

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018

Appendix 4E Preliminary Final Report

Details of Reporting Period

Current: Year ended 30 June 2018
 Previous corresponding: Year ended 30 June 2017

Results for announcement to the market			
	\$	Movement	% Movement
Revenue from ordinary activities	757,034	▲	3%
Loss from ordinary activities before tax attributable to members	(3,129,980)	▼	(170%)
Loss from ordinary activities after tax attributable to members	(2,063,631)	▼	(184%)
Total comprehensive income for the period attributable to members	10,801,804	▲	71%

Details of dividends			
	Cents per share	Franked amount per share	Tax rate for franking
2018 Interim dividend (cents per share)	1.0	1.0	27.5%
2018 Final dividend (cents per share)	2.0	2.0	27.5%

Final dividend dates

Declaration date 8 August 2018
 Ex-dividend date 4 October 2018
 Record date 5 October 2018
 Payment date 19 October 2018

No dividends were paid during the year ended 30 June 2017.

Dividend Reinvestment Plan (DRP)

N/A

Net Tangible Assets per share (cents)		
	30 June 2018	30 June 2017
Net Tangible Assets (per share) backing before tax	1.57	1.21
Net Tangible Assets (per share) backing after tax	1.43	1.15

Audit

This report is based on the financial report which has been audited. All the documents comprise the information required by Listing Rule 4.3A.

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Appendix 4E Preliminary Final Report

Annual General Meeting (AGM)

The AGM is to be held on 18 October 2018.

Signed on behalf of Ryder Capital Limited



Peter Constable

Chairman
Ryder Capital Limited Sydney,
8 August 2018

RYDER CAPITAL

ABN 74 606 695 854

Annual report

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Chairman's Letter to Shareholders

Dear fellow Shareholders,

In keeping with prior years, I would like to take this opportunity to remind shareholders what we are setting out to achieve. Our aim is to provide you with a concentrated and benchmark unaware portfolio of securities that are undervalued and under appreciated by the market. We have no interest in building portfolios to track commonly used benchmarks, but to instead, focus on investing in outstanding opportunities. We believe that our disciplined and patient approach will deliver shareholders strong absolute risk-adjusted returns over the long term, whilst preserving capital over the medium term.

Ryder Capital Limited (Ryder or Company) has had another successful year, its second full financial year since being established in September 2015. FY18 gross portfolio performance of 42.12% resulted in total comprehensive income after tax of \$10,801,804 for the period, an increase of 70.8% on the prior year (FY17 total comprehensive income after tax was \$6,325,642). Ryder's FY18 gross portfolio performance was materially ahead of the Company's performance benchmark and more broadly, ahead of all ASX equity market indices gross returns.

At 30 June 2018, approximately 82.4% of the Company's capital was deployed in equities and 17.6% held in cash, term deposits or other liquid investments.

In previous years, I have written that in addition to total comprehensive income, the Company's performance should also be measured by the movement in pre-tax Net Tangible Assets (NTA) per share. This remains the case in the long term, however in the short term and during this reporting period, this measure understates portfolio performance due to the exercise of 4.2m RYDO \$1.25 options below the Company's NTA which has had a dilutionary impact. For the year to 30 June 2018, the Company's reported NTA per share appreciated 29.8% from a pre-tax NTA of \$1.2136 to \$1.5653 inclusive of the 1 cent interim dividend paid in April 2018. Notional undiluted NTA increased to \$1.6202 inclusive of the 1 cent interim dividend, an appreciation of 32.7%. This result was achieved while the portfolio held an average cash weighting of 10.3% for the year.

A detailed portfolio disclosure and discussion is presented in the Investment Managers Report which I encourage you to read.

The Company's share price appreciated from \$1.07 to \$1.25 for the twelve months to 30 June 2018, which with the addition of the 1 cent interim dividend equated to a total gain of 17.8%, some 12.0% behind the appreciation in reported NTA. However, when measured against the appreciation in the fully diluted NTA (which assumes 100% exercising of all outstanding initial options) the diluted NTA rose from \$1.2136 to \$1.4241, equating to a gain of 17.3%, consistent with the share price appreciation and reflective of a stable discount to fully diluted NTA for the year.

I strongly believe that over time, the Company's discount to NTA will narrow based on consistent medium to longer term risk-adjusted out performance of not only the Company's benchmarks, but also that of competing Managers and a more stable, less dilutionary capital structure post the initial option expiry on 10 December 2018.

The Manager is aligned to perform in two ways. Firstly, through a performance incentive to increase the value of the Company's Portfolio above an absolute return benchmark of the RBA cash rate + 4.25%. For the year, the Company's portfolio appreciated by 42.12%, materially exceeding the performance benchmark, entitling the Manager to a performance fee which has been accrued monthly throughout the financial year, and reflected in the Company's monthly NTA, full year results and accounts. The second critical alignment measure is that both David and I are the largest shareholders in the Company. This level of alignment ensures a very high level of discipline in regard to the management of the portfolio and performance of the Company.

The Company enters FY2018 in a strong position with a portfolio of investments expected to perform well over the medium to longer term. Cash and equivalents are currently at the higher end of our targeted weighting at approximately 17.6%.

During the year 836,989 shares were bought back, for \$962,681 reflecting an average price paid of \$1.15 and representing 2.3% of the issued capital (based on the weighted average for FY2018). The Board supports the continued operation of the on-market share buyback of up to 10% of the issued capital in the Company where it is accretive.

Following the strong year of performance, the Board has today resolved to declare a final 2.0 cent fully franked final dividend, bringing the full year FY18 dividend to 3.0 cents per share fully franked. Optionholders should note the ex-date for the final dividend when considering exercising their RYDO options.

The Annual General Meeting will be held in Sydney on 18 October 2017 where the formal business of the Company will be conducted. There will be an opportunity for shareholders to ask questions regarding the investment portfolio, investment markets and the outlook for the Company at that time.

Finally, I would like to welcome new Shareholders who are investing with us for the first time, and to recognise the support and friendship of those Shareholders who have partnered with us since 2008.

Yours faithfully,

Peter Constable
Executive Chairman

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Investment Managers Report

For the year to 30 June 2018 gross portfolio performance was 42.12%. This return was achieved whilst holding an average cash balance of approximately 10.3%. It should be noted that these returns are gross of the various costs associated with the running and administering of the Company, such as management and performance fees, ASX listing fees and certain other third-party expenses as set out in the Annual Report.

Set out in the table below are the Company's Gross Portfolio Performance and pre-tax net tangible assets (NTA) performance ⁽¹⁾ to 30 June 2018.

	3 Months (%)	6 Months (%)	1 Year (%)	ITD (%)	Since Inception ⁽²⁾ (% per annum)
Gross Portfolio Performance	8.39	5.43	42.12	84.28	24.69
NTA Return (Pre-tax) - undiluted returns ⁽³⁾	6.40	3.98	32.68	62.53	19.16
NTA Return (Pre Tax)⁽¹⁾	4.24	1.69	29.83	58.98	18.21
Hurdle RBA Cash Rate + 4.25% Return	1.40	2.81	5.75	17.16	5.88
Excess Return NTA Return (Pre-tax) - RBA Cash Rate + 4.25%	2.84	-1.12	24.09	41.82	12.33

1. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees including the dilutionary impact of options exercised to date but ignoring the dilutionary impact of unexercised outstanding RYDO options.

2. Inception To Date (ITD). Inception Date is 22 September 2015.

3. Net Pre Tax returns adjusting for exercised \$1.25 RYDO options.

This report is focussed on portfolio performance; however it is important to reinforce that shareholders should review performance at both the portfolio (Gross Portfolio Performance) and Company (pre-tax NTA return) levels adjusted for any dividends or other distributions for the Company during the reporting period.

We note that some investment managers choose to only present gross portfolio returns (sometimes exaggerating these further by grossing up franked income received). We consider these practices are designed to artificially inflate returns and are misleading for the investor as they do not include all the fees and expenses incurred in achieving such returns and as such comparing them to our returns is not meaningful.

We encourage shareholders to assess the net movement in the Company's pre-tax NTA from period to period and compare that to returns from cash and other relevant equity market indices as per below.

