

BARRACK ST INVESTMENTS LIMITED

ACN 167 689 821

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2014**

DIRECTORS' REPORT

The directors of Barrack St Investments Limited submit herewith their report together with the interim financial report for the half-year ended 31 December 2014 and the auditors' independent review report thereon.

DIRECTORS

The names of directors of the Company in office at any time during or since end of the half-year are:

Name

Murray H. d'Almeida (Chairman)

David Crombie

Emmanuel C. Pohl

Jared D. Pohl (alternate)

REVIEW OF OPERATIONS

Barrack St Investments Limited was created to satisfy a growing appetite of investors to obtain access to boutique investment managers with an expertise in small and mid-cap companies and it listed on the ASX on 14 August 2014. Stapled securities were issued under an Initial Public Offering at \$ 1 each per ordinary share (together with one option for every one share issued). The total amount of capital raised amounted to \$16,022,500 making the total issued share capital of the Company \$ 16,028,500. After the company listed, the Manager, E.C.Pohl & Co (taking advantage of the weakness in the market at the time) commenced acquiring shares . It acquired shares in the companies : ARB Corporation, Austbrokers, Bendigo Bank, Bigair Group, Blue Sky Alternative Investments, Carsales.com, Dominos, Energy Action, Iress Market Technology, Navitas, Platinum Asset Management, Realestate.com, Seek, Sky Network Television, Sirtex Medical and Trade Me. Towards the end of the year, exposure to REA Group and Seek increased and the company also acquired a holding in the Catapult Group, a new IPO. Despite the volatility in the stock market during the latter part of 2014, particularly in resource sector fuelled by plunging oil prices and declining commodity prices, Australia remained in a position to benefit from continued economic growth in the region. The economy was transforming from resource-related to a broader mix and with the falling dollar relieved some of the competitive cost pressures and potentially improved the ability for competitive international pricing. The US economy continued to improve albeit with mixed signals.


DIVIDEND

The Directors have resolved to pay an interim dividend of 0.5 cents per share fully franked. This amounts to \$ 80,142.50. The Dividend Reinvestment Plan (DRP) applies to this interim dividend with the price to be determined by the directors. The last day for receipt of the election notice for participation in the DRP will be 20 March 2015. There is no foreign conduit income attributable to the dividend.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

Signed on behalf of the board in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Murray d'Almeida', is written over a horizontal line.

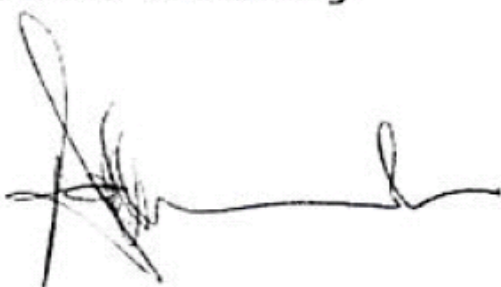
Murray d'Almeida
Chairman

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes set out on pages 3 to 8:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2014 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Murray d'Almeida', is written over a horizontal dashed line.

Murray d'Almeida

Chairman

Sydney

26 February 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2014

		31 December 2014
	Note	\$
Revenue	2	196,003
Other expenses	3	<u>(217,878)</u>
Profit (loss) before income tax		(21,875)
Income tax expense		<u>-</u>
Net profit (loss) attributable to members of the Company		<u>(21,875)</u>
Other Comprehensive Income		
Changes in fair value of available-for-sale financial assets		146,369
Total Comprehensive Income for the half-year		<u><u>124,494</u></u>
Basic and diluted (loss) per share (cents)		(0.14)
Comprehensive income per share (cents) before dividend		0.78

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	31 December 2014 \$	30 June 2014 \$
Current assets			
Cash	4	117,361	375
Trade and other receivables		<u>85,465</u>	<u>512</u>
Total current assets		<u>202,826</u>	<u>887</u>
Non-current assets			
Available-for-sale financial assets		15,457,207	-
Formation expenses		<u>5,115</u>	<u>5,115</u>
Total non-current assets		<u>15,462,322</u>	<u>5,115</u>
Total assets		<u>15,665,148</u>	<u>6,002</u>
Current liabilities			
Trade and other payables	5	83,443	
Deferred tax liability		<u>53,355</u>	<u>-</u>
Total current liabilities		<u>136,798</u>	<u>-</u>
Non-current liabilities			
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>136,798</u>	<u>-</u>
Net assets		<u>15,528,350</u>	<u>6,002</u>
Equity			
Issued Share Capital	6	15,483,997	6,000
Asset revaluation reserve	7	146,369	
Retained profits/ (losses)		<u>(102,018)</u>	<u>2</u>
Total equity		<u>15,528,350</u>	<u>6,002</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2014

