RESULTS ANNOUNCEMENT FOR THE 6 MONTHS ENDED 31 DECEMBER 2018

GROUP HIGHLIGHTS

As highlighted at the 2018 Annual General Meeting, the half year was significantly affected by the performance of CVC's ASX listed share portfolio. This resulted in an underlying net loss after tax of $4.9 million and a net loss after tax to shareholders of $6.4 million. The results for the half year can be summarised as follows:

Underlying Results			
	1H FY2018	**1H FY 2017**	**Growth vs pcp (%)**
Total income	$39.2 m	$41.2 m	(4.7%)
Underlying NPAT	($4.9 m)	$20.0 m	(124.4%)
NPAT to shareholders	($6.4 m)	$16.6 m	(138.4%)
Interim dividend	7.0 cps	7.0 cps	-
Net tangible assets	$188.4 m	$208.3 m	(9.6%)
Net cash position	$30.3 m	$56.4 m	(46.3%)

Whilst the half year financial result is clearly disappointing the overall performance is considered to be positive, reflected in the following highlights:

- Completion of the development of the Caltex travel centre and continued progress on the planning and development of the retail centre at Caboolture, Queensland;
- Sale of the Port Macquarie site on a fund through basis and construction of the Bunnings retail centre generating $3.4 million for the half year, with forecast completion in March 2019;
- Continued repositioning of the commercial precinct via re-leasing and refurbishment of the Mooloolabah Wharf, Queensland into an upmarket retail and tourist destination;
- Receipt of a further $5.5 million instalment in accordance with the contract of sale of 960 Donnybrook Road, Donnybrook, Victoria, taking total instalments received for the sale to $10 million;
- Interest and associated fee income of $3.2 million from the provision of property finance facilities and $1.6 million from commercial debt facilities;
- 150% growth in the commercial lending portfolio to $36.2 million;
- The commencement of the Eildon Debt Fund with $25.5 million deployed into a number of senior property loans;
- Establishment and launch of an $50 - $100 million CVC Emerging Companies Fund;
- Continued development of Bigstone Finance and its loan marketplace, with $27 million in loans written since inception in June 2016.
- Payment of a fully franked dividend of 8 cents per share during the period and an interim dividend of 7 cents per share payable on 8 March 2019.

CVC Limited

HALF YEAR IN REVIEW

Highlights

CVC's is taking advantage of tightening credit markets by increasing the loan portfolio of the group as deal flow improves. Loans are continuing to be written at high interest rates with good underlying security. The market for financing activities will continue to generate consistent long term recurrent income streams.

CVC's property portfolio is a major source of recurrent earnings, including interest and associated fee income from loans, rental income from direct property investments and capital growth in the underlying assets. This objective is driven by investment in both direct and indirect property assets, with the portfolio spanning the residential, commercial, retail and industrial sectors. The focus is to provide loans or make direct property investments to take full advantage of changing market cycles.

In addition, the inherent uplift in value from direct property investment is anticipated to contribute to earnings over the longer term as identified projects are realised. The conditional sale of the Donnybrook property will generate an anticipated profit of $49 million on a staged basis over 4 years following Precinct Structure Plan (PSP) approval anticipated to commence in the 2021 financial year. Further progress in the development of strategic land holdings has been made during the period from projects at Liverpool, Marsden Park, Caboolture, Kingsgrove and Turrella.

The listed investment portfolio generated a significantly negative result for the half year, as a result of the correction experienced by global markets during Q2 FY 2019. As the focus of the listed equities segment is to acquire significant holdings in small and micro capitalised companies, this was significantly impacted by a lack of liquidity in the market and higher volatility. Subsequent to the end of the half year markets have however stabilised and continue to move higher. CVC has benefited by the change of sentiment with a strong recovery in the equities portfolio during the Q3 FY 2019 as the market has recovered with a $8.5 million improvement since January 1, 2019, representing a 9.8% increase compared to the ASX Small Ordinaries Accumulation index of 11.1% over the same period.

CVC's funds management division continues to grow with Bigstone Capital Pty Limited undertaking a capital raising as well as reaching $27 million loans written since inception. In addition, agreement has been reached with a significant partner to develop the unlisted CVC Emerging Companies Fund which is focused on growth and expansion stage companies, targeting a $50 - $100 million raising during the 2H FY 2019. CVC continues to partner with external investment managers with the objective growing the external investment strategies. These new strategies will complement the existing portfolio and contribute to ongoing profitability via recurrent management fees and performance fees.

