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## **ASX announcement**

### **2020 Half Year Financial Results ASX announcement**

28 February 2020: Eildon Capital Limited (EDC) provides the attached 2020 Half Year Financial Results ASX Announcement for the half year ended 31 December 2019

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#### **Contact Details**

Mark Avery  
Managing Director  
03 7003 7622  
[info@eildoncapital.com](mailto:info@eildoncapital.com)

The release of this announcement was authorised by John Hunter, Company Secretary

## Appendix 4D

### Half-Yearly Report

### Results for announcement to the market

Eildon Capital Limited		
ABN	Half-Year ended (‘Reporting Period’)	Previous Half-Year ended (‘Corresponding period’)
11 059 092 198	<b>31 December 2019</b>	31 December 2018

#### Results

Income from ordinary activities	up	33.7%	to	5,303,085
Profit before tax	up	38.5%	to	4,634,502
Profit after tax attributable to members	up	40.1%	to	3,280,735
Net profit attributable to members	up	40.1%	to	3,280,735

The preliminary half-yearly report is based on accounts which have been reviewed.

#### Dividends (distributions)

	Amount per security	Franked amount per security
September 2019 dividend	1.925 cents	1.925 cents
June 2019 dividend	1.925 cents	1.925 cents
March 2019 dividend	1.925 cents	1.925 cents
December 2018 dividend	1.925 cents	1.925 cents
September 2018 dividend	1.925 cents	1.925 cents
June 2018 dividend	1.925 cents	1.925 cents
<p>Information on dividends:</p> <p>A fully franked dividend in respect of the quarter ended 31 December 2019 of 1.925 cents per share was paid on 24 January 2020.</p> <p>The Dividend Reinvestment Plan has been suspended at this time. As a result, the Dividend Reinvestment Plan is not in operation in relation of the payment of the dividend.</p>		
Ex-Dividend date for the purpose of receiving the dividend	31 December 2019	
Record date for determining entitlements to the dividend	2 January 2020	
Payment Date	24 January 2020	

#### Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

#### Net tangible assets

	31 December 2019	31 December 2018
Net tangible assets per ordinary security	\$1.09	\$1.05

#### Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

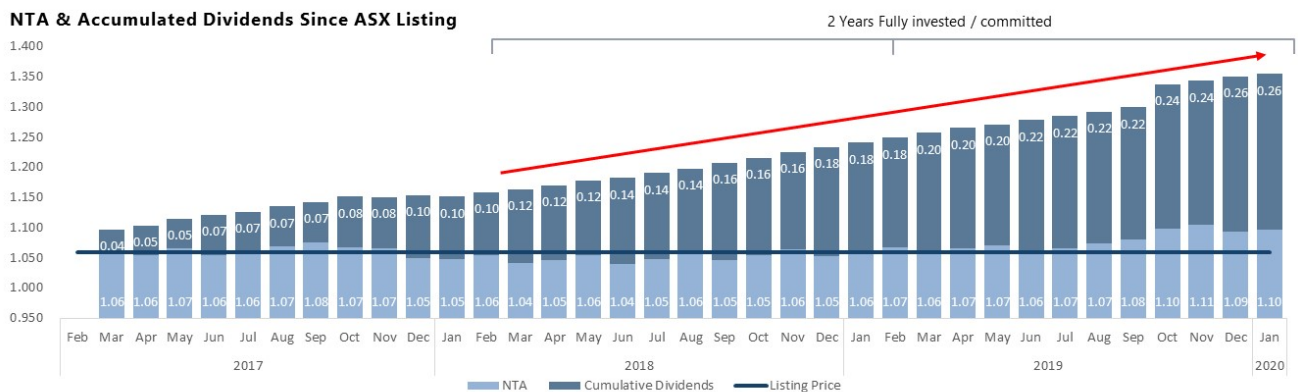
## RESULTS ANNOUNCEMENT

### FOR THE HALF YEAR ENDED 31 DECEMBER 2019

#### INTRODUCTION

The Board of Eildon Capital Limited (ASX: EDC) is pleased to report a half year net profit after tax of \$3.3 million (31 December 2018: \$2.3 million) with net tangible assets at 31 December 2019 totalling \$49.7 million, representing \$1.093 per share. During the period, fully franked dividends of 3.85 cents per share were paid to shareholders, representing a yield of approximately 7.0% on net tangible assets as at 31 December 2019 (equivalent to a yield of approximately 10.0% after grossing up the impact of franking credits).