Annual Returns to 30 June 2018	1 year
Ryder Capital - Portfolio Performance	42.12%
Ryder Capital (Pre-tax NTA)	29.83%
S&P / ASX All Ordinaries Accumulation	13.73%
S&P / ASX Small Ordinaries Accumulation	24.25%
RBA Cash Rate	1.50%
Ryder Capital Ltd Hurdle Rate	5.75%

Source: Bloomberg + Ryder

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Investment Managers Report

Portfolio

Name	Ticker	Total Value	%Total
Aurelia Metals Ltd	AMI	\$8,945,283	13.56
Updater Inc- CDI	UPD	\$7,980,000	12.10
NextDC Ltd	NXT	\$6,804,000	10.32
Codan Ltd	CDA	\$6,045,828	9.17
SRG Ltd	SRG	\$5,965,469	9.05
Flexigroup Ltd	FXL	\$3,774,000	5.72
Bigtincan Holdings Ltd	BTH	\$2,257,137	3.42
Jupiter Mines Ltd	JMS	\$2,117,500	3.21
Pacific Energy Ltd	PEA	\$2,102,591	3.19
Comet Ridge Ltd	COI	\$2,071,149	3.19
Matrix Composites & Eng Ltd	MCE	\$1,950,538	3.14
BC Iron Ltd	BCI	\$1,399,433	2.12
Topbeta Holdings Ltd	TBH	\$1,029,584	1.56
Veem Ltd	VEE	\$1,003,735	1.52
Urbanise.com Ltd	UBN	\$529,590	0.80
Universal Biosensors Inc	UBI	\$366,972	0.56
Total Equities		\$54,342,809	82.40
Cash, Near Cash and Term Deposits		\$11,608,984	17.60
Total Portfolio Pre Tax		\$65,951,793	100.00

During the period we added to our holdings in Aurelia Metals Ltd, Flexigroup Ltd and SRG Ltd.

Material portfolio liquidations during the period include Kogan Ltd. on valuation grounds and Billabong International Ltd by way of takeover.

Several smaller positions were actively managed during the period. Such lower exposures can reflect timing, liquidity constraints and/or lower levels of conviction.

Portfolio Performance

For the year to 30 June the portfolio made \$22,636,293 of capital gains (realised and un-realised) which were offset by capital losses (realised and un-realised) of \$4,031,383 resulting in a net capital gain before interest and dividend income of \$18,604,910 for the year.

Dividend income received for FY18 was \$623,525 fully franked while interest income received on term deposits and cash on deposit was \$75,896.

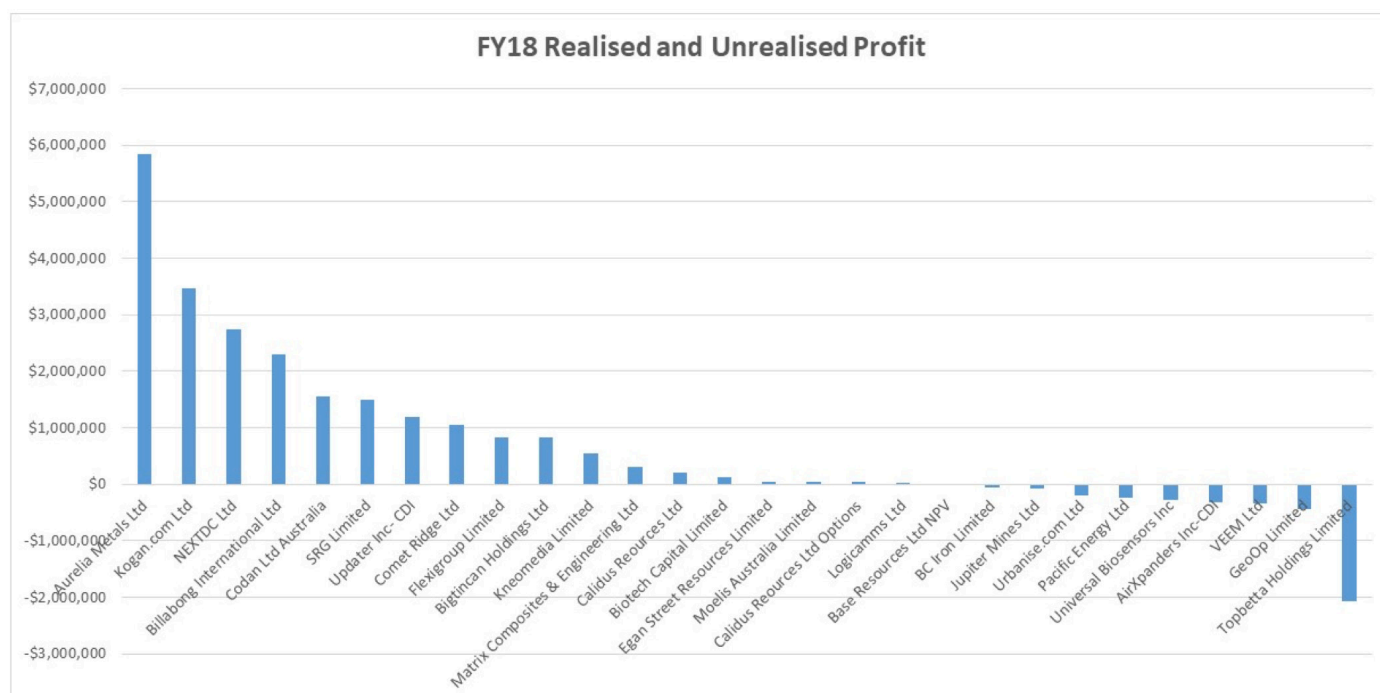
At 30 June 2018, approximately 82.4% of the Company's capital had been deployed in equities with approximately 17.6% held in cash, term deposits and net receivables.

It is important to remember that performance during relatively short periods of review such as this reporting period and performance since inception (< 3 years) are not overly instructive in assessing long term capability.

The following bar chart illustrates all realised and unrealised mark to market profit contributors for the year to 30 June 2018.

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Investment Managers Report



The portfolios top 5 contributors to performance during the period came from Aurelia Metals Ltd, Kogan.com Ltd (realised), NextDC Ltd, Billabong International Ltd (realised) and Codan Ltd. The 5 largest detractors for the period came from, Topbetta Holdings Ltd, GeoOp Ltd (realised), Veem Ltd, AirXpanders Ltd (realised) and Universal Biosensors Ltd.

Portfolio Activity

The sale of Kogan.com Ltd during the period was primarily a function of valuation. We achieved sale prices materially above what we anticipated at the time of making the investment. We were in good company as founders Ruslan Kogan and David Schaffer joined us in selling meaningful stakes in the company which bears their name. Most surprisingly and annoyingly the stock doubled in the following months despite increasingly aggressive founder selling. We were left scratching our heads and somewhat annoyed at ourselves. It's only been in recent weeks that that chicken may have found its way home to roost with the stock price now having halved from its high and back to levels where we sold.

Billabong International Ltd was compulsorily acquired from the portfolio through a scheme of arrangement takeover from Boardriders Inc. (read Oaktree). As many shareholders would know, we had genuine grievances with the behaviour of the Billabong Board, management's incompetence and the aggressive and divisive approach by the bidder, all resulting in an outcome where we were taken out well below fair value with the actions of the Chairman severely damaging our ability to fight the battle.

Our decision to more than double our holdings in Aurelia Metals Ltd via a placement of equity used to assist in the acquisition of the Peak gold mine from Canadian company New Gold Inc. added substantially to performance for the year with the stock price rising by 171% from the placement price of 21 cents and 216% from the 30 June 2017 closing price of 18 cents. Aurelia remains cheap, well run and likely to start paying substantial fully franked dividends which should see a continued re-rating in valuation and share price.

Shareholders will recall our interest in following what we call "strike rate" analysis. Ordinarily this analysis should be done on realised investments to reduce future revisions, which are inevitable due to in some part on relying on unrealised capital movements. However, since this portfolio has just completed its second full financial year of operations and given we are a long-term investor, and consequently have realised only a small percentage of our accumulated profits we are going to continue to use both realised and unrealised performance data to analyse our strike rate for the 12 months to 30 June 2018.

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Investment Managers Report

Strike Rate Analysis	Portfolio
Gross Profits	\$22,636,294
Gross Losses	-\$4,031,384
Net Portfolio Capital Profit	\$18,604,910
Win/Loss	82.19%
Strike Rate	5.62

Note: ignores interest, dividends and relies on unaudited management analysis

Referring to the table above, the portfolio segment identifies the securities generating a positive cumulative aggregated capital profit (realised and unrealised) of \$22,636,294 for the period compared to the group of securities that generated a cumulative aggregated capital loss (realised and unrealised) of (\$4,031,384) for the period. The net of these two gross capital movements results in a Net Portfolio Capital Profit for the period of \$18,604,910.

Two useful observations are:

1. The Net Portfolio Capital Profit of \$18,604,910 is 82.19% of the Gross Capital Portfolio Profit, meaning we retained ~ 82.19% of the gains, that is our poor decisions (defined as mark to market and realised losses) eroded our successful decisions by approximately 17.81%; and/or
2. Another way to think about it is as a strike rate which looks at total profits divided by total losses which for the period was 5.6x indicating for every \$5.62 made, \$1.00 was lost – so we hit a lot more good balls than bad ones!

We recognise this analysis in isolation, while interesting is more useful when comparing it to other managers or as an internal benchmark over time. It is our intention to continue to report this to you annually, and in time additional performance measures that we think are insightful.

