

**BARRACK ST INVESTMENTS LIMITED**

ACN 167 689 821

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED**

**31 December 2015**

## 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 2015 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:

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. The portfolio of the Company in the six months to 31 December 2015 has outperformed the market and the Net Asset Value of the Company at 31 December 2015 reflects this. The NAV of the Company at 31 December 2015 was \$ 18,272,549 as compared to \$ 15,545,858 at 30 June 2015 an increase of 17.5 %.

Since the Company listed in August 2014 it has paid two fully franked dividends to shareholders (some of whom opted to take advantage of the Dividend Reinvestment Plan on each occasion) and the directors intend paying an interim dividend again in March 2016.

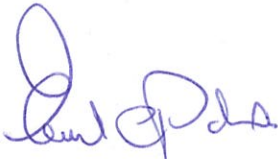
### Dividend

The Directors have resolved to pay an interim dividend for the six month period to the end of December 2015, of 1.0 cent per ordinary share fully franked representing an increase of 100% on the 0.5 cents declared in the previous financial year.

### 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.



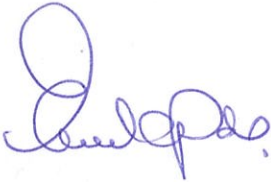
Emmanuel C Pohl  
Director

**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 2015 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.



**Emmanuel C Pohl**

*Director*

Sydney

11 February 2016

**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 2015 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 18 February 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the half-year ended 31 December 2015

	Note	December 2015 \$	December 2014 \$
<b>Revenue</b>	2	501,553	196,003
Other expenses	3	<u>(555,083)</u>	<u>(217,878)</u>
Profit (loss) before income tax		(53,530)	(21,875)
Income tax expense		-	-
<b>Net profit (loss) attributable to members of the Company</b>		<u>(53,530)</u>	<u>(21,875)</u>
<b>Other Comprehensive Income</b>			
Changes in fair value of available-for-sale financial assets		2,849,999	146,369
<b>Total Comprehensive Income for the half-year</b>		<u><u>2,796,469</u></u>	<u><u>124,191</u></u>
Basic and diluted (loss) per share (cents)		(0.33)	(0.14)
Comprehensive income per share (cents) before dividend		17.42	0.78

**CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2015

	Note	31 December 2015 \$	30 June 2015 \$
<b>Current assets</b>			
Cash	4	1,837,557	1,870,652
Trade and Receivables		198,594	131,323
<b>Total current assets</b>		<u>2,023,615</u>	<u>2,001,975</u>
<b>Non-current assets</b>			
Available-for-sale financial assets		17,829,480	13,548,767
Formation expenses		5,115	5,115
<b>Total non-current assets</b>		<u>17,834,595</u>	<u>13,553,882</u>
<b>Total assets</b>		<u>19,870,746</u>	<u>15,555,857</u>
<b>Current liabilities</b>			
Trade and other payables	5	328,241	10,000
Deferred tax liability		1,269,955	-
<b>Total current liabilities</b>		<u>1,598,196</u>	<u>10,000</u>
<b>Non-current liabilities</b>			
Total non-current liabilities		-	-
<b>Total assets</b>		<u>1,598,196</u>	<u>10,000</u>
<b>Net assets</b>		<u>18,272,550</u>	<u>15,545,857</u>
<b>Equity</b>			
Issued Share Capital	6	15,517,191	15,506,779
Asset revaluation reserve		2,768,928	(883)
Retained profits/ (losses)		(13,569)	39,961
<b>Total equity</b>		<u>18,272,550</u>	<u>15,545,857</u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

For the half-year ended 31 December 2015

	Issued Share Capital	Retained Profits/ (Accumulated losses)	Reserves	Total Equity
	\$	\$	\$	\$
<b>Balance at 30 June 2014</b>	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 paid		(80,143)		(80,143)
Total recognised income and Expense for the half-year				(102,018)
<b>Balance at 31 December 2014</b>	<b>15,483,997</b>	<b>(102,018)</b>	<b>146,369</b>	<b>15,528,350</b>
<b>Balance at 30 June 2015</b>	15,506,779	39,961	(883)	15,545,857
Issue of shares – DRP	10,412			10,412
Increase in market value of Investments			2849999	2849999
Net income recognised				
Directly in equity				
Net loss attributable to members		(53,530)		(53,530)
Dividend paid			(80,188)	(80,188)
Total recognised income and Expense for the half-year				
<b>Balance at 31 December 2015</b>	<b>15,517,191</b>	<b>(13,569)</b>	<b>2768928</b>	<b>18,272,550</b>