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The segment result for the half year is as follows:

Underlying Segment Results	1H FY2018	1H FY 2017
Segment (loss)/profit[1]	($2.0 m)	$29.1 m
Comprises:		
Direct property	$5.6 m	$13.5 m
Property backed lending	$3.6 m	$3.1 m
Commercial debt and alternatives	$1.6 m	$0.7 m
Listed investments	($12.4 m)	$10.5 m
Private equity	$0.1 m	$1.8 m
Funds management	($0.5 m)	($0.5 m)
Total segment (loss)/profit[1]	**($2.0 m)**	**$29.1 m**

1. *Segment profits exclude unallocated amounts such as bank interest, overhead costs and income tax expense.*

Direct Property

Total contribution to comprehensive income was $5.6 million (31 December 2017: $13.5 million) net of project specific borrowing costs of $0.7 million. Highlights include:

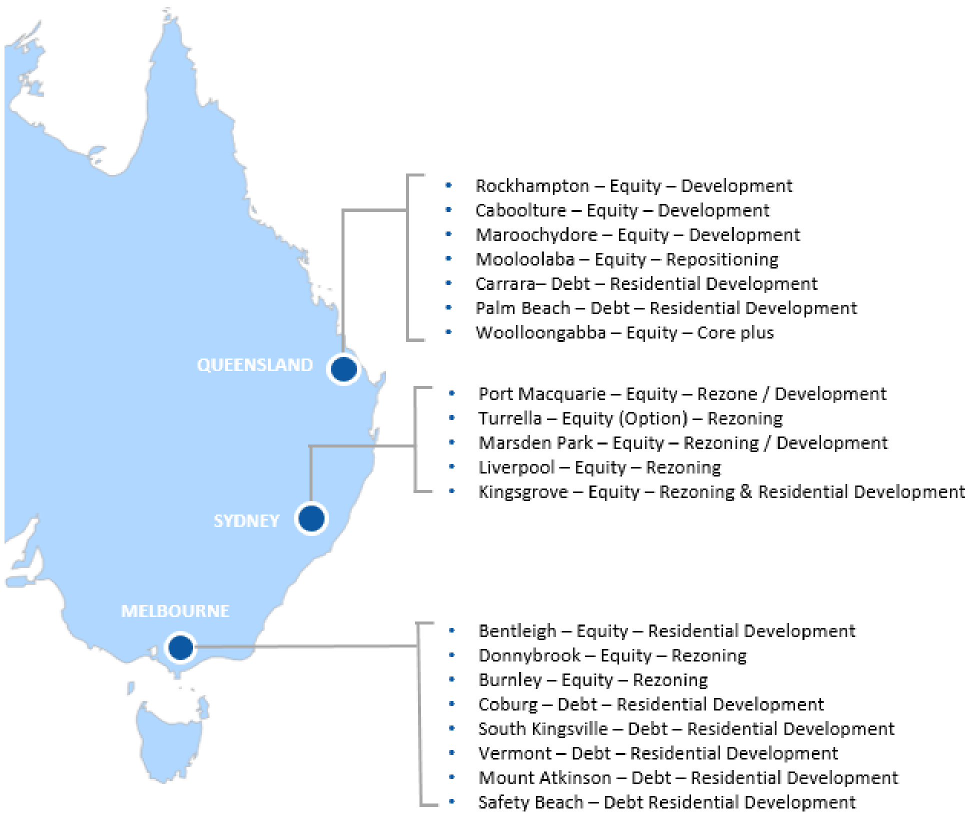
- Progress continuing to be made on the planning approvals for Donnybrook, Victoria and Marsden Park, New South Wales sites;
- Completion of the Caltex service centre at Caboolture, Queensland;
- Commencement and substantial completion of the Bunnings retail centre at Port Macquarie, New South Wales; and
- Approvals obtained for development of the retail centre at Caboolture, Queensland, that will unlock the future development of the site.

The Donnybrook joint venture has previously entered into contracts to sell 960 Donnybrook Road and 1030 Donnybrook Road, both of which are conditional on PSP approval. On 21 December 2018 CVC confirmed receipt of $5.5 million under the contract for 960 Donnybrook Road, taking the total payments held under that contract to $10 million.

CVC's share of revenue from the sales will be recognised progressively in line with the staged settlements, and will therefore be dependent on timing of PSP approval. The PSP approval process has progressed positively. CVC expects that revenue from the sale contracts will begin to be recognised from 1H FY 2021, underpinning earnings through to FY 2024.

Progress has been made on planning approvals in respect of Marsden Park North in New South Wales, East Bentleigh and Donnybrook in Victoria. CVC continued the repositioning and development of the Caboolture and Mooloolaba projects in Queensland. All projects provide long term development pipelines once planning outcomes have been achieved of retail, commercial and residential uses.

CVC expects current market conditions to present opportunities for astute acquisitions and strategic partnering relationships. With a strong balance sheet and disciplined capital management, CVC expects to be well placed to capitalise on these as they arise.



Property Backed Lending

Total contribution to comprehensive income was $3.6 million (31 December 2017: $3.1 million). Deal flow remains strong for lending opportunities, with the current balance of the loan book increasing by approximately 30% during the period to $52.7 million as at 31 December 2018.

Commercial debt and alternatives

Total contribution to comprehensive income was $1.6 million (31 December 2017: $0.7 million). Commercial lending is expected to provide a significant contribution to CVC's short term performance as credit markets tighten as banks withdrawn from lending to higher risk segments.