Compared to FY17, all measures demonstrated improvements.

Outlook

Much continues to be written about impending asset market volatility, potential equity market collapses, geo political and trade turmoil, all of which we don't profess to have sufficient capability or foresight to add to by way of discussion here. We do however continue to anticipate higher interest rates globally which in time will drag Australia along, possibly sooner than forecast as economic growth and inflation continue to trend higher, which is fundamentally a good thing as it was not that long ago that deflation was the biggest risk facing earnings. Pleasingly, this pick up in global growth has to date not been accompanied by an equivalent pickup in wages and inflation generally, leading to improved corporate earnings both offshore and domestically, helping to support equity market valuations. This cannot last forever, and the one constant of change will in time resurface. Together with the current state of cyclically heightened asset prices, including equities, finding attractive investment opportunities has become more difficult.

Tactically, we are mindful of the current goldilocks environment and accordingly we are targeting higher cash weightings towards 20%+ to ensure we can capitalise on market volatility driven value opportunities. Cash holdings may further increase as option capital comes in from the exercising of the RYDO series, which will add to the portfolios defensive positioning. To be clear we are not forecasting any downturn, just that the risks have increased, and we should be more than less prepared.

We continue to invest time in advancing our understanding and implications for the use of technology in business, its ability to enhance and disrupt existing business models while allowing new business to flourish in ever shortening time frames. We recognise our investment models and tools need to remain flexible to mitigate portfolio isolation from technology and associated disruptors. The portfolio has benefitted materially in the past and is likely to continue to benefit from this approach.

The portfolio is in overall good health with several high conviction investments likely to underpin another solid year of returns absent any macro environment shocks to asset prices.

We have chosen to avoid articulating in this report the various investment thesis that underpin the portfolio. However, we recognise shareholders desire to understand more and so we intend to provide the opportunity for current registered shareholders to discuss the portfolio's holdings at the AGM in October this year.

Peter Constable
Chief Investment Officer / Portfolio Manager

David Bottomley
Portfolio Manager

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Director's Report

Your directors present their report on Ryder Capital Limited ("Company") for the year ended 30 June 2018.

Information on directors

The following persons were directors of the Company from registration date and up to the date of this report (unless otherwise indicated):

Peter Constable - BEc

Chairman

Experience and Expertise

Peter has over 20 years' experience in both Australian and international equity capital markets. He holds a Bachelor of Economics from Macquarie University and has broad investment experience covering identification, evaluation, strategic analysis and management of capital.

Peter began his career in 1993 as a graduate funds manager with the United Bank of Kuwait, London. Peter established AM Constable Limited in 1999 which merged with MMC Asset Management Ltd in 2003 (MMC). In his capacity as Chief Investment Officer and Executive Director Peter was responsible for over \$500m of shareholder and third party capital invested in the Australian markets. Peter resigned in June 2008 as an Executive and as a Non-Executive Director of MMC Contrarian Ltd in August 2009.

Peter co-founded Ryder Investment Management in July 2008 where he is Executive Chairman and Chief Investment Officer.

Other Current Directorships

Peter is not currently serving a directorship for any other listed companies.

Former directorships in the last 3 years

Peter has previously served on the Boards of Onterran Limited.

Special responsibilities

Chairman of the Board, member of the Nomination and Corporate Governance Committee, member of the Audit and Risk Committee.

Interests in shares and options

Details of Peter's interests in shares of the Company are included later in this report.

Interest in contracts

Peter has no interests in contracts of the Company.

David Bottomley - BA LLB (Hons) F Fin

Director and Company Secretary

Experience and Expertise

David has over 20 years' experience in company valuation and M&A and equity capital markets advisory. He holds a BA (Economic History) from Sydney University, LLB from Bond University and is a Fellow of the Financial Services Institute of Australasia.

David previously held executive positions at Kleinwort Benson (UK Corporate Finance division), Merrill Lynch & Co (London) investment banking division and was managing director, Australia of US investment bank GMCG, LLC from 2004 until June 2008.

David co-founded Ryder Investment Management in July 2008.

Other Current Directorships

David is not currently serving a directorship for any other listed companies.

Former directorships in the last 3 years

David has previously served on the Board of Onterran Limited.

Special responsibilities

Member of the Nomination and Corporate Governance Committee.

Interests in shares and options

Details of David's interests in shares of the Company are included later in this report.

Interest in contracts

David has no interests in contracts of the Company.

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Director's Report

Ray Kellerman - BEc , LLB, MBA, F Fin

Non-Executive Director

Experience and Expertise

Ray has over 29 years of experience in the funds management and corporate and structured finance industries. Ray was with Perpetual Trustees Australia for 10 years before establishing his own compliance consulting and advisory business in 2001.

He currently acts as a director and audit, risk and compliance committee member for a number of major unlisted fund managers and financial institutions.

Ray is an owner and Executive Director of Quentin Ayers, an implemented asset consultant specialising in alternative private market investments.

Other Current Directorships

Other than acting as Chairman of Countplus Limited, Ray does not act as a director for any other listed companies.

Former directorships in the last 3 years

Nil.

Special responsibilities

Chair of the Nomination and Corporate Governance Committee, Chair of the Audit and Risk Committee.

Interests in shares and options

Details of Ray's interests in shares of the Company are included later in this report.

Interest in contracts

Ray has no interests in contracts of the Company.

Attendance at Meetings

Board of Directors Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Peter Constable	3	3
David Bottomley	3	3
Ray Kellerman	3	3

Nomination and Corporate Governance Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Peter Constable	1	1
David Bottomley	1	1
Ray Kellerman	1	1

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Peter Constable	2	2
David Bottomley	2	2
Ray Kellerman	2	2

Principal Activity

The principal activity of the Company during the year was investing in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term growth in capital and income.

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Director's Report

Review of Operations

The Company's opening pre-tax Net Asset Value (NAV) on 30 June 2017 was \$44,670,578 and the closing NAV on 30 June 2018 was \$62,914,399 resulting in lift in gross assets of \$18,243,821 pre-tax but after performance fees and all other expenses.

Net Tangible Assets (NTA) per share before tax rose from 121.36 cents per share to 156.53 cents per share during the reporting period.

At 30 June 2018, approximately 82% of the Company's capital had been deployed in equities with approximately 18% held in cash, term deposits and net receivables.

The Directors are conscious of shareholders interest in not only the performance of the portfolio but also its ongoing construction. The Company releases its Net Tangible Asset position (NTA Statement) within fourteen days of the conclusion of each calendar month. In addition to value changes per share, it also outlines the portfolio weightings split between equities, bonds and cash. The Directors consider the month to month performance assessment as inconsequential when compared with measuring long term investment performance which the Portfolio Manager is focussed on.

In addition to the Monthly NTA Statements the Directors have determined that the Company will provide a report from the Portfolio Manager including the investment holdings and associated commentary in this annual report.

The directors are mindful of any investment activity disclosure that may disadvantage the Company and as such there is no commitment to the extent of such disclosure, its completeness or continuance except as required by the ASX or the Corporations Law.

Dividends

On 22 February 2018, the Directors declared a fully franked dividend of 1.00 cent per share paid on 9 April 2018 on ordinary shares as at record date 23 March 2018.

On 7 August 2018, the Directors declared a fully franked dividend of 2.00 cent per share which will be paid on 19 October 2018 on ordinary shares as at record date 5 October 2018 (ex-dividend date of 4 October 2018).

Net Assets

As at 30 June 2018 the net assets of the Company were \$57,406,933 (30 June 2017: \$42,661,318). Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial year there was no significant change in the state of affairs of the Company.

Events Subsequent to Balance Date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments

The Company will be managed in accordance with the Constitution and investment objectives as detailed in the Prospectus dated 12 August 2015. Please refer to the Chairman's and Investment Manager's reports for further guidance.

Insurance of officers

During the financial year, the Company paid a premium for an insurance policy insuring all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

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Director's Report

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2018, under the requirements of Section 300A(1) of the Corporations Act.

Key management personnel

The directors and other key management personnel of the Company during the whole of the financial year, and up to the date of this report are (unless otherwise indicated):

Peter Constable - Chairman
 David Bottomley - Director and Company Secretary
 Ray Kellerman - Non-executive Director

Directors' Remuneration

The Company has a Nomination and Corporate Governance Committee which reviews and advises the Board on the composition of the Board and its committees.

Directors' base fees are set out in the Constitution at an amount that must not be more in aggregate than the maximum amount approved by the Company in a general meeting.

