



Barrack St Investments Limited

ABN 30 167 689 821

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 December 2018**

Directors' Report

Your Directors submit the Interim Financial Report of Barrack St Investments Limited (the "Company") for the half-year ended 31 December 2018.

DIRECTORS

The following persons were Directors of Barrack St Investments Limited since 30 June 2018 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Mr David Crombie AM
- Mr Jared Pohl

PRINCIPAL ACTIVITY

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

REVIEW OF OPERATIONS

During the last six months, dividends in the amount of \$245,989 and interest in the amount of \$168 was received. Realised gains on the sale of investments amounted to \$467,171 and after accounting for expenses, the Net Profit after Tax amounted to \$353,865.

The portfolio performed extremely well in the first quarter (July – September 2018) increasing by 9.7% compared to the ASX All Ordinaries which only generated 0.6% during the period. In October 2018, the Australian share market mirrored global markets with a significant decline during the month that set the pace until the end of the quarter (October to December 2018). Gains made in the first quarter were reversed in the second quarter while the portfolio continued to outperform the ASX All Ordinaries Index over the 6 months to December 2018.

Portfolio Performance:

	1 st Qtr to Sept 18	2 nd Qtr to Dec 18	6 mths to Dec 2018	Since Inception (23 Jan 2014) p.a.
Portfolio	9.7%	-14.0%	-5.7%	9.8%
ASX All Ordinaries	0.6%	-9.7%	-9.2%	0.3%

Net Assets of the Company at 31 December 2018 compared to 30 June 2018 have declined, due to the volatile market conditions, from \$21,224,524 to \$19,596,183 and the NTA per share (tax on realised gains) reduced from 118.0 cents to 107.0 cents.

MARKET COMMENT

In Australia, continued political, economic, and social upheaval fostered uncertainty throughout the 2018 calendar year and tempered expectations for growth. Further disorder within the Liberal party has meant continued volatility, despite Prime Minister Scott Morrisons best efforts. The Royal Commission has laid bare gross dissatisfaction with the banks and some of our largest companies. The ASX All Ords declined by 9.7% for the quarter and 7.4% for the calendar year while the Small Ordinaries was down 14.2% and 11.3%, respectively.

It would be reasonable to expect with a number of factors that created uncertainty in 2018 now diminished, a positive outlook in 2019 would prevail. However, the lag effect of market uncertainty at the end of the year and unresolved trade tensions between China and the US will moderate confidence in the new year.

NET TANGIBLE ASSET BACKING

The net tangible asset backing (NTA) per share (tax on realised gains only) at 31 December 2018 was 107.0 cents per share compared with 118.0 at 30 June 2018. The net tangible asset backing per share (tax on realised and unrealised gains) at 31 December 2018 was 107.0 cents per share compared with 115.9 cents per share at 30 June 2018.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

DIVIDEND DECLARED

A fully franked interim dividend of 1.5 cents per share in respect to the half-year ended 31 December 2018 is to be paid on 20 March 2019. This compares to the interim dividend paid in March 2018 of 1.25 cents per share.

During the 6 month period to December 2018 the Company's distribution to Shareholders by way of final dividend for the 2018 financial year amounted to \$366,361 and was paid in September 2018.

CAPITAL GAINS COMPONENT OF DIVIDEND

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

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 3 and forms part of the Directors' Report for the half-year ended 31 December 2018.

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



Murray d'Almeida
Chairman

SYDNEY

22 February 2019

BARRACK ST INVESTMENTS LIMITED
ABN 30 167 689 821

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BARRACK ST INVESTMENTS LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2018, there have been:

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

WPIAS Pty Ltd

Authorised Audit Company No. 440306



LEE-ANN DIPPENAAR BCom CPA RCA
DIRECTOR

Dated this 22nd day of February 2019

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WPIAS is an Authorised Audit Company and a Limited Partnership
Liability limited by a scheme approved under Professional Standards Legislation

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2018

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Revenue	2	713,328	784,692
Performance Fee Accrued		-	(31,014)
Other Expenses		(257,485)	(256,335)
Profit/(Loss) before income tax		455,843	497,343
Income tax (expense)/benefit		(101,978)	(183,420)
Net Profit/(Loss) after income tax for the half-year		353,865	313,923
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Changes in fair value of Financial Assets at fair value through Other Comprehensive Income		(1,994,729)	1,775,739
Income tax (expense)/benefit relating to items that will not be reclassified to profit or loss		378,884	(532,722)
Other Comprehensive Income/(Loss) for the half-year net of tax		(1,615,845)	1,243,017
Total Comprehensive Income/(Loss) for the half-year¹		(1,261,980)	1,556,940

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

Earnings per share:	Cents	Cents
Basic earnings per share based on net profit/(loss)	1.93	1.71
Diluted earnings per share based on net profit/(loss)	1.93	1.71
Comprehensive Earnings/(Loss) per share	(6.89)	8.50

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

Condensed Statement of Financial Position

As at 31 December 2018

	Note	31 Dec 2018 \$	30 June 2018 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		1,191,801	1,382,559
Trade and Other Receivables		31,891	142,389
TOTAL CURRENT ASSETS		1,223,692	1,524,948
NON-CURRENT ASSETS			
Available -for-sale Financial Assets at fair value	4	19,016,000	20,810,743
Deferred tax assets		-	35,614
TOTAL NON-CURRENT ASSETS		19,016,000	20,846,357
TOTAL ASSETS		20,239,692	22,371,305
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		28,177	218,929
Current Tax Liabilities		615,332	540,286
TOTAL CURRENT LIABILITIES		643,509	759,215
NON-CURRENT LIABILITIES			
Deferred Tax Liability		-	387,566
TOTAL NON-CURRENT LIABILITIES		-	387,566
TOTAL LIABILITIES		643,509	1,146,781
NET ASSETS		19,596,183	21,224,524
EQUITY			
Issued Capital	5	17,952,246	17,952,246
Reserves		(811,924)	803,921
Retained Earnings		2,455,861	2,468,357
TOTAL EQUITY		19,596,183	21,224,524

