



Barrack St Investments Limited

ABN 30 167 689 821

**INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 December 2017**

## Directors' Report

Your Directors submit the Interim Financial Report of the Company for the half-year ended 31 December 2017.

### DIRECTORS

The following persons were Directors of Barrack St Investments Limited since 30 June 2017 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Mr David Crombie AM
- Mr Jared Pohl
- Dr Emmanuel C Pohl (Resigned 30 June 2017)

### PRINCIPAL ACTIVITY

The principal activity of the Company is investing in a diversified portfolio of small to mid-cap companies listed on the Australian Securities Exchange. There have been no significant changes in the nature of this activity during the period.

### REVIEW OF OPERATIONS

During the last six months, dividends in the amount of \$248,282 and interest in the amount of \$12 was received. Realised gains on the sale of investments amounted to \$536,398 and after accounting for expenses, the Net Profit after Tax amounted to \$313,923.

The portfolio increased by 1.3% during the first quarter (July – September 2017) against the ASX All Ordinaries which declined slightly during the period, while the second quarter (October to December 2017) produced much better results. In the second quarter the All Ordinaries posted its best quarter for 2017 with gains of 7.4% and the Company's investments outperformed this by 5.7 percentage points.

The Company's distribution to Shareholders by way of dividend paid in September 2017 amounted to \$274,843. The dividend paid to Shareholders exceeded the amount of dividends received from investments in the six months to 30 June 2017. The amount reinvested through the DRP was \$28,792 and in terms of the rules of the DRP, the shares were purchased on market for those participants.

Total Assets of the Company at 31 December 2017 compared to 30 June 2017 have increased off the back of the portfolio performance from \$19,480,932 to \$21,598,559 and the NTA per share (before tax on unrealised gains) grew to 115.4 cents from 105.1 cents.

### PROSPECTS

The US share market has continued the record-breaking run in 2017 on the back of a strong economy and despite tension around international relations. While the Australian market does not directly mirror the US, the positive outlook is contagious and business sentiment indexes have shown encouraging signs.

Technology trends continue to stand-out in media commentary, but it is important to sift through hype versus underlying quality. Furthermore, recent market volatility may be cause for concern for some investors, however our thesis around focused investing in quality growth companies enables us to use the opportunity to acquire additional shares in our selected companies at favourable prices. As always, the task remains to focus on our due diligence and honour the investment philosophy that since inception, has provided an annual portfolio return of 13.0%.

Since the Company listed in August 2014, it has paid five fully franked dividends to Shareholders (some of whom opted to take advantage of the Dividend Reinvestment Plan (DRP) on each occasion) and the Directors intend paying an interim dividend again on 23 March 2018.

### NET TANGIBLE ASSET BACKING

The net tangible asset backing (NTA) per share (tax on realised gains only) at 31 December 2017 was 115.4 cents per share compared with 105.1 at 30 June 2017. The net tangible asset backing per share (tax on realised and unrealised gains) at 31 December 2017 was 113.00 cents per share compared with 105.1 cents per share at 30 June 2017.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes to the operations of the Company during the last six months.

### DIVIDEND DECLARED

A fully franked interim dividend of 1.25 cents per share in respect to the half-year ended 31 December 2017 is to be paid on Friday 23 March 2018.

A final dividend of 1.5 cents per share was paid on 22 September 2017 in respect to the year ended 30 June 2017.

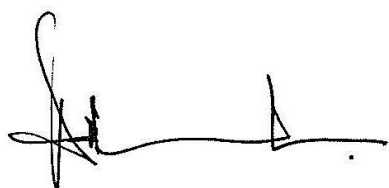
### CAPITAL GAINS COMPONENT OF DIVIDEND

As previously advised, the capacity of the Company to continue to facilitate access to the capital gain benefit of the dividend, will depend on the Company's capacity to generate capital profits.

### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2017.

This report is made in accordance with a Resolution of the Directors and is signed on behalf of the Board of Directors by Murray d'Almeida.