Deal flow remains strong for lending opportunities, with loans continuing to be written at high interest rates with good underlying security. The current balance of the loan book has increased by approximately 150% during the period to $36.2 million as at 31 December 2018.

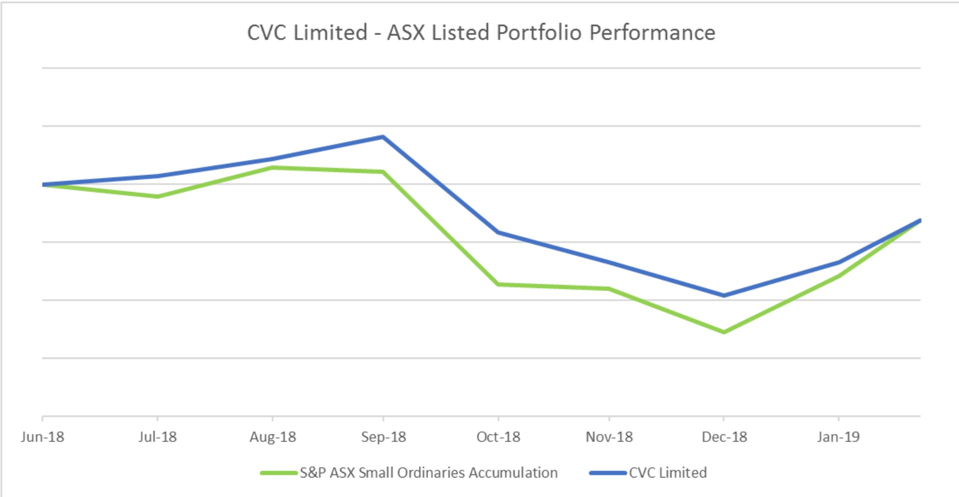
Listed Equities

The listed equities portfolio contributed a loss of $12.4 million to comprehensive income (31 December 2017: gain of $10.5 million), which includes both net profit $3.2 million generated from the sale of securities and a revaluation loss of the existing portfolio of $16.7 million. In addition, CVC received $1.1 million in distributions from securities during the period.

The ASX listed portfolio generated an 8.6% loss compared to the benchmark comparison of the ASX Small Ordinaries Accumulation Index of 12.7% loss for 1H FY 2019.

The loss from the revaluation of the existing portfolio occurred during Q2 FY 2019, which occurred during the broad-based correction to global equities markets. As CVC's focus is on the acquisition of significant holdings in small and micro capitalised companies, the fall in value of this sector was more pronounced. Subsequent to the end of the half year, markets have stabilised and continue to move higher. CVC has benefited by the change of sentiment with a strong recovery in the equities portfolio during the Q3 FY 2019. As the market has recovered, a $8.5 million profit recovery has been observed since December, 31 2018.

The following table provides a comparison of the performance of the CVC ASX listed portfolio compared to the ASX Small Ordinaries Accumulation Index for the period of July 1, 2018 to February, 15 2019. During the period, CVC has overall outperformed its comparable benchmark.



During the period significant positive contributions were generated from Probiotec Limited (ASX: PBP) and IDT Australia Limited (ASX: IDT). Negative contributions to profit were generated from Bionomics Limited (ASX: BNO), Incentiapay Limited (ASX: INP), Villa World Limited (ASX: VLW), Prime Media Group Limited (ASX: PRT) and Raiz Invest Limited (ASX: RZI).

Private Equity

The total contribution to comprehensive income was $0.1 million (31 December 2017: $1.8 million). During the period PrimeQ Limited was sold, generating a profit of $0.6 million, representing approximately an 103% uplift on the original investment. Further, a significant private equity opportunity was reviewed, but did not proceed following the outcome of due diligence.

The investment in CleanSpace safety product manufacturer, Cleanspace Holdings Pty Limited, continues to execute on its growth strategy, with a growing global presence in Europe and USA with revenues growing at 50% per annum.

Further, CVC had a number of acquisition and sale transactions during the period of smaller earlier stage companies. CVC's track record of investing in unlisted equities and market presence has seen an opportunity to start up the wholesale unlisted CVC Emerging Companies Fund focused on growth and expansion stage companies.

Funds Management

This segment contributed a loss of $0.5 million (31 December 2017: loss of $0.5 million) which was primarily due to an equity accounting loss arising from the investment in Bigstone Capital Pty Limited during the period. In addition to Bigstone Capital Pty Limited, the segment includes a number of growing fund managers including Eildon Funds Management Limited, JAK Investment Group Pty Limited and Australian Invoice Finance Pty Limited.

During the period Eildon Funds Management Limited commenced a contributory mortgage fund, which provides property finance that has a lower risk profile than CVC's current investment profile, utilising externally raised funds. The Fund is available to wholesale investors, allowing them to participate in lower risk opportunities.

Bigstone Capital Pty Limited, completed a capital raising and has continued to grow its loan book, with $27 million in loans written since inception.