Directors' remuneration received or receivable was as follows:

Year ended 30 June 2018

Director	Position	Short-term employee benefits Cash salary \$	Post-employment benefits Superannuation \$	Total \$
Peter Constable	Chairman	-	-	-
David Bottomley	Director	-	-	-
Ray Kellerman¹	Non-executive Director	27,397	2,603	30,000
		27,397	2,603	30,000

Year ended 30 June 2017

Director	Position	Short-term employee benefits Cash salary \$	Post-employment benefits Superannuation \$	Total \$
Peter Constable	Chairman	-	-	-
David Bottomley	Director	-	-	-
Ray Kellerman¹	Non-executive Director	27,397	2,603	30,000
		27,397	2,603	30,000

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Director Related Entity Remuneration

The Company has outsourced its investment management function to Ryder Investment Management Pty Limited (the "Manager") a company controlled by Peter Constable and David Bottomley. The Manager is privately owned and was incorporated in November 2008.

(a) Management fee

The Manager is entitled to be paid a management fee equal to 1.25% p.a. (plus GST) of the Portfolio Net Asset Value. The management fee is paid monthly in arrears.

(b) Performance fee

The Manager is entitled to receive a performance fee of 20% (plus GST) of the outperformance of the Portfolio above the Benchmark. The Benchmark is the RBA Cash Rate plus 4.25%. The performance fee is accrued monthly but is not paid until the end of each 12 month period ending on 30 June (Performance Calculation Period).

Management and performance fees paid to the Manager during the year were as follows:

	Year ended 30 June 2018 \$	Year ended 30 June 2017 \$
Management fees paid and payable during the year	773,639	585,551
Performance fees paid and payable during the year	2,953,362	1,035,193
Management fees payable at year end	69,445	48,203

¹ Director fees (for the sole non-executive Director) total \$30,000 per annum including superannuation in accordance with the Prospectus dated 12 August 2015.

Equity Instrument Disclosures Relating to Directors

The relevant interests of the Directors and their related entities in the Securities of the Company were:

Shares as at 30 June 2018

Director	Balance at 30 June 2017	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Number of shares
Peter Constable ¹	4,978,500	400,000	-	5,378,500
David Bottomley ¹	1,967,500	172,500	5,000	2,145,000
Ray Kellerman	510,000	-	-	510,000
	7,456,000	572,500	5,000	8,033,500

Options as at 30 June 2018

Director	Balance at 30 June 2017	Acquired	Exercised	Number of options
Peter Constable	4,962,500	-	(400,000)	4,562,500
David Bottomley	1,967,500	-	(172,500)	1,795,000
Ray Kellerman	510,000	-	-	510,000
	7,440,000	-	(572,500)	6,867,500

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Shares as at 30 June 2017

Director	Balance at 30 June 2016	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Number of shares
Peter Constable ¹	4,978,500	-	-	4,978,500
David Bottomley ¹	1,967,500	-	-	1,967,500
Ray Kellerman	510,000	-	-	510,000
	7,456,000	-	-	7,456,000

Options as at 30 June 2017

Director	Balance at 30 June 2016	Acquired	Exercised	Number of options
Peter Constable	4,962,500	-	-	4,962,500
David Bottomley	1,967,500	-	-	1,967,500
Ray Kellerman	510,000	-	-	510,000
	7,440,000	-	-	7,440,000

¹ As at the date of incorporation one share in the Company was held by Ryder Investment Management Pty Ltd, a company controlled by Peter Constable and David Bottomley.

There is also a contingent second option available to directors which is under the same terms and conditions offered to all other option holders.

Unissued shares

Upon the exercise of an Initial Option, the Company will issue holders a Secondary Option over one Share, with each Secondary Option exercisable at \$1.50 on or before 10 December 2021. As at the date of this report 4,881,500 Initial Options have been exercised.

Initial Option over unissued ordinary shares	32,607,000
Secondary Option over unissued ordinary shares	4,221,500

End of remuneration report.

Proceedings on behalf of the Company

There are no proceedings that the directors have brought, or intervened in, on behalf of the Company.

Non-Audit services

The Board of Directors, in accordance with Advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 13 did not compromise the external auditor's independence for the following reasons:

- (a) all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- (b) none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9. Signed in accordance with a resolution of the directors.



Peter Constable
Chairman
Ryder Capital Limited Sydney,
8 August 2018

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018
Auditor's Independence Declaration



Auditor's Independence Declaration
To the Directors of Ryder Capital Limited
ABN 74 606 695 854

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct.

This declaration is in respect of Ryder Capital Limited.

S M WHIDDETT
Partner

PITCHER PARTNERS
Sydney

8 August 2018

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018

Statement of Profit or Loss and Other Comprehensive Income			
	Note	Year ended 30 June 2018	Year ended 30 June 2017
Investment Income		\$	\$
Interest income		75,896	318,729
Dividend income		623,525	413,674
Net gain/(loss) on net financial liabilities at fair value through profit or loss		126,984	(6,197)
Net foreign exchange realised (loss)/gain		(70,505)	48
Other income		1,134	7,708
Total investment income		757,034	733,962
Expenses		\$	\$
Management fees	15	(720,891)	(545,627)
Directors' fees	15	(30,323)	(29,677)
Performance fees	15	(2,953,362)	(1,035,193)
Other operating expenses		(182,438)	(283,619)
Total expenses		(3,887,014)	(1,894,116)
Loss for the year before income tax expense		(3,129,980)	(1,160,154)
Income tax benefit	4(a)	1,066,349	432,714
Loss for the year		(2,063,631)	(727,440)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Movement in fair value of long term equity investments, net of tax	12(d)	12,865,435	7,053,082
Total comprehensive income/(loss) for the year		10,801,804	6,325,642
Basic earnings per share	5	(5.61) cents	(1.98) cents
Diluted earnings per share	5	(5.61) cents	(1.98) cents

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

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018

Statement of Financial Position			
	Note	As at 30 June 2018	As at 30 June 2017
Assets		\$	\$
Current assets			
Cash and cash equivalents	14(a)	11,572,347	6,522,357
Receivables	6	39,564	18,646
Current tax asset	4(c)	28,201	-
Total current assets		11,640,112	6,541,003
Non-current assets			
Financial assets held at fair value through profit or loss		-	27,778
Long-term equity investments	7, 3	54,342,809	39,372,543
Deferred tax asset	4(d)	515,930	91,461
Total non-current assets		54,858,739	39,491,782
Total assets		66,498,851	46,032,785
Liabilities			
Current liabilities			
Financial liabilities held at fair value through profit or loss	7, 3	-	83,921
Payables	10	3,040,321	1,186,825
Current tax liability	4(c)	-	288,074
Total current liabilities		3,040,321	1,558,820
Non-current liabilities			
Deferred tax liability	4(d)	6,051,597	1,812,647
Total non-current liabilities		6,051,597	1,812,647
Total liabilities		9,091,918	3,371,467
Net assets		57,406,933	42,661,318
Equity			
Issued capital	11(a)	40,904,728	36,594,817
Retained losses	12(a)	(2,836,231)	(772,600)
Profits reserve	12(b)	-	121,720
Capital profits reserve	12(c)	3,384,226	1,944,229
Asset revaluation reserve	12(d)	15,954,210	4,773,152
Total equity		57,406,933	42,661,318

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

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018

Statement of Changes in Equity							
	Note	Issued capital	Retained earnings/ (losses)	Profits reserve	Capital profit reserve	Asset revaluation reserve	Total equity
		\$	\$	\$	\$	\$	\$
Balance at 30 June 2016		36,591,082	-	76,560	57,482	(557,775)	36,167,349
Loss for the year		-	(727,440)	-	-	-	(727,440)
Net revaluation of investments		-	-	-	-	7,053,082	7,053,082
Total comprehensive income for the year		-	(727,440)	-	-	7,053,082	6,325,642
Other							
Transfer of realised gains on sale of investments, net of tax	12(c)	-	-	-	1,886,747	(1,886,747)	-
Realised profit on sale of investments, net of tax	12(a)(b)	-	(45,160)	45,160	-	-	-
Adjustment to corporate tax	12(d)	-	-	-	-	164,592	164,592
		-	(45,160)	45,160	1,886,747	(1,722,155)	164,592
Transactions with owners in their capacity as owners							
Shares acquired under buy-back during the year	11(a)	(16,190)	-	-	-	-	(16,190)
Reversal of initial public offering costs, net of deferred tax impact		19,925	-	-	-	-	19,925
		3,735	-	-	-	-	3,735
Balance at 30 June 2017		36,594,817	(772,600)	121,720	1,944,229	4,773,152	42,661,318
Loss for the year		-	(2,063,631)	-	-	-	(2,063,631)
Net revaluation of investments		-	-	-	-	12,865,435	12,865,435
Total comprehensive income for the year		-	(2,063,631)	-	-	12,865,435	10,801,804
Other							
Transfer of realised gains on sale of investments, net of tax	12(c)	-	-	-	1,684,377	(1,684,377)	-
		-	-	-	1,684,377	(1,684,377)	-
Transactions with owners in their capacity as owners							
Shares and options issued during the year	11(a)	5,276,875	-	-	-	-	5,276,875
Shares acquired under buy-back during the year	11(a)	(962,681)	-	-	-	-	(962,681)
Transactions costs on shares acquired under buy-back	11(a)	(1,981)	-	-	-	-	(1,981)
Income tax on transactions costs	11(a)	(2,302)	-	-	-	-	(2,302)
Dividends provided for or paid	12(b)	-	-	(121,720)	(244,380)	-	(366,100)
		4,309,911	-	(121,720)	(244,380)	-	3,943,811
Transfer from profits reserve	12(a)(b)	-	-	-	-	-	-
Balance at 31 December 2017		40,904,728	(2,836,231)	-	3,384,226	15,954,210	57,406,933