Since listing on the ASX in February 2017 fully franked dividends totalling 25.8 cents per share have been paid to shareholders, in addition, NTA per share is 3.7c higher than the \$1.06 listing price.



Earnings per share in the half year period to 31 December 2019 was 7.2 cents per share compared to 5.1 cents per share at 31 December 2018, representing earnings growth of 41.2%.

In the three years Eildon Capital has been listed, it has made 24 property backed investments either through a debt or equity structure. The business has experienced strong returns and no loss of capital or interest in any investment.

#### INVESTMENT PORTFOLIO

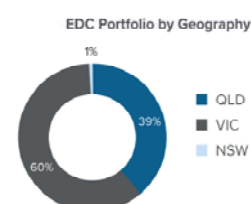
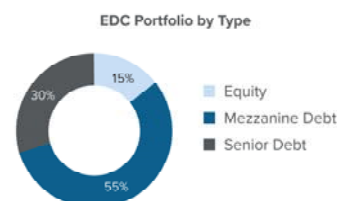
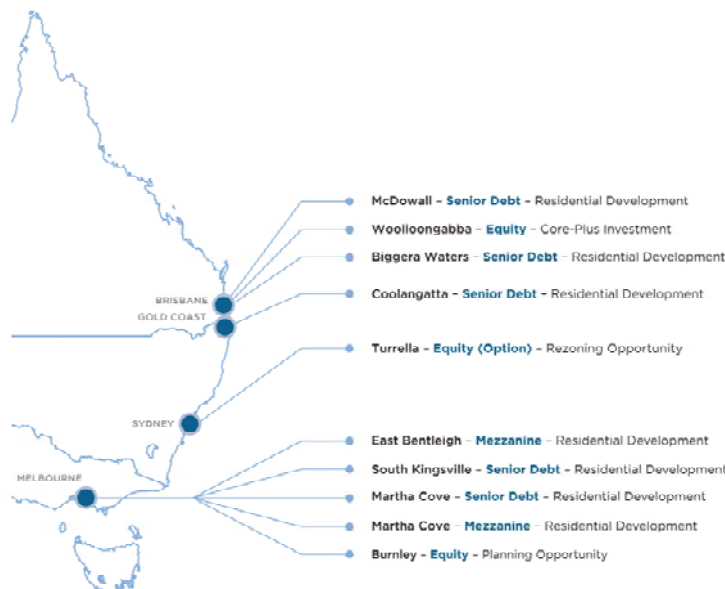
As at 31 December, Eildon Capital's investment portfolio was \$34.4 million with cash totalling \$17.2 million available to be deployed. Subsequent to 31 December 2019, further investments have been made, and currently the Company has fully committed its available funds.

During the period, the portfolio generated income of \$5.3 million which is delivered by a mixture of interest from debt investments, rental returns and profits from property investments.

The portfolio at the end of December consisted of 10 investments including 7 debt positions, accounting for 84% of the portfolio by value. These investments provide a margin of safety in the event that the property market experiences a negative shock.

The balance 3 investments represent equity positions that, while asset backed, also provide potential exposure to meaningful capital growth via asset repositioning, planning outcomes or market re-rating.

The portfolio has geographic diversity with investments in Queensland, Victoria and New South Wales.



## **OUTLOOK AND ONGOING REVIEW**

The 2019 calendar year was a demonstration that property markets display periods of volatility. Early in the year, property activity was subdued in some parts of the sector, but most notably in the residential segment. A combination of factors, including interest rate cuts, the relaxation of lending restrictions and a general sentiment shift, saw price growth return to many parts of the residential market during the December quarter.