**Murray d'Almeida**  
Chairman

**SYDNEY**

23 February 2018

**BARRACK ST INVESTMENTS LIMITED**  
**ABN 30 167 689 821**

**AUDITOR'S 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 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

**WPIAS Pty Ltd**  
Authorised Audit Company No. 440306



**LEE-ANN DIPPENAAR** BCom CPA RCA  
**DIRECTOR**

**Dated this 23<sup>th</sup> day of February 2018**

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**WPIAS Pty Ltd** ABN 99 163 915 482  
WPIAS is an Authorised Audit Company and a Limited Partnership  
Liability limited by a scheme approved under Professional Standards Legislation

## Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Revenue	2	784,692	1,144,185
Performance Fee Accrued		(31,014)	(81,487)
Other expenses		(256,335)	(278,972)
Profit/(Loss) before income tax		497,343	783,726
Income tax (expense)/benefit		(183,420)	(199,557)
<b>Net Profit/(Loss) after income tax for the half-year</b>		<b>313,923</b>	<b>584,169</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Changes in fair value of Financial Assets at fair value through Other Comprehensive Income		1,775,739	(1,124,304)
Income tax (expense) / benefit relating to items that will not be reclassified to profit or loss		(532,722)	-
Other Comprehensive Income for the half-year net of tax		1,243,017	(1,124,304)
<b>Total Comprehensive Income/(Loss) for the half-year<sup>1</sup></b>		<b>1,556,940</b>	<b>(540,135)</b>

<sup>1</sup>This is the Company's Net Return for the half-year, which includes the Net Operating Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio.

<b>Earnings per share:</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings per share based on net profit/(loss)	1.71	3.19
Diluted earnings per share based on net profit/(loss)	1.71	3.19
Comprehensive earnings (Loss) per share	8.50	(2.95)

*The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Financial Statements.*

## Condensed Statement of Financial Position

As at 31 December 2017

	Note	31 Dec 2017 \$	30 June 2017 \$
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents		1,457,684	940,361
Trade and Other Receivables		31,860	674,652
<b>Total Current Assets</b>		<b>1,489,544</b>	<b>1,615,013</b>
Non Current Assets			
Available -for-sale Financial Assets at fair value	4	20,059,110	17,745,194
Deferred tax assets		49,905	120,725
<b>Total Non Current Assets</b>		<b>20,109,015</b>	<b>17,865,919</b>
<b>TOTAL ASSETS</b>		<b>21,598,559</b>	<b>19,480,932</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade & Other Payables		208,314	18,126
Current Tax Liabilities		207,471	134,463
<b>Total Current Liabilities</b>		<b>415,785</b>	<b>152,589</b>
Non Current Liabilities			
Deferred Tax Liability		572,334	-
<b>Total Non Current Liabilities</b>		<b>572,334</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>988,119</b>	<b>152,589</b>
<b>NET ASSETS</b>		<b>20,610,440</b>	<b>19,328,343</b>
<b>EQUITY</b>			
Contributed Equity	5	17,952,246	17,952,246
Other Reserves		1,335,447	92,430
Retained Earnings		1,322,747	1,283,667
<b>TOTAL EQUITY</b>		<b>20,610,440</b>	<b>19,328,343</b>

*The above Condensed Statement of Financial Position should be read in conjunction with the Notes to the Condensed Financial Statements.*

## Condensed Statement of Changes in Equity

For the half-year ended 31 December 2017

<b>2016</b>	Note	Contributed Equity	Retained Earnings	Asset Revaluation Reserve	TOTAL
		\$	\$	\$	\$
<b>Balance at 1 July 2016</b>		<b>15,699,716</b>	<b>1,046,336</b>	<b>852,185</b>	<b>17,598,237</b>
Profit/(Loss) for the half-year			584,169		584,569
Other Comprehensive Income				(1,124,304)	(1,124,304)
<b>Transactions with Owners in their capacity as owners</b>					
Dividends paid	3		(274,342)		(274,342)
Shares issued during period	5	2,252,530			2,252,530
<b>Balance at 31 December 2016</b>		<b>17,952,246</b>	<b>1,356,163</b>	<b>(272,119)</b>	<b>19,036,290</b>