CVC Emerging Companies Fund which is focused on growth and expansion stage companies, in partnership with Evans and Partners, has launched targeting a $50 - $100 million capital raising and should meaningfully contribute to the segment from FY 2020.

In addition, CVC continues to partner with external investment managers with the objective of growing external investment strategies. These new strategies will complement the existing portfolio and contribute to ongoing profitability via recurrent management fees and performance fees. In addition to the above investment strategies, it is likely that future investment vehicles / opportunities to be offered by CVC funds management in the short term will include:

- Small / Mid-Cap Listed Investment Vehicles;
- Direct Real Estate Investment vehicles; and
- Private debt.

Growth in funds management activities has been a significant contributor to an increase in the quality and consistency of deal flow available to CVC and also provides opportunities to develop meaningful recurrent income streams.

OUTLOOK AND GROWTH

CVC generates its core earnings base from a combination of lending, equity investment and property development activities. CVC continues to grow its recurrent earnings, while at the same time enhancing the earnings with realisations of investments.

Given the nature of investment activities of CVC, it is difficult to reliably predict optimal timing for capital profits from investment realisations, and thereby meaningfully forecast profits from other investment activities. The results for the 2019 financial year will be dictated by the timing of realisations of major projects and investments which cannot be reliably forecast. The underlying core investment strategies remain targeted to delivering annual returns of greater than 15%, whilst investment activities particularly in the property segment are expected to further contribute to meaningful uplift in underlying NTA growth.

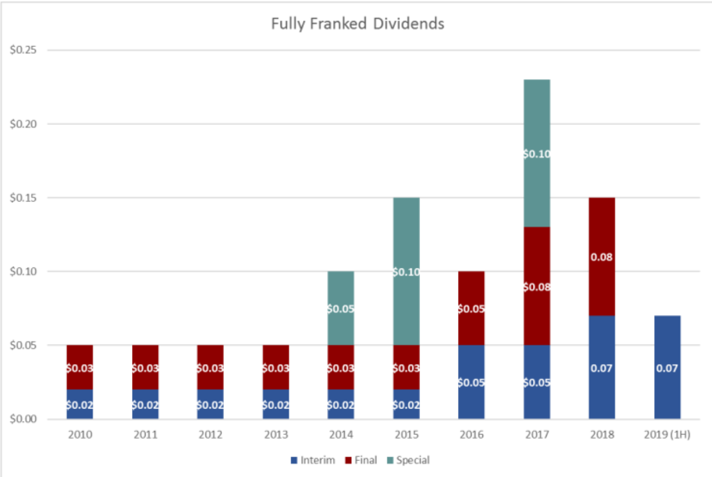
The success of CVC lies in realising latent underlying value whilst structuring investments with capital protection. We are conscious of the cyclical nature that markets can play in the outcome of CVC's investments – and in particular the opportunities these present.

To support future growth, we are providing investors with the opportunity to invest in the various successful strategies of CVC. This will see CVC significantly grow its funds management investment strategy, continuing to grow its recurrent income and supplement the income generated from its other investment strategies.

CAPITAL MANAGEMENT AND DIVIDEND POLICY

The Board is committed to maintaining an appropriate balance between dividends and capital deployed to deliver longer term shareholder performance. It is also focused on passing on successful growth in annual profitability to shareholders in the form of higher dividends. This has been evident by the increasing interim and final dividends historically paid.

The chart below provides an illustration of the growth in dividends paid to shareholders since 2010.



The Board is committed to maintaining the payment of dividends to shareholders that is in line with the underlying profitability of CVC. On February, 18 2019 an interim fully franked dividend of 7 cents per share was declared which will be paid to shareholders on 8 March 2019. The Board anticipates that future dividends will continue to be franked to 100% subject to available franking credits.

CVC has periodically purchased shares under its buy back scheme, dependant on price. The buy-back scheme will be utilised to enable a better alignment of market price to net asset value from recurrent earnings when accretive to shareholder value.

ADH Beard
Director
25 February 2019

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Appendix 4D

Half-Yearly Report
Results for announcement to the market

CVC Limited

ABN	Half-Year ended ('Reporting Period')	Previous Half-Year ended ('Corresponding period')
34 002 700 361	**31 December 2018**	31 December 2017

Results

Income from continuing operations	down	4.7%	to	39,219,632
Profit before tax from continuing operations	down	133.9%	to	(8,640,158)
Profit after tax attributable to members	down	138.4%	to	(6,380,226)
Net profit attributable to members	down	138.4%	to	(6,380,226)

The preliminary half-yearly report is based on accounts which have been reviewed.

Dividends (distributions)

	Amount per security	Franked amount per security
Interim dividend	7.0 cents	7.0 cents
Prior year interim dividend	7.0 cents	7.0 cents
Prior year final dividend	8.0 cents	8.0 cents

Information on dividends:

On 18 February 2019 the directors resolved to pay an interim dividend of 7 cents per share, fully franked, payable on 8 March 2019.