Further, income producing commercial real estate, with strong tenant covenants, is in high demand. With historically low interest rates, subdued inflation and an ever-growing pool of capital from all parts of the globe seeking yield, it would not be surprising to see continued growth in values in this segment of the market.

There is a clear need in the property market, be it developers or investors, for capital partners who can evaluate risk as well as provide flexible capital structures. Eildon Capital continues to experience an increase in enquiries from borrowers and project partners on account of our track record and investment approach of providing adaptive financing solutions. This in turn continues to provide shareholders with superior risk adjusted returns.

As a result of the consistent track record of Eildon Capital and overall returns being generated for shareholders this has seen the share price now trading at a premium to NTA.

Notwithstanding the above, the Board is constantly evaluating options to maximise value for shareholders. One option currently being explored is a restructure that will allow the company to be more comparable to similar investment vehicles and allow for a more efficient deployment of capital and distributions to investors.

The Board is also considering options regarding providing improved liquidity for investors which will make the company more attractive to investors. Should these initiatives advance, further information will be provided to shareholders.

## **CAPITAL MANAGEMENT**

As mentioned above, Eildon Capital's investment portfolio is now fully committed, with the Board continuing to review prospective opportunities which would allow the redeployment of cash returned from investments.



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A fully franked dividend of 1.925 cents per share for the December quarter was paid on 24 January 2020. Subject to any restructuring activity, Eildon Capital is expected to continue to maintain distributions at the current level. The anticipated dividend payment calendar for the next 12 months is as follows:

Quarter	Anticipated Payment Date
March, 2019	24 April, 2019
June, 2019	24 July, 2019
September, 2019	23 October, 2019
December, 2019	22 January, 2020

Mark Avery  
Managing Director  
28 February 2020



## Half-Year Financial Report

Eildon Capital Limited  
ACN 059 092 198

For the half-year ended 31 December 2019

## Company Particulars

### **REGISTERED OFFICE:**

Suite 4, Level 6  
330 Collins Street,  
MELBOURNE VIC 3000  
Tel: (02) 9087 8000

### **DIRECTORS:**

James R Davies  
Mark A Avery  
Michelle E Phillips  
Alexander D H Beard (Resigned 20 January 2020)

### **SECRETARY:**

John A Hunter

### **BANKERS:**

Westpac Banking Corporation Limited  
Bankwest

### **AUDITORS:**

HLB Mann Judd  
Chartered Accountants  
Level 19  
207 Kent Street  
Sydney NSW 2000

### **SHARE REGISTRY:**

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000

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# Directors' Report

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The Directors present their report together with the financial report for Eildon Capital Limited ("the Company") for the half-year ended 31 December 2019 and the independent review report thereon.

## Directors

The Directors in office throughout the period and to the date of this report are:

Mark Avery (Managing Director)

James Davies

Michelle Phillips

Alexander Beard (Resigned 20 January 2020)

## Principal activities

The Company is an active property investment company which participates in retail, industrial, residential and commercial opportunities.

## Review and results of operations

For the half-year ended 31 December 2019 the Company recorded a profit after tax of \$3,280,735 (2018: \$2,341,993). During the half-year the Company generated \$2.3 million of interest income from property loans.

## Dividends

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 26 June 2019 and paid on 24 July 2019.

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 2 October 2019 and paid on 24 October 2019.

## Events subsequent to balance date

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 24 December 2019 and paid on 24 January 2020.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial periods subsequent to 31 December 2019.

## Auditors' independence declaration

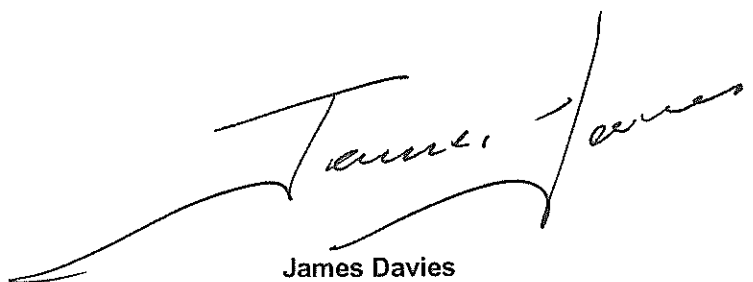
A copy of the independence declaration given to the Directors by the auditor for the review undertaken by HLB Mann Judd is included on page 11.