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

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018

Statement of Cash Flows			
	Note	Year ended 30 June 2018	Year ended 30 June 2017
Cash flows from operating activities		\$	\$
Interest received		83,683	410,404
Dividends received		623,525	413,674
Management fees paid		(699,649)	(535,126)
Performance fees paid		(1,035,193)	-
Directors' fees paid		(35,879)	(14,800)
Other operating expenses paid		(269,944)	(308,915)
Other income received		1,134	7,708
Income tax paid		(508,634)	(13,690)
Net cash used in operating activities	14(b)	(1,840,957)	(40,745)
Cash flows from investing activities			
Proceeds from sale of investments		18,617,030	13,894,129
Payments for purchase of investments		(15,676,665)	(22,750,716)
Net cash used in investing activities		2,940,365	(8,856,587)
Cash flows from financing activities			
Dividends paid		(366,100)	-
Proceeds from shares issued		5,276,875	-
Payments for shares buy-back		(962,681)	(16,190)
Reversal of issue costs/ issue costs (paid)		(1,981)	19,925
Net cash used by financing activities		3,946,113	3,735
Impact of exchange rate changes on cash and cash equivalents		4,469	48
Net increase/(decrease) in cash held		5,049,990	(8,893,549)
Cash and cash equivalents at beginning of the financial year		6,522,357	15,415,906
Cash and cash equivalents at end of the period	14(a)	11,572,347	6,522,357

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018
Notes to the Financial Statements

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ryder Capital Limited ("the Company") is a publicly listed company, incorporated and domiciled in Australia. The Company was incorporated with the Australian Securities and Investments Commission ("ASIC") on 26 June 2015. The registered office and principal place of business of the Company is Level 25, 88 Phillip Street, Sydney NSW 2000. The Company's principal activity is investing in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term growth in capital and income.

These general purpose financial statements are for the year ended 30 June 2018, and were authorised for issue by the Directors on 8 August 2018.

The material accounting policies adopted by the Company in the preparation of the financial statements is set out below:

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards, issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. For the purposes of preparing financial statements, the Company is a for-profit entity.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standard.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of selected assets and liabilities.

(b) Statement of Compliance

The financial statements and notes thereto comply with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(c) Investments

i) Recognition/derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

ii) Classification and Measurement

The Company's investments are categorised as follows:

Financial instruments held at fair value through profit or loss (financial instruments held for trading)

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss.

Derivative financial instruments such as options and forward contracts are included under this classification. The Company does not designate any derivatives as hedges in a hedging relationship.

Financial instruments designated at fair value through other comprehensive income (long-term equity investments)

Long-term equity investments are recognised initially at cost and the Company elects to present subsequent changes in the fair value of the investments in the Statement of Other Comprehensive Income.

Long term equity investments comprise holdings in marketable equity securities which are intended to be held for the long term.

iii) Fair Value

The Company determines the fair value of listed investments at the last quoted price. The fair value of investments that are not traded in an active market are determined using valuation techniques. These include the use of arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

iv) Impairment of financial assets

The Company assesses whether the credit risk on a financial asset has increased significantly based on the change in the risk of default since initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018
Notes to the Financial Statements

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments (continued)

Such information includes:

- contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that indicates otherwise;

The Company considers the following to represent default events for the purpose of measuring expected credit losses:

- contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that indicates a more lagging default criterion is more appropriate;

The foregoing indicators of default have been selected based on the Company's historical experience.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Company competes for funds and is regulated. The Australian dollar is also the Company's presentation currency.

(ii) Transactions and balances

Transactions during the period denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and currency, together with any accrued income, are translated at the exchange rate prevailing at the balance date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Net exchange gains and losses arising on the revaluation of investments are included in gains on investments.

(e) Income tax

The charge for current income tax expense is based on the taxable income for the period. It is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Current and deferred taxes are recognised in profit or loss except where they relate to items that may be recognised directly in equity, such as unrealised gains and losses on long-term equity, in which case they are adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as being part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Income

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Dividend income is recognised in profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues using the effective interest method, taking into account the effective yield on the financial asset.

Ryder Capital Limited
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For the year ended 30 June 2018
Notes to the Financial Statements

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income (continued)

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise. This may also include foreign exchange gains and losses when applicable.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(i) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the balance date from the time of last payment. Amounts receivable for securities sold are recorded when a sale has occurred.

Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss previously recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(j) Payables

These amounts represent liabilities for amounts owing by the Company at period end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Amounts payable for securities purchased are recorded when the purchase has occurred.

(k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the period.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease the loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

(m) Dividends

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

Ryder Capital Limited
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For the year ended 30 June 2018
Notes to the Financial Statements

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant, and reasonable under the circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The methods used in the valuation of investments are set out in Note 1(c) to these financial statements.

(o) New and amended standards early adopted by the Company

The Company has early adopted AASB 9 Financial Instruments (and applicable amendments) (effective from 1 January 2018).

The Company has elected to early adopt AASB 9 Financial Instruments Standard which applies to annual reporting periods beginning from 1 January 2018. AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities. These requirements improve and simplify the approach for the classification and measurement of financial assets and liabilities compared to the requirements of AASB 139 Financial Instruments: Recognition and Measurement.

AASB 9 allows investments in equity instruments, which were previously classified as available for sale financial assets, to be classified as equity instruments revalued through other comprehensive income. Investments continue to be valued at fair value with changes in value being recognised in the asset revaluation reserve.

Under AASB 9 there is no recycling of the realised gains and losses to the income statement as was previously required by AASB 139. There is also no requirement to test the Company's investments for impairment so there is no transfer of unrealised impairment losses from the asset revaluation reserve to the income statement.

(p) New accounting standards and interpretations not yet adopted

A number of new accounting standards and interpretations have been published by the AASB that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Company. The directors have considered these standards and interpretations and have concluded that they will not have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

- AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

AASB 15 will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.

(q) Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

2. FINANCIAL RISK MANAGEMENT

(a) Objectives, strategies, policies and processes

The objective of the Company is to achieve long term growth in capital and income through investments in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments. The Company is managed from an Australian investor's perspective with tax and currency exposures forming important considerations in the daily management of the Company, whilst complying with the Company's Prospectus dated 12 August 2015. Financial risk management is carried out by the Investment Manager under the guidance of its Chief Investment Officer.

The Company's activities are exposed to different types of financial risks. These risks include market risk (including currency risk, and price risk), being the primary risk, and credit risk. The Company may employ derivative financial instruments to hedge these risk exposures in order to minimise the effects of these risks.

Ryder Capital Limited
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Notes to the Financial Statements

2. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of assets and liabilities as they are marked to market at balance date.

The total credit risk for assets is therefore limited to the amount carried in the Statement of Financial Position.

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager minimises the Company's concentration of credit risk by undertaking transactions in ASX listed securities with a large number of approved brokers. Payment is only made once a broker has received securities and delivery of securities only occurs once the broker received payment.

Cash

The majority of the Company's short term deposits are invested with financial institutions that have a Standard and Poor's credit rating of AA-. The majority of maturities are within three months. The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2018 is (1.56%), (2017: (2.99%)).

Receivables

The majority of the Company's receivables arise from interest yet to be received. None of these assets exposed to credit risk are overdue or considered to be impaired.

None of these assets exposed to credit risk are overdue or considered to be impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

The table in the succeeding page analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
As at 30 June 2018	\$	\$	\$	\$	\$
Trade and other payables	3,036,128	-	-	-	3,036,128
Due to brokers - payable for securities purchased	4,193	-	-	-	4,193
Total financial liabilities	3,040,321	-	-		3,040,321
As at 30 June 2017					
Financial liabilities held at fair value through profit or loss	-	83,921	-	-	83,921
Trade and other payables	1,161,074	-	-	-	1,161,074
Due to brokers - payable for securities purchased	25,751	-	-	-	25,751
Total financial liabilities	1,186,825	83,921	-		1,270,746

(d) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free. The market prices of these securities can and do fluctuate in accordance with multiple factors.