**CONDENSED STATEMENT OF CASH FLOWS**

	Half-year Ended December 2015 Inflows/(Outflows) \$	Half-year Ended December 2014 Inflows/(Outflows) \$
<b>Cash flows from operating activities</b>		
Interest received	2,731	25,819
Dividends Received	279,361	170,184
Payments to suppliers	(304,038)	(222,873)
Net Cash outflows used in operating activities	<u>(21,946)</u>	<u>(36,870)</u>
<b>Cash flows from investing activities</b>		
Acquisition of Available for sale assets	(7,591,006)	(16,146,150)
Proceeds from sale of Available for sale assets	7,649,633	822,009
Net Cash flows (used in) from investing activities	<u>58,627</u>	<u>(15,324,141)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	16,022,500
Less: Capital raising costs paid	-	(544,503)
Dividend paid	(69,776)	
Net Cash flow from financing activities	<u>(69,776)</u>	<u>15,477,997</u>
	<u>-</u>	<u>-</u>
Net (decrease) increase in cash held	(33,095)	116,986
Add opening cash brought forward	1,870,652	375
Closing cash carried forward	<u>1,837,557</u>	<u>117,361</u>



**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2015

**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 2015 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 2015 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.

	<b>Half-Year Ended</b>	
	<b>December 2015</b>	<b>December 2014</b>
	\$	\$
<b>2. REVENUE</b>		
Dividends received	279,361	170,184
Interest – other person/corporations	2,807	25,819
Realised gains on sale of investments	219,385	-
	<u>501,553</u>	<u>196,003</u>
<b>3. OTHER EXPENSES</b>		
ASX and share registry costs	39,751	10,080
Loss on sale of Available for sale assets	-	63,659
Administration costs	200,511	144,139
Provision for Performance Fees	314,821	-
	<u>555,083</u>	<u>217,878</u>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

For the half-year ended 31 December 2015

	Half-Year Ended	
	December 2015	June 2015
	\$	\$
<b>4. CASH</b>		
Cash at bank	9,674	1,233
Cash Management Account	1,827,882	1,869,419
	1,837,557	1,870,652
 <b>TRADE AND OTHER PAYABLES</b>		
Accruals	3,420	-
Audit Fee	10,000	10,000
Provision – Performance Fee	314,821	-
	328,241	10,000
 <b>5. ISSUED CAPITAL</b>		
Issued share capital	16,046,694	16,036,282
Less: Capital Raising costs	(529,503)	(529,503)
	15,517,191	15,506,779

**6. 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.

**7. SUBSEQUENT EVENTS**

No events have arisen, in the interval between 31 December 2015 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.

## INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members

Barrack St Investments Limited

### **Report on the Barrack St Investments Limited Financial Report**

I have reviewed the accompanying financial report of Barrack St Investments Limited, which comprises the balance sheet as at 31<sup>st</sup> December 2015 and the income statement, statement of changes in equity and cash flow statement for the six months ended on that date, a statement or description of accounting policies other selected explanatory notes, and the declaration of those charged with governance

### **The Directors Responsibility for the six months ended 31 December 2015 Financial Report**

The Directors of the Company are responsible for the preparation and fair presentation of the six months to 31 December 2015 financial report in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB134: Interim Financial Reporting and other applicable Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the six months to 31 December 2015 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 six months to December 2015 financial report based on my review. I conducted my 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, anything has come to my attention that causes me to believe that the financial report is not presented fairly, in all material respects, in accordance with the Corporations Act 2001, Accounting Standard AASB134: Interim Financial Reporting and other applicable Accounting Standards. 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 my review, I have complied with the independence requirements of the Australian professional accounting bodies

## **Conclusion**

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the six months to 31 December 2015 financial report of Barrack St Investments Limited does not present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the six months ended on that date, in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB134: Interim Financial Reporting and other applicable Accounting Standards.

A handwritten signature in blue ink, appearing to read 'Leslie Pines', is positioned above the printed name.

Leslie Pines  
Chartered Accountant

Dated 11<sup>th</sup> February 2016

Suite 1  
102 Spofforth Street  
Cremorne NSW 2090