	Issued Share Capital	Retained Profits/ (Accumulated losses)	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 30 June 2014	6,000	2		6,002
Issue of shares – IPO 14 August 2014	16,022,500			16,022,500
Capital raising costs	(544,503)			(544,503)
Increase in market value of Investments			146,369	146,369
Net income recognised directly in equity			146,369	146,369
Net loss attributable to members		(21,875)		(21,875)
Dividend payable		(80,143)		(80,143)
Total recognised income and expense for the half-year		(102,018)		(102,018)
Balance at 31 December 2014	15,483,997	(102,018)	146,369	15,528,350

CONDENSED STATEMENT OF CASH FLOWS

	Half-year Ended
	December 2014
	Inflows/(Outflows)
	\$
Cash flows from operating activities	
Interest received	25,819
Dividends Received	170,184
Payments to suppliers	<u>(232,873)</u>
Net cash outflows used in operating activities	<u>(36,870)</u>
Cash flows from investing activities	
Acquisition of Available for sale assets	(16,146,150)
Proceeds from sale of Available for sale assets	<u>822,009</u>
Net cash flows (used in) from investing activities	<u>(15,324,141)</u>
Cash flows from financing activities	
Proceeds from issue of shares	16,022,500
Less: Capital raising costs paid	<u>(544,503)</u>
Net cash flow from financing activities	<u>15,477,997</u>
Net (decrease) increase in cash held	116,986
Add opening cash brought forward	<u>375</u>
Closing cash carried forward	<u><u>117,361</u></u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The half-year financial statements are a general purpose financial prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134: Interim Financial Reporting, and other applicable Accounting Standards.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the 30 June 2014 annual financial report and any public announcements made by the Company during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

These financial statements have been prepared on the historical cost basis except as modified by the revaluation of available-for-sale financial assets. The accounting policies are consistent with those applied in the 30 June 2014 Annual Report.

This financial report is presented in Australian dollars.

(b) Investments

All investments are classified as “available-for-sale investments” and are recognised at fair value.

Investments are valued continuously. Unrealised gains are taken directly to equity, net of any deferred tax liability. When realized, gains are transferred through to the statement of comprehensive income.

Dividends and distributions are brought to account on the date that the shares or units are traded “ex-dividend”. Interest income is brought to account on an accruals basis.

2. REVENUE

Dividends received	170,184
Interest – other person/corporations	<u>25,819</u>
	<u>196,003</u>

3. OTHER EXPENSES

ASX and share registry costs	10,080
Loss on sale of available – for – sale assets	63,659
Administration costs	<u>144,139</u>
	<u>217,878</u>

4. CASH

Cash at bank	2,174
Cash Management Account	115,187
	<u>117,361</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

5. TRADE AND OTHER PAYABLES

Dividend payable	80,143
Accruals	3,300
	<hr/>
	<u>83,443</u>

6. ISSUED CAPITAL

Issued share capital	16,028,500
Less: Capital raising costs	<u>(544,503)</u>
Issued share capital	<u>15,483,997</u>

7. ASSET REVALUATION RESERVE

Increase in value of investments	199,724
Deferred tax	<u>(53,355)</u>
Increase in value after tax	<hr/>
	146,369

8. SEGMENT INFORMATION

The Company is domiciled and incorporated in Australia.

The Company's principle activity is investment in quoted equities

The Company operates in only one business.

9. SUBSEQUENT EVENTS

No events have arisen, in the interval between 31 December 2014 and the date of this report, which in the opinion of the directors of the company would significantly affect the operations of the company or the financial position.

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF BARRACK ST INVESTMENTS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been:

- A no contravention of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- B no contraventions of any applicable code of professional conduct in relation to the review.



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Leslie Pines - Chartered Accountant
Auditor

Suite 1
102 Spofforth Street
Cremorne NSW 2090

Dated this 26 February 2015

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BARRACK ST INVESTMENTS LIMITED

Report on the Half-year Financial Report

I have reviewed the accompanying half-year financial report of Barrack St Investments Limited, which comprises the condensed statement of financial position as at 31 December 2014, condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes to the financial statements, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report which 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 a half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express a conclusion on the half-year financial report based on my review. I conducted my review in accordance with Australian 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, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's year ended 31 December 2014 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Barrack St Investments Limited, ASRE 2410 requires that I 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 me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Independence

In conducting our review, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company on 26th February, 2015, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the half-year financial report of Barrack Street Investments Limited is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Dated at Sydney this 26th day of February 2015



Leslie Pines
Chartered Accountant