The Company seeks to reduce market risk by attempting to invest in equity securities where there is a significant 'margin of safety' between the underlying companies' value and share price. The Company does not have set parameters as to a minimum or maximum margin of safety, nor does it have set parameters regarding a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Ryder Capital Limited
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2. FINANCIAL RISK MANAGEMENT (continued)

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows, the risk is measured using sensitivity analysis on page 24.

The table below summarises the Company's exposure to interest rates risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity date.

	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate	Total
As at 30 June 2018	%	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	1.56	11,572,347	-	-	11,572,347
Trade and other receivables	-	-	39,564	-	39,564
Current tax asset	-	-	28,201	-	28,201
Options	-	-	-	-	-
<i>Long-term equity investments:</i>					
<i>Listed equities</i>	-	-	54,342,809	-	54,342,809
Total financial assets	-	11,572,347	54,410,574	-	65,982,921
Financial Liabilities					
Financial liabilities held for trading - forward contracts	-	-	-	-	-
Trade and other payables	-	-	3,040,321	-	3,040,321
Total financial liabilities	-	-	3,040,321	-	3,040,321
As at 30 June 2017					
Financial Assets					
Cash and cash equivalents	2.99	6,522,357	-	-	6,522,357
Trade and other receivables	-	-	18,646	-	18,646
Current tax asset	-	-	27,778	-	27,778
Options	-	-	-	-	-
<i>Long-term equity investments:</i>					
<i>Listed equities</i>	-	-	39,372,543	-	39,372,543
Total financial assets	-	6,522,357	39,418,967	-	45,941,324
Financial Liabilities					
Financial liabilities held for trading - forward contracts	-	-	83,921	-	83,921
Trade and other payables	-	-	1,186,825	-	1,186,825
Total financial liabilities	-	-	1,270,746	-	1,270,746

(ii) Other Price Risk

Other Price Risk is the risk that fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting the broader market. Other price risk exposure arises from the Company's investment portfolio.

(iii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The Company holds assets denominated in currencies other than the Australian dollar (being the functional currency) and is therefore exposed to foreign currency risk when the value of assets denominated in other currencies fluctuates due to movements in exchange rates.

The Company may enter into foreign exchange forward contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. Foreign exchange instruments are principally denominated in NZ Dollars.

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2. FINANCIAL RISK MANAGEMENT (continued)

(d) *Market risk (continued)*

(iv) Sensitivity analysis

The following tables show the sensitivity of the Company's operating profit/other comprehensive income and equity to price risk, interest rate risk and foreign exchange risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Company's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the securities in which the Company invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk impact on other comprehensive income		Income rate risk impact on other comprehensive income		Foreign exchange risk impact on other comprehensive income	
30 June 2018	-10% (5,434,281)	+10% 5,434,281	-100 bps -	+100 bps -	-10% -	-10% -
30 June 2017	-10% (3,937,254)	+10% 3,937,254	-100 bps -	+100 bps -	-10% (70,877)	-10% 70,877

	Price risk impact on operating profit/(loss)		Income rate risk impact on operating profit/(loss)		Foreign exchange risk impact on operating profit/(loss)	
30 June 2018	-10% -	+10% -	-100 bps (914)	+100 bps 914	-10% -	-10% -
30 June 2017	-10% 5,614	+10% (5,614)	-100 bps (3,347)	+100 bps 3,347	-10% 143,102	-10% (143,102)

3. FAIR VALUE MEASUREMENT

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Long term equity investments
- Financial liabilities held for trading

Fair value hierarchy

AASB 13: Fair value measurement requires disclosure of fair value measurements by level of the fair value hierarchy:

- Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and
- Level 3 - measurements based on unobservable inputs from the asset or liability.

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3. FAIR VALUE MEASUREMENT (continued)

(i) Recognised fair value measurements

The following table presents the Company's assets measured and recognised at fair value as at 30 June 2018 and 30 June 2017.

At 30 June 2018				
	Level 1	Level 2	Level 3	Total
As at 30 June 2018	\$	\$	\$	\$
Financial assets				
Options	-	-	-	-
<i>Long-term equity investments</i>				
Listed investments	54,342,809	-	-	54,342,809
Total financial assets	54,342,809	-	-	54,342,809
Total financial assets	54,342,809	-	-	54,342,809
Financial liabilities				
<i>Held for trading liabilities</i>				
Forward contracts	-	-	-	-
Total financial liabilities	-	-	-	-
At 30 June 2017				
	Level 1	Level 2	Level 3	Total
As at 30 June 2017	\$	\$	\$	\$
Financial assets				
Options	27,778	-	-	27,778
<i>Long-term equity investments</i>				
Listed investments	39,372,543	-	-	39,372,543
Total financial assets	39,400,321	-	-	39,400,321
Total financial assets	39,400,321	-	-	39,400,321
Financial liabilities				
<i>Held for trading liabilities</i>				
Forward contracts	-	83,921	-	83,921
Total financial liabilities	-	83,921	-	83,921

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(ii) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

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4. TAXATION

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
(a) Numerical reconciliation of income tax (benefit)/expense		
Prima facie tax payable/(benefit) on profit before income tax at 27.5% (2017: 27.5%)	(860,745)	(319,042)
Adjusted for tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Imputation gross up on dividends received	73,487	48,254
Franking credits on dividends received	(267,225)	(175,468)
Prior year under/(over) provision	(11,866)	13,542
Income tax (benefit)/expense	(1,066,349)	(432,714)
Applicable weighted average effective tax rate	(34%)	(37%)
The income tax (benefit)/expense results in a:		
Current tax asset	(611,745)	(427,589)
Current tax liability	2,141	27,698
Deferred tax liability	(442,605)	(68,954)
Deferred tax asset	(14,140)	36,131
Income tax (benefit)/expense	(1,066,349)	(432,714)
(b) Amounts recognised directly in equity		
Aggregate deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but debited or credited directly to equity.		
Transition costs on equity issue	(545)	(5,075)
Unrealised (gains)/losses on long term equity investments	(6,051,597)	(2,126,520)
Realised (gains)/losses on long term equity investments	(568,923)	(715,663)
Net deferred tax - (credited)/debited directly to equity	(6,621,065)	(2,847,258)
(c) Movement in current tax liability		
<i>Opening balance</i>	288,074	4,253
2017 Balancing adjustment	3,732	14,510
Income tax payment made	(277,184)	(18,763)
Charged / credited to profit or loss		
to profit or loss	(611,745)	(427,589)
directly to equity	568,923	715,663
Closing balance	(28,201)	288,074
Deferred tax liabilities		
Deferred income tax comprises the estimated tax payable at the current income tax rate of 27.5% (2017: 27.5%) on the following items:	6,051,597	1,810,506
Tax on unrealised gains on investment portfolio	-	2,141
Accrued interest		
	6,051,597	1,812,647
Movements:	1,812,647	29,839
Charged / credited:		
to profit or loss	(2,141)	(27,698)
directly to equity	4,241,091	1,810,506
Closing balance	6,051,597	1,812,647

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4. TAXATION (continued)

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
(d) Net deferred tax assets/(liabilities) (continued)		
<i>Net deferred tax assets</i>		
Deferred tax assets comprises the estimated tax deductible at the current income tax rate of 27.5% (2017: 27.5%) on the following items:		
Transition costs on equity issue	114,609	96,526
Reduction in transition costs on equity issue	(68,549)	(28,143)
Tax losses	469,870	-
Financial liabilities held at fair value through profit or loss	-	23,078
Net deferred tax assets	515,930	91,461
<i>Movements:</i>		
Opening balance	91,461	343,644
Charged / credited:		
to profit or loss	442,605	68,954
directly to equity	18,136	321,137
Closing balance	515,930	91,461

5. EARNINGS PER SHARE

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
Basic (losses)/earnings per share	(5.61) cents	(1.98) cents
Diluted (losses)/earnings per share	(5.61) cents	(1.98) cents
(Losses)/earnings used in calculating basic (losses)/earnings per share	(2,063,631)	(727,440)
(Losses)/earnings used in calculating diluted (losses)/earnings per share	(2,063,631)	(727,440)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	36,769,861	36,828,075
Weighted average number of shares used in the calculation of diluted earnings per share	36,769,861	36,828,075

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares 1 July 2017 to 30 June 2018.

6. RECEIVABLES

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
Interest receivable	-	7,787
(Losses)/earnings used in calculating diluted (losses)/earnings per share	39,564	10,859
	39,564	18,646

Terms and conditions

GST receivable can be recovered from the Australian Tax Office. No interest is applicable to any of these amounts. The maximum credit risk exposure in relation to receivables is the carrying amount.