As previously advised the Dividend Reinvestment Plan has been suspended and will not be in operation for the current dividend.

Ex-Dividend date for the purpose of receiving the dividend	21 February 2019
Record date for determining entitlements to the dividend	22 February 2019
Payment Date	8 March 2019

Commentary

Brief explanation of any of the figures reported above:

Please refer to the attached commentary for a detailed review.

CVC LIMITED

AND ITS CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

For the half-year ended
31 December 2018

ACN 002 700 361

COMPANY PARTICULARS

CVC LIMITED
ACN 002 700 361

DIRECTORS
John Read
Alexander Beard
Ian Campbell

SECRETARIES
Alexander Beard
John Hunter

MANAGEMENT TEAM
Alexander Beard
Mark Avery
Michael Bower
Andrew Harris
Jufri Abidin
Jonathon Feil
Jonathon Pearce
Tiffany McLean
John Hunter
Elliott Kaplan
Christian Jensen
Charles Williams
Tom Kellaway
Jonathan Sim
William Chen

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Next Registries
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SYDNEY NSW 2000 AUSTRALIA
Telephone: (02) 9276 1700
Facsimile: (02) 9251 7138

AUDITORS
HLB Mann Judd
Chartered Accountants
Level 19, 207 Kent Street
SYDNEY NSW 2000 AUSTRALIA

BANKERS
Westpac Banking Corporation Limited
Bank of Western Australia Limited
Leveraged Equities Limited

STOCK EXCHANGE LISTING
Australian Securities Exchange Limited

CVC LIMITED & CONTROLLED ENTITIES
DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for CVC Limited and its controlled entities ("CVC") for the half-year ended 31 December 2018 and the independent review report thereon.

Directors

The directors of CVC throughout and since the end of the half-year are:

John Douglas Read (Non Executive Chairman)
Alexander Damien Harry Beard (Executive Director and Company Secretary)
Ian Houston Campbell (Non Executive Director)

Operating Results

The net loss after tax attributable to shareholders for the six months ended 31 December 2018 of CVC amounted to $6.4 million (2017: profit of $16.6 million).

Highlights during the half year included:

- Completion of the development of the Caltex travel centre and continued progress on the planning and development of the retail centre at Caboolture, Queensland;
- Sale of the Port Macquarie site on a fund through basis and construction of the Bunnings retail centre generating $3.4 million for the half year, with forecast completion in March 2019;
- Continued repositioning of the commercial precinct via re-leasing and refurbishment of the Mooloolabah Wharf, Queensland into an upmarket retail and tourist destination;
- Receipt of a further $5.5 million instalment in accordance with the contract of sale of 960 Donnybrook Road, Donnybrook, Victoria, taking total instalments received for the sale to $10 million;
- Interest and associated fee income of $3.2 million from the provision of property finance facilities and $1.6 million from commercial debt facilities;
- 150% growth in the commercial lending portfolio to $36.2 million;
- The commencement of the Eildon Debt Fund with $25.5 million deployed into a number of senior property loans;
- Signed heads of agreement with a significant partner, for the commencement of an $80 million CVC Emerging Companies Fund;
- Continued development of Bigstone Finance and its loan marketplace, with $25 million in loans written since June 2016; and
- Payment of a fully franked dividend of 8 cents per share during the period and an interim dividend to 7 cents per share payable on 8 March 2019

CVC generates its core earnings base from a combination of lending, equity investment and property development activities. CVC continues to grow its recurrent earnings, while at the same time enhancing the earnings with realisations of investments. Given the nature of investment activities of CVC, it is difficult to reliably predict optimal timing for capital profits from investment realisations, and thereby meaningfully forecast profits from other investment activities. The 2019 financial year will be dictated by the timing of realisations of major projects and investments which cannot be reliably forecast but the underlying core investment strategies remain targeted to deliver annual returns of greater than 15%, whilst investment activities particularly in the property segment are expected to further contribute to meaningful uplift in underlying NTA growth.

A more detailed review of operations and developments is included in the commentary that accompanies the ASX release of these results.

Dividends

Since the end of the period, the directors have determined to pay an interim dividend in respect of the half-year ended 31 December 2018 of 7 cents per share, fully franked, payable on 8 March 2019. During the period, directors paid a final fully franked dividend in respect of the year ended 30 June 2018 of 8 cents per share on 5 September 2018.

Events subsequent to balance date

Since the end of the period, the directors have determined to pay an interim dividend in respect of the half-year ended 31 December 2018 of 7 cents per share, fully franked, payable on 8 March 2019.

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in the financial period subsequent to 31 December 2018.

Auditor's Independence Declaration

A copy of the Independence Declaration given to the directors by the auditor for the review undertaken by HLB Mann Judd Chartered Accountants is included on page 26.

Signed and Dated Sydney this 25th day of February 2019 in accordance with a resolution of directors.

