. Contingent Liabilities

There were no contingent liabilities for the Group as at 30 June 2015 (Dec 2014: $Nil).

10. Subsequent events

An equity settled long term incentive (LTI) scheme has been approved by the Board. No issues or grants of shares have been made as at balance date.

11. Financial Instruments Risk

The Group is exposed to three main risks in relation to financial instruments. The main types of risks are currency risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively monitoring and securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

a. Foreign currency risk

Most of the Group's transactions carry a component that is ultimately repatriated back to NZD. Exposures to currency exchange rates arise from the Group's overseas sales, which are primarily denominated in US dollars (USD), Pounds Sterling (GBP) and Euros (EUR).

To mitigate the Group's exposure to foreign currency risk, non-NZD cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. The Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into NZD at the closing rate:

Unaudited 30 June 2015	USD $'000	GBP $'000	Euro $'000
Financial Assets	11,424	5,084	2,577
Financial Liabilities	(3,297)	(1,383)	(5,506)
Total net exposure	8,127	3,701	(2,929)

Audited 31 December 2014	USD $'000	GBP $'000	Euro $'000
Financial Assets	10,264	3,255	4,184
Financial Liabilities	(3,304)	(1,533)	(8,341)
Total net exposure	6,960	1,722	(4,157)

b. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised each balance date.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

At 30 June 2015 the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at each respective balance date, analysed by the length of time past due, are:

	30 June 2015 $'000 Unaudited	31 December 2014 $'000 Audited
Not more than 3 months	2,953	6,571
Between 3 months and 4 months	1,677	720
Over 4 months	4,155	1,843
Total overdue	8,785	9,134

c. Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period.

The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments.

30 June 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Unaudited	$'000	$'000	$'000	$'000	$'000	$'000
Loans and borrowings	-	-	-	4,924	-	4,924
Other financial liabilities	-	1,331	-	-	-	1,331
Trade and other payables	-	718	-	-	-	718
Contingent consideration - TicketSoft	-	-	1,759	-	-	1,759
Interest on borrowings	-	29	90	90	-	209
Employee benefits – VCL acquisition	-	-	2,932	2,443	-	5,375
	-	2,078	4,781	7,457	-	14,316

31 December 2014 Audited	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	> 5 years $'000	Total $'000
Loans and borrowings	-	-	-	4,671	-	4,671
Other financial liabilities	-	1,546	-	-	-	1,546
Trade and other payables	-	912	-	-	-	912
Interest on borrowings	-	29	90	150	-	269
Employee benefits – VCL acquisition	-	-	-	5,375	-	5,375
	-	2,487	90	10,196	-	12,773

12. Intangible assets

	Software licences $'000	Intellectual property $'000	Customer relationships $'000	Total $000
Cost				
Balance 1 January 2015	2,135	1,408	3,413	6,956
Additions	163	-	1,930	2,093
Acquisition through business combinations (note 4)	-	193	1,083	1,276
Balance 30 June 2015	2,298	1,601	6,426	10,325
Accumulated amortisation and impairment				
Balance 1 January 2015	(281)	(63)	(268)	(612)
Amortisation	(116)	(55)	(164)	(335)
Balance 30 June 2015	(397)	(118)	(432)	(947)
Carrying amount 30 June 2015 (unaudited)	1,902	1,483	5,994	9,378

In May 2015 Vista Entertainment Systems Ltd entered into an agreement with Cote Cine Group (CCG) to distribute Vista and Veezi software. The consideration paid to CCG for this arrangement was 1.35m Euros and this is included in the additions noted above. The distribution agreement includes an on-going revenue stream with a duration of 4 years.

13. Goodwill

	30 June 2015 $'000 Unaudited	31 December 2014 $'000 Audited / restated
Gross carrying amount		
Opening balance	33,716	5,446
Acquired through business combination (note 4)	7,015	32,430
Exchange Differences	328	(606)
Closing balance	41,059	37,270
Accumulated impairment		
Opening balance	-	-
Impairment loss recognised	-	(3,554)
Closing balance	-	(3,554)
Carrying amount 31 December	41,059	33,716

Independent Review Report

to the Shareholders' of Vista Group International Limited

Report on the Interim Financial Statements

We have reviewed the accompanying financial statements of Vista Group International Limited ("the Company") on pages 4 to 16, which comprise the interim statement of financial position as at 30 June 2015, and the interim statement of comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The Directors of the Company are responsible for the preparation and presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the areas of other assurance and advisory services. The provision of these other services has not impaired our independence.

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Independent Accountants' Report

Vista Group International Limited

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Company are not prepared, in all material respects, in accordance with NZ IAS 34.

Other Matter

The financial statements of Vista Group International Limited for the year ended 31 December 2014, were audited by another auditor who expressed a modified opinion on 13 March 2015 on those statements.

Restriction on Use of Our Report

This report is made solely to the Company's Shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

PricewaterhouseCoopers.

Chartered Accountants Auckland

28 August 2015