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7. INVESTMENTS

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
Financial assets designated at fair value through other comprehensive income		
Listed equities	54,342,809	39,372,543
Total financial assets designated at fair value through other comprehensive income	54,342,809	39,372,543
Financial assets designated at fair value through profit or loss		
Options	-	27,778
Total financial assets designated at fair value through profit or loss	-	27,778
Total financial assets	54,342,809	39,400,321
Financial assets designated at fair value through profit or loss		
<i>Held for trading liabilities</i>		
Forward contracts	-	83,921
Total financial liabilities	-	83,921
The total dividends received on these investments sold which are included in the Statement of Comprehensive Income were:		
Dividend income:		
Listed equity securities held at year-end	825,422	514,120
Listed equity securities sold during the year	65,328	75,022
During the year, the total fair value of investments sold in the normal course of the business and to preserve capital were:		
Fair value at disposal date:		
Listed equity securities	54,342,809	39,372,543
Gain/(loss) on disposal after tax:		
Listed equity securities	1,697,066	1,725,576

8. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business the Company enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Company's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Company against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

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8. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The Company holds the following derivative instrument:

(a) Forward currency contracts

Forward currency contracts are primarily used by the Company to hedge against foreign currency exchange rate risks on its non- Australian dollar denominated trading securities. The Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing closing price at the end of each reporting period. The Company recognises a gain or loss equal to the change in fair value at the end of each reporting period.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Company are exchange-traded. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The Company's derivative financial instruments at 30 June 2018 and 30 June 2017 are detailed below.

	Contract/Notional	Fair Values	
	Value \$	Assets \$	(Liabilities) \$
As at 30 June 2018			
Forward contracts	-	-	-
Options	-	-	-
	-	-	-
As at 30 June 2017			
Forward contracts	(1,347,104)	-	(83,921)
Options	69,444	27,778	-
	(1,277,659)	27,778	(83,921)

9. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the following table:

Effects of offsetting on the statement of financial position			
	Gross amounts of financial instrument	Gross amounts set off in the statement of financial position	Net amount of financial assets/ (liabilities) presented in the statement of financial position
As at 30 June 2018	\$	\$	\$
Financial assets			
Forward contracts	-	-	-
Total	-	-	-
Financial liabilities			
Forward contracts	-	-	-
Total	-	-	-

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9. OFFSETTING FINANCIAL ASSETS AND LIABILITIES (continued)

Effects of offsetting on the statement of financial position			
	Gross amounts of financial instrument	Gross amounts set off in the statement of financial position	Net amount of financial assets/ (liabilities) presented in the statement of financial position
As at 30 June 2017	\$	\$	\$
Financial assets			
Forward contracts	1,347,104	1,347,104	-
Total	1,347,104	1,347,104	-
Financial liabilities			
Forward contracts	(1,431,025)	(1,431,025)	(83,921)
Total	(1,431,025)	(1,431,025)	(83,921)

10. PAYABLES

	As at 30 June 2018	As at 30 June 2017
	\$	\$
Management fees payable	69,445	48,203
Performance fees payable	2,953,362	1,035,193
Directors fees payable	9,321	14,877
Other payables	4,000	62,801
Due to brokers - payable for securities purchased	4,193	25,751
	3,040,321	1,186,825

11. ISSUED CAPITAL

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 and amounts paid on the 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.

Shares under IPO

The Company issued a replacement Prospectus on 25 March 2015 for the offer of up to 50,000,000 fully paid ordinary shares at an office price of \$1.00 per share to raise up to \$50,000,000, together with an entitlement to 1 option, exercisable at \$1.25 on or before 10 December 2018 for every 1 share subscribed for under the offer. Upon the exercise of an initial option the Company will also issue holders a second option exercisable at \$1.50 on or before 10 December 2021. On 21 September 2015, the Company issued 36,828,500 fully paid ordinary shares under this initial public offering at \$1.00 per share.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors monitor the monthly NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

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11. ISSUED CAPITAL (continued)

	30 June 2018		30 June 2017	
	Units	\$	Units	\$
(a) Movements in ordinary share capital				
Opening balance	36,812,934	36,594,817	36,828,501	36,591,082
Shares buy-back	(836,989)	(962,681)	(15,567)	(16,190)
Transactions costs on shares acquired under buy-back	-	(1,981)	-	-
Shares issued upon the exercise of options	4,221,500	5,276,875	-	-
Costs of issued capital, net of tax	-	(2,302)	-	19,925
Closing balance	40,197,445	40,904,728	36,812,934	36,594,817
(b) Options issued				
Opening balance	36,828,500	36,828,500	36,828,500	36,828,500
Options exercised during the year	(4,221,500)	(5,276,875)	-	-
Closing balance	32,607,000	31,551,625	36,828,500	36,828,500

12. RESERVES AND RETAINED PROFITS

	As at 30 June 2018	As at 30 June 2017
	\$	\$
(a) Retained earnings/(losses)		
Balance at the beginning of the year	(772,600)	-
Net (loss) attributable to members of the Company	(2,063,631)	(727,440)
Transfer to/(from) profit reserve	-	(45,160)
Balance at 30 June	(2,836,231)	(772,600)
(b) Profits reserve		
The reserve is made of amounts transferred from current and retained earnings that are preserved for future dividend payments.		
Balance at the beginning of the year	121,720	76,560
Dividends paid	(121,720)	-
Transfer from retained earnings	-	45,160
Balance at 30 June	-	121,720
(c) Capital profits reserve		
Balance at the beginning of the year	1,944,229	57,482
Realised profit on sale of investments, net of tax	1,684,377	1,886,747
Dividends paid	(244,380)	-
Balance at 30 June	3,384,226	1,944,229
(d) Asset revaluation reserve		
The reserve records revaluations of long-term equity investments.		
Balance at the beginning of the year	4,773,152	(557,775)
Movement in fair value of long-term equity investments, net of tax	12,865,435	7,053,082
Realised profit on sale of investments, net of tax transferred to capital profits reserve	(1,684,377)	(1,886,747)
Adjustment made to corporate tax	-	164,592
Balance at 30 June	15,954,210	4,773,152

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13. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	As at 30 June 2018	As at 30 June 2017
	\$	\$
Pitcher Partners		
Audit and other assurance services		
Audit and review of financial statements	54,172	38,176
Other assurance services		
Other assurance	-	-
Total remuneration for audit and other assurance services	54,172	38,176
Taxation services		
Taxation services	16,950	7,500
Total remuneration of Pitcher Partners	71,122	45,676

The Company's Audit Committee oversees the relationship with the Company's External Auditors. The Audit Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.

14. CASH FLOW INFORMATION

	As at 30 June 2018	As at 30 June 2017
	\$	\$
(a) Reconciliation of cash		
For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise:		
Cash at bank	11,572,347	6,522,357
Total cash and cash equivalents	11,572,347	6,522,357
(b) Reconciliation of net profit attributable to members of the Company to net cash outflow from operating activities		
Profit/(loss) attributable to members of the Company	(3,129,980)	(1,160,154)
Net (gain)/loss on net financial liabilities at fair value through profit or loss	(126,984)	6,197
Net foreign exchange realised loss/(gain)	70,505	(48)
Income tax benefit	(508,634)	(13,690)
Net change in receivables	(20,918)	91,378
Net change in payables	1,875,054	1,035,572
Net cash used in operating activities	(1,840,957)	(40,745)

15. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions no more favourable than transactions with other parties unless otherwise stated.

(a) Management and Performance Fees

The Company has outsourced its investment management function to Ryder Investment Management Pty Limited (the "Manager") a company controlled by Peter Constable and David Bottomley. The Manager is privately owned and was incorporated in November 2008.

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15. RELATED PARTY TRANSACTIONS (continued)

(i) Management fee

The Manager is entitled to be paid a management fee equal to 1.25% p.a. (plus GST) of the Portfolio Net Asset Value. The management fee is paid monthly in arrears.

(ii) Performance fee

The Manager is entitled to receive a performance fee of 20% (plus GST) of the outperformance of the Portfolio above the Benchmark. The Benchmark is the RBA Cash Rate plus 4.25%. The performance fee is accrued monthly but is not paid until the end of each 12 month period ending on 30 June (Performance Calculation Period).

Management and performance fees paid to the Manager during the year were as follows:

	30 June 2018	30 June 2017
	\$	\$
Management fees paid and payable during the year	773,639	585,551
Performance fees paid and payable during the year	2,953,362	1,035,193
Management fees payable at year end	69,445	48,203

15. RELATED PARTY TRANSACTIONS (continued)

(b) *Remuneration of Directors and Other Key Management Personnel*

In accordance with Section 300A of the Corporations Act 2001, all detailed information regarding the remuneration of Directors and other key management personnel has been included in the Remuneration Report in the Directors' Report of the Annual Report.