ALEXANDER BEARD
Director

JOHN READ
Director

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Notes	31 Dec 2018 $	31 Dec 2017 $
INCOME			
Revenue from development properties	22	**30,844,242**	23,660,272
Interest income		**4,944,543**	4,022,457
Net income from equity investments	22	**-**	11,632,111
Fee income		**668,984**	887,271
Other income		**503,770**	304,256
Total income		**36,961,539**	40,506,367
Equity accounted profits			
Share of net profit of associates	8	**2,258,093**	651,314
EXPENSES			
Cost of land sold	12	**11,688,906**	7,867,787
Contract Costs		**14,556,852**	1,861,824
Net loss from equity investments	22	**13,204,902**	-
Employee costs		**2,688,735**	2,437,814
Finance costs		**2,854,174**	707,108
Impairment on loans	22	**-**	118,662
Management and consultancy fees		**1,220,098**	1,600,123
Overhead expenses	22	**1,646,123**	1,055,480
Total expenses		**47,859,790**	15,648,798
(Loss)/profit before related income tax expense		**(8,640,158)**	25,508,883
Income tax (benefit)/expense	2	**(3,776,938)**	5,540,039
Net (loss)/profit for the half-year		**(4,863,220)**	19,968,844
Net (loss)/profit attributable to:			
Members of the parent entity	17	**(6,380,226)**	16,619,869
Non-controlling interest		**1,517,006**	3,348,975
Net (loss)/profit for the half-year		**(4,863,220)**	19,968,844
Basic and diluted earnings per share	4	**(5.34)**	13.90

The above condensed consolidated statement of financial performance should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31 Dec 2018 $	31 Dec 2017 $
(Loss)/profit for the half-year	**(4,863,220)**	19,968,844
Other comprehensive income		
Items that may be reclassified to profit or loss		
- "Available-for-sale" investments:		
- Increase in fair values recognised in other reserves	**-**	(399,762)
- Amounts transferred from other reserves to the income statement on sale	**-**	(619,757)
Income tax on items taken directly to or from equity	**-**	488,716
Other comprehensive loss for the half-year, net of tax	**-**	(530,803)
Total comprehensive (loss)/income for the half-year	**(4,863,220)**	19,438,041
Total comprehensive (loss)/income for the half-year is attributable to:		
Members of the parent entity	**(6,380,226)**	16,088,889
Non-controlling interest	**1,517,006**	3,349,152
	(4,863,220)	19,438,041

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31 Dec 2018	30 Jun 2018
		$	$
CURRENT ASSETS			
Cash and cash equivalents	5	**30,258,863**	71,093,285
Financial assets – "at amortised cost"	6	**45,877,741**	41,472,207
Contract assets	7	**3,549,539**	743,050
Financial assets - "at fair value through profit or loss"	9	**46,283,013**	48,368,616
Inventories	12	**3,527,914**	3,605,672
Other assets		**98,028**	371,073
Current tax assets		**536,700**	-
		130,131,798	165,653,903
Assets classified as held for sale		**-**	11,620,343
Total current assets		**130,131,798**	177,274,246
NON-CURRENT ASSETS			
Financial assets – "at amortised cost"	6	**35,334,104**	17,310,844
Financial assets – "at fair value through profit or loss"	9	**50,767,734**	56,651,456
Inventories	12	**18,646,176**	18,150,818
Investments accounted for using the equity method	8	**38,377,728**	32,436,702
Property, plant and equipment	11	**309,934**	342,861
Investment properties	10	**1,350,000**	1,350,000
Deferred tax assets		**1,265,084**	304,003
Total non-current assets		**146,050,760**	126,546,684
TOTAL ASSETS		**276,182,558**	303,820,930
CURRENT LIABILITIES			
Trade and other payables	13	**6,229,292**	10,101,498
Interest bearing loans and borrowings	14	**9,667,624**	2,583,121
Provisions	15	**977,445**	867,798
Current tax liabilities		**31,607**	1,301,475
Total current liabilities		**16,905,968**	14,853,892
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	14	**69,948,767**	78,845,201
Provisions	15	**52,094**	21,005
Deferred tax liabilities		**916,638**	3,931,483
Total non-current liabilities		**70,917,499**	82,797,689
TOTAL LIABILITIES		**87,823,467**	97,651,581
NET ASSETS		**188,359,091**	206,169,349
EQUITY			
Contributed equity	16	**103,646,848**	103,646,848
Other equity		**1,881,405**	1,881,405
Retained profits	17	**83,663,405**	99,606,254
Other reserves	18	**(318,237)**	(318,237)
Parent entity interest		**188,873,421**	204,816,270
Non-controlling interest		**(514,330)**	1,353,079
TOTAL EQUITY		**188,359,091**	206,169,349