Dated at Sydney 28 February 2020.

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



Mark Avery  
Director



James Davies  
Director

# Eildon Capital Limited

## Condensed Statement of Comprehensive Income For the Half-Year Ended 31 December 2019

	Notes	31 Dec 2019 \$	31 Dec 2018 \$
<b>INCOME</b>			
Interest income		2,281,131	3,718,403
Fee income		40,434	128,912
Distribution income		1,381,574	129,411
Other income		-	2,858
<b>Total income</b>		<b>3,703,139</b>	<b>3,979,584</b>
Share of net profit/(loss) of associate accounted for using the equity method	6	1,599,946	(13,550)
<b>EXPENSES</b>			
Accountancy		69,060	45,640
Audit fees		14,000	16,897
Directors fees		42,619	45,662
GST paid		28,837	22,403
Insurance		22,658	41,459
Legal fees		46,081	1,450
Management and consultancy		419,728	404,122
Other expenses		25,600	42,697
<b>Profit before income tax</b>		<b>4,634,502</b>	<b>3,345,704</b>
Income tax expense		1,353,767	1,003,711
<b>Profit after income tax</b>		<b>3,280,735</b>	<b>2,341,993</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents)	5	<b>7.21</b>	<b>5.09</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>3,280,735</b>	<b>2,341,993</b>

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

# Eildon Capital Limited

## Condensed Statement of Financial Position As at 31 December 2019

	Notes	31 Dec 2019 \$	30 June 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		17,205,191	6,936,845
Trade and other receivables		40,424	44,693
Financial assets at amortised cost		22,760,687	15,547,239
Financial assets at fair value through profit or loss	8	2,758,040	10,716,096
<b>Total current assets</b>		<b>42,764,342</b>	<b>33,244,873</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets at amortised cost		2,485,963	11,514,784
Investments accounted for using the equity method	6	4,370,880	2,893,434
Financial assets at fair value through profit or loss	8	1,977,310	1,771,712
Deferred tax assets		327,499	356,718
<b>Total non-current assets</b>		<b>9,161,652</b>	<b>16,536,648</b>
<b>TOTAL ASSETS</b>		<b>51,925,994</b>	<b>49,781,521</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,155,915	1,102,190
Current tax liabilities		578,235	493,761
<b>Total current liabilities</b>		<b>1,734,150</b>	<b>1,595,951</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		476,649	-
<b>Total non-current liabilities</b>		<b>476,649</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2,210,799</b>	<b>1,595,951</b>
<b>NET ASSETS</b>		<b>49,715,195</b>	<b>48,185,570</b>
<b>EQUITY</b>			
Contributed equity	4	43,796,218	43,796,218
Retained earnings		(5,483,508)	(5,483,508)
Profit distribution reserve		11,402,485	9,872,860
<b>TOTAL EQUITY</b>		<b>49,715,195</b>	<b>48,185,570</b>

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

# Eildon Capital Limited

## Condensed Statement of Changes in Equity For the Half-Year Ended 31 December 2019

	Contributed equity	Retained earnings	Profit distribution reserve	Total
	\$	\$	\$	\$
<b>At 1 July 2019</b>	<b>43,796,218</b>	<b>(5,483,508)</b>	<b>9,872,860</b>	<b>48,185,570</b>
Profit for the period	-	3,280,735	-	3,280,735
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>3,280,735</b>	<b>-</b>	<b>3,280,735</b>
<i>Transactions with shareholders:</i>				
Dividend provided or paid	-	-	(1,751,110)	(1,751,110)
Transfer (to)/from reserve	-	(3,280,735)	3,280,735	-
<b>At 31 December 2019</b>	<b>43,796,218</b>	<b>(5,483,508)</b>	<b>11,402,485</b>	<b>49,715,195</b>
At 1 July 2018	44,344,011	(5,483,508)	9,011,851	47,872,354
Profit for the period	-	2,341,993	-	2,341,993
Total comprehensive income for the period	-	2,341,993	-	2,341,993
<i>Transactions with shareholders:</i>				
Dividend provided or paid	-	-	(1,772,983)	(1,772,983)
Share issued	41,563	-	-	41,563
Transfer (to)/from reserve	-	(2,341,993)	2,341,993	-
<b>At 31 December 2018</b>	<b>44,385,574</b>	<b>(5,483,508)</b>	<b>9,580,861</b>	<b>48,482,927</b>