<b>2017</b>	Note	Contributed Equity	Retained Earnings	Asset Revaluation Reserve	TOTAL
		\$	\$	\$	\$
<b>Balance at 1 July 2017</b>		<b>17,952,246</b>	<b>1,283,667</b>	<b>92,430</b>	<b>19,328,343</b>
Profit/(Loss) for the half-year			313,923		313,923
Other Comprehensive Income				1,243,017	1,243,017
<b>Transactions with Owners in their capacity as owners</b>					
Dividends paid	3		(274,843)		(274,843)
<b>Balance at 31 December 2017</b>		<b>17,952,246</b>	<b>1,322,747</b>	<b>1,335,447</b>	<b>20,610,440</b>

*The above Condensed Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Financial Statements.*

## Condensed Statement of Cash Flows

For the half-year ended 31 December 2017

	31 Dec 2017 \$	31 Dec 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received	262,950	246,048
Interest received	12	1,343
Other payments to suppliers	<u>(267,091)</u>	<u>(737,172)</u>
Net cash used in operating activities	<u>(4,129)</u>	<u>(489,781)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	7,105,333	6,775,731
Payment for investments	<u>(6,309,038)</u>	<u>(7,974,818)</u>
Net cash provided by / (used in) investing activities	<u>796,295</u>	<u>(1,199,087)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares (Options exercised)	-	2,220,000
Dividend paid	<u>(274,843)</u>	<u>(241,812)</u>
Net cash (used in) / provided by financing activities	<u>(274,843)</u>	<u>1,978,188</u>
Net (decrease)/increase in cash and cash equivalents	517,323	289,320
Cash and Cash Equivalents at beginning of the financial period	<u>940,361</u>	<u>1,598,940</u>
Cash and Cash Equivalents at the end of the financial period	<u>1,457,684</u>	<u>1,888,260</u>

*The above Condensed Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Financial Statements*



## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2017

### NOTE 1 BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Barrack St Investments Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Barrack St Investments Limited. As such it does not include all the notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2017, together with any public announcements made by Barrack St Investments Limited during the half-year ended 31 December 2017 in accordance with the continuous disclosure requirements of the ASX listing rules.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

These interim financial statements were authorised for issue on 23 February 2018.

#### Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

#### Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2017.

#### New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

	31 Dec 2017	31 Dec 2016
	\$	\$

### NOTE 2 REVENUE

Dividends	248,282	214,261
Interest	12	1,342
Realised gains on investments	536,398	928,582
	<u>784,692</u>	<u>1,144,185</u>

## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2017

	31 Dec 2017	31 Dec 2016
	\$	\$

### NOTE 3 DIVIDENDS

Dividends paid during the half-year

- final dividend of 1.5 cents per share paid 23 September 2016 – fully franked		274,342
- final dividend of 1.5 cents per share paid 22 September 2017 – fully franked	<b>274,843</b>	
	<b>274,843</b>	274,342

Since the end of the half-year, the Directors have declared an interim dividend of 1.25 cents per share 100% franked and payable on 23 March 2018.

### NOTE 4 FAIR VALUE MEASUREMENTS

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial Assets at fair value through Other Comprehensive Income.
- Financial Assets at fair value through Profit or Loss.
- Available-for-sale Financial Assets.

Assets classified as held for sale are measured at fair value on a non-recurring basis. Assets and liabilities are measured and disclosed using the three-level hierarchy:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets out the Company's assets and liabilities that are measured and recognised at fair value in the financial statements.