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Contributed equity	Retained earnings	Asset revaluation	Other Equity	Foreign exchange translation	Owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$	$
At 1 July 2018	**103,646,848**	**99,606,254**	**(318,237)**	**1,881,405**	**-**	**204,816,270**	**1,353,079**	**206,169,349**
(Loss)/profit for the half-year	**-**	**(6,380,226)**	**-**	**-**	**-**	**(6,380,226)**	**1,517,006**	**(4,863,220)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive (loss)/income for the half-year	**-**	**(6,380,226)**	**-**	**-**	**-**	**(6,380,226)**	**1,517,006**	**(4,863,220)**
Transactions with shareholders:								
Disposal of interest in controlled entities	**-**	**-**	**-**	**-**	**-**	**-**	**1,725**	**1,725**
Dividend paid	**-**	**(9,562,623)**	**-**	**-**	**-**	**(9,562,623)**	**(3,386,140)**	**(12,948,763)**
At 31 December 2018	**103,646,848**	**83,663,405**	**(318,237)**	**1,881,405**	**-**	**188,873,421**	**(514,330)**	**188,359,091**
At 1 July 2017	103,646,848	80,631,251	13,772,192	-	98,116	198,148,407	286,780	198,435,187
Profit for the half-year	-	16,619,869	-	-	-	16,619,869	3,348,975	19,968,844
Other comprehensive income	-	-	(425,524)	-	(105,456)	(530,980)	177	(530,803)
Total comprehensive income for the half-year	-	16,619,869	(425,524)	-	(105,456)	16,088,889	3,349,152	19,438,041
Transactions with shareholders:								
Disposal of interest in controlled entities	-	-	-	-	-	-	2,200	2,200
Dividend paid	-	(9,562,623)	-	-	-	(9,562,623)	4,939	(9,557,684)
At 31 December 2017	103,646,848	87,688,497	13,346,668	-	(7,340)	204,674,673	3,643,071	208,317,744

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Notes	31 Dec 2018	31 Dec 2017
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		**1,129,739**	1,665,668
Cash payments in the course of operations		**(6,274,460)**	(7,105,417)
Net cash receipts for land held for resale		**11,070,036**	6,110,306
Proceeds on disposal of equity investments		**61,193,615**	41,908,797
Payments for equity investments		**(63,934,559)**	(33,651,402)
Proceeds on construction contract		**1,804,518**	1,006,270
Loans provided		**(49,136,850)**	(6,960,845)
Loans repaid		**18,807,581**	12,645,975
Interest received		**1,918,608**	8,366,541
Interest paid		**(1,834,507)**	(117,950)
Dividends received		**2,357,910**	5,985,962
Income taxes paid		**(2,005,552)**	(4,884,912)
Net cash flows (used in)/provided by operating activities	5(b)	**(24,903,921)**	24,968,993
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for development of investment properties		**(129,246)**	(421,265)
Payments for property, plant and equipment		**(11,932)**	(16,684)
Acquisition of intangibles		**-**	(6,144)
Net cash flows used in investing activities		**(141,178)**	(444,093)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		**(61,463,315)**	(3,855,547)
Proceeds from borrowings		**58,554,503**	3,511,416
Dividends paid		**(9,562,623)**	(9,557,684)
Distribution to non-controlling interest		**(3,317,888)**	-
Net cash flows used in financing activities		**(15,789,323)**	(9,901,815)
Net (decrease)/increase in cash held		**(40,834,422)**	14,623,085
Cash at the beginning of the half-year		**71,093,285**	41,746,716
CASH AT THE END OF THE HALF-YEAR	5(a)	**30,258,863**	56,369,801

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes to the Half-Year Report.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: BASIS OF PREPARATION

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by CVC during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for the adoption of AASB 15 *Revenue from Contracts with Customers* as set out in Note 24.

AASB 9 *Financial Instruments* has been adopted from 1 July 2017, detail of the changes has been disclosed in the annual report for the year ended 30 June 2018. In accordance with the transitional provisions in AASB 9 *Financial Instruments* paragraph 7.2.15, comparative figures have not been restated. The adjustments recognised for each individual line item has been disclosed in Note 24.

Certain comparatives balances have been changed in order to achieve consistency and comparability with the current period's amounts.

	31 Dec 2018	31 Dec 2017
	$	$
NOTE 2: INCOME TAX EXPENSE		
Accounting (loss)/profit before income tax	**(8,640,158)**	25,508,883
Income tax (benefit)/expense:		
Prima facie income tax (benefit)/expense at 30% on profit before income tax	**(2,592,047)**	7,652,665
Increase in income tax expense due to:		
Sundry items	**31,744**	137,541
Trust losses not deductible	**123,193**	-
Decrease in income tax expense due to:		
Franked dividends received	**(623,680)**	(677,343)
Trust profit not assessable	**-**	(921,717)
Tax losses recouped	**(200,325)**	(14,211)
Deferred tax balances not recognised	**(484,600)**	(617,246)
	(3,745,715)	5,559,689
Adjustment in respect of current income tax of previous years	**(31,223)**	(19,650)
Income tax (benefit)/expense for the half-year	**(3,776,938)**	5,540,039

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

NOTE 3: DIVIDENDS

Dividends proposed or paid and not provided for in previous periods by CVC are:

CVC paid a final dividend of 8 cents per share on 5 September 2018 in respect of the year ended 30 June 2018.