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

# Eildon Capital Limited

## Condensed Statement of Cash Flows For the Half-Year Ended 31 December 2019

	31 Dec 2019	31 Dec 2018
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash payments in the course of operations	(603,217)	(532,439)
Cash receipts in the course of operations	33,000	131,770
Interest received	2,041,553	1,714,491
Distribution received	520,994	70,688
Income tax paid	(763,425)	(394,532)
Proceeds from loan repaid	19,262,560	10,966,534
Payments for loan provided	(8,388,971)	(16,492,852)
<b>Net cash provided by/(used in) operating activities</b>	<b>12,102,494</b>	<b>(4,536,340)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for equity investments	(205,598)	(1,289,463)
Proceeds from equity investments	122,150	89,250
<b>Net cash used in investing activities</b>	<b>(83,448)</b>	<b>(1,200,213)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,750,700)	(1,730,614)
<b>Net cash used in financing activities</b>	<b>(1,750,700)</b>	<b>(1,730,614)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,268,346</b>	<b>(7,467,167)</b>
<b>Cash at the beginning of the half-year</b>	<b>6,936,845</b>	<b>10,209,431</b>
<b>CASH AT THE END OF THE HALF-YEAR</b>	<b>17,205,191</b>	<b>2,742,264</b>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

# Eildon Capital Limited

## Notes to the Financial Statements For the Half-Year Ended 31 December 2019

### Note 1: Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with Australian Accounting Standards and International Financial Reporting Standards. The accounting policies adopted are also consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of AASB 16 *Leases* as set out in Note 9.

### Note 2: Segment information

The company operates in one business segment being an investment company and in one geographical location being Australia for the reporting periods ended 31 December 2019 and 31 December 2018. All revenue is recognised at a point in time when the performance obligation is satisfied.

### Note 3: Subsequent events

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 24 December 2019 and paid on 24 January 2020.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial periods subsequent to 31 December 2019.

### Note 4: Contributed equity

	31 Dec 2019		31 Dec 2018	
	Number	\$	Number	\$
<i>Fully paid ordinary shares</i>				
Balance at the beginning of the half-year	45,483,392	43,796,218	46,020,079	44,344,011
Issue of shares	-	-	41,915	41,563
<b>Balance at the end of the half-year</b>	<b>45,483,392</b>	<b>43,796,218</b>	<b>46,061,994</b>	<b>44,385,574</b>

# Eildon Capital Limited

## Notes to the Financial Statements For the Half-Year Ended 31 December 2019

### Note 5: Earnings per share

	31 Dec 2019 Cents	31 Dec 2018 Cents
Basic and diluted earnings per share	7.21	5.09
	\$	\$
Net profit attributable to shareholders used in calculation of basic and diluted earnings per share	<u>3,280,735</u>	2,341,993
	Number	Number
Weighted average number of shares – Basic and diluted	<u>45,483,392</u>	<u>46,046,042</u>

### Note 6: Investments accounted for using the equity method

Details of investments accounted for using the equity method are as follows:

	Ownership Interest		Carrying value		Contribution to net profit/(loss)	
	Dec 2019 %	June 2019 %	Dec 2019 \$	June 2019 \$	Dec 2019 \$	Dec 2018 \$
<b>Associated entities</b>						
79 Logan Road Pty Ltd	35.0	35.0	35	35	-	-
79 Logan Road Trust	35.0	35.0	4,370,845	2,893,399	1,599,946	(13,550)
			<u>4,370,880</u>	<u>2,893,434</u>	<u>1,599,946</u>	<u>(13,550)</u>

# Eildon Capital Limited

## Notes to the Financial Statements For the Half-Year Ended 31 December 2019

### Note 7: Dividends

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 26 June 2019 and paid on 24 July 2019.