A summary of the remuneration of Directors and other key management personnel for the year is set out below:

	30 June 2018	30 June 2017
	\$	\$
Cash salary, fees and commissions	27,397	27,397
Short-term employee benefits	27,397	27,397
Superannuation	2,603	2,603
Post-employment benefits	2,603	2,603
Total employment benefits	30,000	30,000

(c) *Shareholdings*

2018				
	Opening balance	Acquisitions/ Options/ Exercised	Shares acquired / (disposed)	Balance at 30 June 2018
	\$	\$	\$	\$
Ordinary Shares				
Peter Constable ¹	4,978,500	400,000		5,378,500
David Bottomley ¹	1,967,500	172,500	5,000	2,145,000
Ray Kellerman ¹	510,000	-	-	510,000
	7,456,000	572,500	5,000	8,033,500

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15. RELATED PARTY TRANSACTIONS (continued)

2017				
	Opening balance	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Balance at 30 June 2018
	\$	\$	\$	\$
Ordinary Shares				
Peter Constable ¹	4,978,500	-	-	4,978,500
David Bottomley ¹	1,967,500	-	-	1,967,500
Ray Kellerman ¹	510,000	-	-	510,000
	7,456,000	-	-	7,456,000

¹ Director and shareholder (>20%) of Ryder Investment Management Pty Limited which has power to control the voting rights as a discretionary investment manager. As at the date of incorporation one share in the Company was held by Ryder Investment Management Pty Ltd, a company controlled by Peter Constable and David Bottomley.

(d) Options to acquire shares

2018				
	Opening balance	Acquired	Exercised	Balance at 30 June 2018
	\$	\$	\$	\$
Options				
Peter Constable	4,962,500	-	(400,000)	4,562,500
David Bottomley	1,967,500	-	(172,500)	1,795,000
Ray Kellerman	510,000	-	-	510,000
	7,440,000	-	(572,500)	6,867,500

2017				
	Opening balance	Acquired	Exercised	Balance at 30 June 2018
	\$	\$	\$	\$
Options				
Peter Constable	4,962,500	-	-	4,962,500
David Bottomley	1,967,500	-	-	1,967,500
Ray Kellerman	1,967,500	-	-	1,967,500
	7,440,000	-	-	7,440,000

16. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2018 and 30 June 2017, the Company had no contingent liabilities or commitments.

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17. DIVIDENDS

A 1.0 cent fully franked interim dividend was paid on 9 April 2018 (30 June 2017: Nil).

	30 June 2018	30 June 2017
	\$	\$
Dividend franking account		
Opening balance of franking account	201,819	26,351
Franking credits on dividends received	267,225	175,468
Franking credits on dividends paid	(143,825)	-
Tax Payment made	324,147	-
Closing balance of franking account	649,366	201,819

The Company's ability to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

18. SEGMENT INFORMATION

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 7 Investments, and Note 3 Fair Value Measurement.

19. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the 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 future financial years.

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Director's Declaration

The Directors declare that:

- (a) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards, and giving a true and fair view of the financial position as at 30 June 2018 and performance of the Company, for the year ended 30 June 2018;
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (c) In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated on Note 1(b) of the financial statements;
- (d) The Directors have been given the declarations required by S.295A of the *Corporations Act 2001*; and
- (e) The remuneration disclosures contained in the Remuneration Report comply with S300A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to S.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 8 August 2018

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Annual Report
For the year ended 30 June 2018
Independent Auditor's Audit Report to the Members



Independent Auditor's Report
To the Members of Ryder Capital Limited
ABN 74 606 695 854

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ryder Capital Limited ("the Company"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 30 June 2018 notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Ryder Capital Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. We have communicated the key audit matters to the Audit and Risk Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Audit and Risk Committee. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<p><i>Existence and valuation of Financial Instruments</i> <i>Refer to Note 7: Investments, Note 8: Derivative financial instruments and Note 9: Offsetting financial assets and financial liabilities</i></p>	
<p>We focused our audit effort on the valuation and existence of the Company's financial assets as they are its largest asset and represent the most significant driver of the Company's Net Tangible Assets and profits.</p> <p>Investments mostly consist of listed Australian securities and some unlisted Australian securities. Investments are valued by multiplying the quantity held by the respective market price, cost or estimated value per security for unlisted investments.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of the investment management process and controls; ▪ Reviewing and evaluating the independent audit report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the period 1 July 2017 to 30 June 2018 for the Custodian; ▪ Obtaining a confirmation of the investment holdings directly from the Custodian; ▪ Assessing the Company's valuation of individual investment holding to independent sources; ▪ Evaluating the accounting treatment of revaluations of financial assets and financial liabilities for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.
<p><i>Key audit matter</i></p> <p><i>Accuracy and Completeness of Management and Performance Fees</i> <i>Refer to Note 10: Trade and other payables, Note 15: Related party transactions and Remuneration report</i></p>	
<p>We focused our audit effort on the accuracy of calculating the management and performance fees as they are significant expenses of the Company and their calculation requires adjustments for major events such as payment of company dividends and taxes, capital raisings and capital reductions in accordance with the Investment Management Agreement between the Company and the Investment Manager.</p> <p>In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Making enquiries with the Investment Manager and Those Charged With Governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements; ▪ Testing key inputs used in the calculation of management and performance fees and recalculation in accordance with our understanding of the Investment Management Agreement; and ▪ Assessing the adequacy of disclosures made in the financial statements.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

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attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 11 of the Directors' Report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Ryder Capital Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Handwritten signature of S M Whiddett in black ink.

S M Whiddett
Partner

8 August 2018

Handwritten signature of Pitcher Partners in black ink.

Pitcher Partners
Sydney

Ryder Capital Limited
Annual Report
For the year ended 30 June 2018
Top 20 Shareholders for the year ended 30 June 2018

The Shareholder information set out below was applicable at 25 July 2018.

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report, is listed below.

A. Distribution of equity securities	Investors	Shares	%
Holding Ranges			
1 to 1000	4	2,551	0.01
1001 to 5000	58	202,072	0.49
5001 to 10000	37	318,450	0.78
10001 to 100000	168	7,181,918	17.58
100001 and Over	72	33,152,454	81.14
Total	339	40,857,445	100.00

B. Equity security holders	Shares	%
Twenty largest equity security holders		
REDAN STREET PTY LTD	2,416,000	5.94
BNP PARIBAS NOMS PTY LTD	2,400,000	5.90
MR TIMOTHY LINDSAY MCCAUGHEY	1,152,000	2.83
LEYRTH PTY LTD	1,125,000	2.76
GERICHTER SUPER INVESTMENTS PTY LTD	1,081,100	2.66
PETER CHARLES CONSTABLE	1,000,000	2.46
DOOHAN SUPERANNUATION PTY LTD	1,000,000	2.46
WORKING DOG INVESTMENTS PTY LTD	1,000,000	2.46
FARIWEST PTY LTD	1,000,000	2.46
MR ROBERT JULIAN CONSTABLE & MRS JANET MARIE CONSTABLE	1,000,000	2.46
CEDAR PARTY PTY LIMITED	950,000	2.33
MR ROBERT JULIAN CONSTABLE & MRS JANET MARIE CONSTABLE	900,000	2.21
GERICHTER FAMILY INVESTMENTS PTY LTD	840,000	2.06
WORKING DOG INVESTMENTS PTY LTD	740,000	1.82
MR JASON ANDERS SEARLE & MRS SALLY-ANN SEARLE	727,957	1.79
MS ANN GUIDERA EMMS & MR TOM RICHARD SCHUTZINGER & MR PETER NORMAN SCHUTZINGER	710,000	1.74
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	559,620	1.38
DAHO PTY LTD	550,000	1.35
HALE UNION PTY LTD	500,000	1.23
BS CARTER SUPERANNUATION FUND PTY LTD	500,000	1.23

C. Substantial shareholders	Shares	%
Peter Charles Constable	5,378,500	13.38
David Harold Bottomley	2,145,000	5.33

D. Voting Rights

The voting rights attaching to each class of equity security are set out below:

Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options do not have any voting rights until they vest and are exercised.

E. Stock exchange listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member exchanges of the ASX Limited.

F. Unquoted securities

There are 4,881,500 secondary options as at the date of this report.

G. Securities subject to voluntary escrow

There are no securities subject to voluntary escrow.

H. Investment transactions

There were 248 investment transactions during the period, total brokerage paid on these transactions was \$45,227.82

Ryder Capital Limited
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Corporate Directory

Directors	Peter Constable (Chairman) David Bottomley Ray Kellerman
Company Secretary	David Bottomley
Registered Office	Level 25 88 Phillip Street Sydney NSW 2000
Contact Details	P: (02) 8211 2777 F: (02) 8211 0555 W: www.rydercapital.com.au
Share Registry	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 P: 1300 554 474 W: www.linkmarketservices.com.au
Auditor	Pitcher Partners Level 22, MLC Centre 19 Martin Place Sydney NSW 2000 P: (02) 9221 2099
Stock Exchange Listings	Ryder Capital Limited securities are listed on the Australian Stock Exchange under the following exchange codes: Shares RYD Options RYDO

RYDER CAPITAL

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