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

Condensed Statement of Changes in Equity

For the half-year ended 31 December 2018

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

	Note	Issued Capital	Retained Earnings	Asset Revaluation Reserve	TOTAL
2018		\$	\$	\$	\$
Balance at 1 July 2018		17,952,246	2,468,357	803,921	21,224,524
Profit/(Loss) for the half-year			353,865		353,865
Other Comprehensive Income				(1,615,845)	(1,615,845)
Transactions with Owners in their capacity as owners					
Dividends paid	3		(366,361)		(366,361)
Balance at 31 December 2018		17,952,246	2,455,861	(811,924)	19,596,183

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

Condensed Statement of Cash Flows

For the half-year ended 31 December 2018

	31 Dec 2018 \$	31 Dec 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	280,033	262,950
Interest received	168	12
Other payments (inclusive of GST)	(454,616)	(267,091)
Net cash provided by/(used in) operating activities	(174,415)	(4,129)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	8,905,115	7,105,333
Payment for investments	(8,555,097)	(6,309,038)
Net cash provided by/(used in) investing activities	350,018	796,295
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(366,361)	(274,843)
Net cash (used in)/provided by financing activities	(366,361)	(274,843)
Net (decrease)/increase in cash and cash equivalents held	(190,758)	517,323
Cash and Cash Equivalents at beginning of the financial period	1,382,559	940,361
Cash and Cash Equivalents at the end of the financial period	1,191,801	1,457,684

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

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2018

NOTE 1 BASIS OF PREPARATION

These general purpose Interim Financial Statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Barrack St Investments Limited is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

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

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2018, together with any public announcements made by Barrack St Investments Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure requirements of the ASX listing rules.

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

These Interim Financial Statements were authorised for issue on 22 February 2019.

Comparative Figures

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

Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2018.

New, revised or amending Accounting Standards and Interpretations adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

	31 Dec 2018 \$	31 Dec 2017 \$
NOTE 2 REVENUE AND OTHER INCOME		
Dividends Received	245,989	248,282
Interest Received	168	12
Realised gains on investments	467,171	536,398
	713,328	784,692

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2018

	31 Dec 2018 \$	31 Dec 2017 \$
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NOTE 3 DIVIDENDS

Dividends paid during the half-year

- final dividend of 1.5 cents per share paid 22 September 2017 – fully franked		274,843
- final dividend of 2.0 cents per share paid 21 September 2018 – fully franked	366,361	
	366,361	274,843

Since the end of the half-year, the Directors have declared an interim dividend of 1.5 cents per share 100% franked and payable on 20 March 2019.

NOTE 4 FAIR VALUE MEASUREMENTS

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

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

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

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Company – at 30 June 2018	Level 1	Level 2	Level 3	TOTAL
Assets	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements.				
<i>Financial Assets</i>				
Financial Assets at fair value through Other Comprehensive Income – Listed Equity Securities	20,810,743	-	-	20,810,743
Total Financial Assets	20,810,743	-	-	20,810,743

Company – at 31 December 2018	Level 1	Level 2	Level 3	TOTAL
Assets	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements.				
<i>Financial Assets</i>				
Financial Assets at fair value through Other Comprehensive Income – Listed Equity Securities	19,016,000	-	-	19,016,000
Total Financial Assets	19,016,000	-	-	19,016,000

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2018

NOTE 4 FAIR VALUE MEASUREMENTS *(continued)*

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

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

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

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

NOTE 5 MOVEMENTS IN ISSUED CAPITAL

Date	Details	Number of shares	Price	Issued Capital \$
30 June 2017	Balance	18,318,043		18,322,898
	Nil Movement *	-		-
30 June 2018	Balance	18,318,043		18,322,898
	Nil Movement*	-		-
31 December 2018	Balance	18,318,043		18,322,898
Adjust for				
Capital Raising Costs				529,503
Capital Raising Costs – Tax Effect				(158,851)
Net Capital Raising Costs (After Tax)				370,652
Balance of Contributed Equity Per Balance Sheet				17,952,246

* The Dividend Reinvestment Plan was facilitated through on-market purchase of shares. There were no shares issued during the period.

(a) Ordinary Shares

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

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

NOTE 6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

Notes to the Condensed Financial Statements

For the half-year ended 31 December 2018

NOTE 7 EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the period, the Directors declared an interim dividend of 1.5 cents per share fully franked to be paid on 20 March 2019.

The Directors are not aware of any other matter or circumstance which has arisen since balance date that has 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 subsequent financial periods.

NOTE 8 OPERATING SEGMENTS

Segment Information

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

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

Directors' Declaration

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

- (a) complying with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that Barrack St Investments Limited will be able to pay its debts as and when they become due and payable.

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



Murray d'Almeida
Chairman

SYDNEY
22 February 2019

BARRACK ST INVESTMENTS LIMITED
ABN 30 167 689 821

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Barrack St Investments Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2018, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Barrack St Investments Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Barrack St Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Barrack St Investments Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of Barrack St Investments Limited's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

WPIAS Pty Ltd
Authorised Audit Company No. 440306



LEE-ANN DIPPENAAR BCom CA RCA
DIRECTOR

Dated this 22nd day of February 2019

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