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 2 October 2019 and paid on 24 October 2019.

A fully franked dividend of 1.925 cents per share amounting to \$875,555 was declared on 24 December 2019 and paid on 24 January 2020.

### Note 8: Fair Value Measurement

The fair values of the financial assets and liabilities of the Company are approximately equal to their carrying values.

Judgements and estimates were made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	<b>Valuation technique – non market observable inputs (Level 3) \$</b>
<b>At 31 December 2019</b>	
<b><i>Financial assets at fair value through profit or loss</i></b>	
Unlisted investments at market value	<b>4,735,350</b>
<b>At 30 June 2019</b>	
<b><i>Financial assets at fair value through profit or loss</i></b>	
Unlisted investments at market value	<b>12,487,808</b>



# Eildon Capital Limited

## Notes to the Financial Statements For the Half-Year Ended 31 December 2019

### Note 8: Fair Value Measurement (Cont.)

	Dec 2019 \$	Dec 2018 \$
Reconciliation of Level 3 fair value movements:		
<b>Opening balance at the beginning of the period</b>	<b>12,487,808</b>	469,668
Purchases	<b>5,824,069</b>	9,001,963
Sales	<b>(13,576,527)</b>	-
<b>Closing balance at the end of the period</b>	<b>4,735,350</b>	9,471,631

There is no quantitative information for level 3 financial instruments. The fair value has been determined based on the underlying value of the property investments and loans held by the entities in which the investment has been made.

### Note 9: Changes in Accounting Policies

The Company has adopted AASB 16 *Leases* from 1 July 2019.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Company does not have any leases. The adoption of AASB 16 has not had any impact on the financial performance or position of the Company. No adjustment was required to be recognised as a result of the adoption of AASB 16 and consequently no further disclosures have been included in this interim financial report.

# Eildon Capital Limited

## Directors' Declaration

In the Directors' opinion:

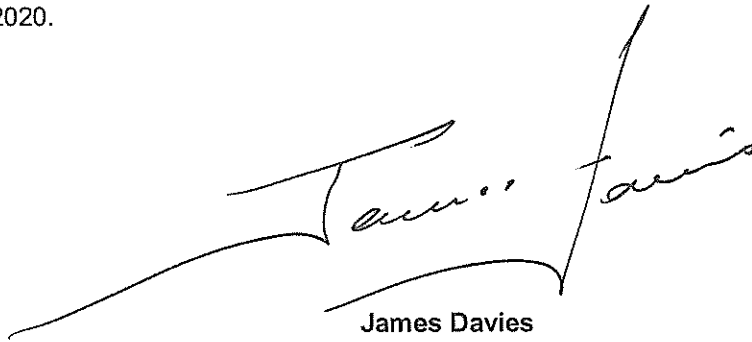
- a) the financial statements and notes, set out on pages 2 to 9, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the financial position of the Company as at 31 December 2019 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; 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 made in accordance with a resolution of the Board of Directors.

Dated at Sydney 28 February 2020.



**Mark Avery**  
Director



**James Davies**  
Director

**Auditor's Independence Declaration to the Directors of Eildon Capital Limited**

As lead auditor for the review of the half-year financial report of Eildon Capital Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



**Sydney, NSW  
28 February 2020**

**N J Guest  
Partner**

**h**l**b.com.au**

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

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HLB Mann Judd (NSW Partnership) is a member of HLB International, the global advisory and accounting network.

## Independent Auditor's Review Report to the members of Eildon Capital Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eildon Capital Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed 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.

### 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 Eildon Capital Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Eildon Capital Limited financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### 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 gives a true and fair view and 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 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, 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.

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**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

**HLB Mann Judd  
Chartered Accountants**

**Sydney, NSW  
28 February 2020**

A handwritten signature in black ink, appearing to read 'N J Guest'.

**N J Guest  
Partner**