Company – at 30 June 2017	Level 1	Level 2	Level 3	TOTAL
Assets	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements.</b>				
<i>Financial Assets</i>				
Financial Assets at fair value through Other Comprehensive Income – Listed Equity Securities	17,745,194	-	-	17,745,194
<b>Total Financial Assets</b>	<b>17,745,194</b>	<b>-</b>	<b>-</b>	<b>17,745,194</b>

Company – at 31 December 2017	Level 1	Level 2	Level 3	TOTAL
Assets	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements.</b>				
<i>Financial Assets</i>				
Financial Assets at fair value through Other Comprehensive Income – Listed Equity Securities	20,059,110	-	-	20,059,110
<b>Total Financial Assets</b>	<b>20,059,110</b>	<b>-</b>	<b>-</b>	<b>20,059,110</b>

## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2017

### NOTE 4 FAIR VALUE MEASUREMENTS *(continued)*

There were no transfers during the year between Level 1 and Level 2 for recurring fair value measurements.

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

### NOTE 5 MOVEMENTS IN CONTRIBUTED EQUITY

Date	Details	Number of shares	Price	\$
<b>30 June 2016</b>	<b>Balance</b>	<b>16,069,468</b>		<b>16,070,368</b>
30 September 2016	Options Exercised	2,220,000	1.00	2,220,000
16 September 2016	Dividend Reinvestment Plan issue	28,575	1.14	32,530
<b>30 June 2017</b>	<b>Balance</b>	<b>18,318,043</b>		<b>18,322,898</b>
No shares issued during period		-		-
<b>31 December 2017</b>	<b>Balance</b>	<b>18,318,043</b>		<b>18,322,898</b>
<b>Adjust for</b>				
Capital Raising Costs				<b>529,503</b>
Capital Raising Costs – Tax Effect				<b>(158,851)</b>
Net Capital Raising Costs (After Tax)				<b>370,652</b>
<b>Balance of Contributed Equity Per Balance Sheet</b>				<b>17,952,246</b>

#### (a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### NOTE 6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

## Notes to the Condensed Financial Statements

For the half-year ended 31 December 2017

### NOTE 7 EVENTS OCCURRING AFTER REPORTING DATE

The Directors are not aware of any matter or circumstance which has arisen since balance date that has significantly affected or may significantly affect the operations of the Company other than the volatility in the Australian stock market.

### NOTE 8 SEGMENT INFORMATION

#### Operating Segment

The entity operates solely in the investment industry. Its core business focuses on investing in Australian equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Board. The Board considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Board considers the business to consist of just one reportable segment.

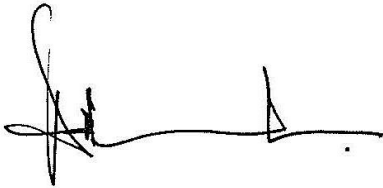
## Directors' Declaration

The Directors declare that the Financial Statements and Notes as set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Barrack St Investments Limited 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 Directors.

A handwritten signature in black ink, appearing to read 'Murray d'Almeida', with a horizontal line extending to the right.

**Murray d'Almeida**  
*Director*

SYDNEY  
23 February 2018

**BARRACK ST INVESTMENTS LIMITED  
ABN 30 167 689 821**

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

**Report on the Half-Year Financial Report**

We 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 2017, 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.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of Barrack St Investments Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.

**Auditors' 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 entity's financial position as at 31 December 2017 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 Barrack St Investments 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 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.

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**BARRACK ST INVESTMENTS LIMITED**  
**ABN 30 167 689 821**

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

**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 Barrack St Investments Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of Barrack St Investments Limited's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**Other Matter**

The financial report of Barrack St Investments Limited for the half-year ended 31 December 2016 was reviewed by another auditor who expressed an unmodified opinion on that financial report on 24 February 2017. The financial report of Barrack St Limited for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on that financial report on 24 August 2017.

**WPIAS Pty Ltd**  
Authorised Audit Company No. 440306



**LEE-ANN DIPPENAAR BCom CA RCA**  
**DIRECTOR**

**Dated this 23<sup>rd</sup> day of February 2018**

**4 Helensvale Road**  
**HELENSVALE QLD 4212**