On 18 February 2019, CVC declared an interim dividend of 7 cents per share, fully franked, to be paid on 8 March 2019 to shareholders registered on 22 February 2019.

	31 Dec 2018	30 Jun 2018
Dividend franking account		
Franking credits available to shareholders of CVC Limited for subsequent financial years	**5,837,273**	8,912,928

The franking account is stated on a tax paid basis. The balance comprises the franking account at period-end adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax
(b) franking debits that will arise from the refund of overpaid tax instalments paid
(c) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
(d) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
(e) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

NOTE 4: EARNINGS PER SHARE

	31 Dec 2018	31 Dec 2017
Basic and diluted earnings per share	**Cents**	Cents
Basic and diluted earnings per share attributable to the members of the parent entity	**(5.34)**	13.90
	$	$
Reconciliation of earnings used in calculation of earnings per share:		
(Loss)/profit after income tax	**(4,863,220)**	19,968,844
Less: non-controlling interest	**(1,517,006)**	(3,348,975)
Net (loss)/profit attributable to members of the parent entity	**(6,380,226)**	16,619,869

	Number of Shares	
Weighted average number of ordinary shares – Basic and Diluted	**119,532,788**	119,532,788
Number of shares on issue at the end of the half-year	**119,532,788**	119,532,788

NOTE 5: NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call. Cash as at the end of the interim reporting period is reconciled to the related items in the statement of financial position as follows:

	31 Dec 2018 $	30 Jun 2018 $
Cash on deposit	**26,725,884**	70,347,892
Funds held by bank	**3,532,979**	745,393
Cash and cash equivalents	**30,258,863**	71,093,285

(b) Reconciliation of (loss)/profit after income tax to the net cash provided by operating activities:

	31 Dec 2018 $	30 Jun 2018 $
(Loss)/profit after income tax	**(4,863,220)**	19,968,844
Add/(less) non-cash items:		
Share of equity accounted profits	**(2,258,093)**	(651,314)
Depreciation and amortisation of plant and equipment	**44,859**	42,241
Change in fair value of investment property	**5,352**	63,178
Non-cash finance cost	**287,903**	39,669
Impairment expenses on financial instruments	**1,574,694**	991,041
Impairment recoveries	**-**	(3,665,681)
Net loss/(profit) on equity investments	**13,239,803**	(6,040,276)
Interest income not received	**(3,083,454)**	(147,303)
Interest expense not paid	**315,730**	4,417,334
Dividend income	**846,226**	3,336,370
Movement in income tax provision	**(1,806,567)**	573,408
Movement in deferred tax assets and liabilities	**(3,975,923)**	(67,223)
Changes in assets and liabilities:		
Inventories	**11,218,305**	(318,767)
Equity investments	**(2,743,757)**	8,271,239
Loans	**(30,329,268)**	5,685,129
Trade and other receivables	**(2,247,744)**	(8,633,063)
Trade and other payables	**(1,542,544)**	1,239,731
Provisions	**140,736**	96,644
Other assets	**273,041**	(232,208)
Net cash (used in)/provided by operating activities	**(24,903,921)**	24,968,993

NOTE 6: FINANCIAL ASSETS - "AT AMORTISED COST"

Current		
Trade receivables	**974,378**	2,508,541
Other receivables and prepayments	**1,319,706**	1,089,310
Loans to associated entities	**10,703,662**	9,005,771
Loans to other corporations	**32,879,995**	28,868,585
	45,877,741	41,472,207

NOTE 6: FINANCIAL ASSETS - "AT AMORTISED COST" (CONT.)

	31 Dec 2018	30 Jun 2018
	$	$
Non-Current		
Other receivables and prepayments	-	396,694
Loans to associated entities	32,332,816	11,471,043
Loans to other corporations	3,001,288	5,443,107
	35,334,104	17,310,844

NOTE 7: CONTRACT ASSETS/LIABILITIES

	31 Dec 2018	30 Jun 2018
Current		
Contract assets	3,549,539	743,050

Measurement of construction contract revenue and expense
When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised using the output method by reference to a progress certificate issued by the project manager. The progress certificate issued by the project manager represents the current state of completion and is a reliable estimate of the works that have been done. This involves reporting revenue, expenses and profit attributable to the proportion of work completed. Where revenues are associated with uncertain project expenditure, including rental guarantees and lease incentive payments, the revenue is not recognised in the profit or loss until it is highly probable that there will be no reversal or adjustment in the future.

Where the contract term is for periods of one year or less, as permitted under AASB 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

NOTE 8: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 Dec 2018 $	30 Jun 2018 $
Equity accounted interests in joint ventures	**1,853,895**	2,852,327
Equity accounted interests in listed associated companies	**19,933,617**	18,536,741
Equity accounted shares in other associated companies	**16,590,216**	11,047,634
	38,377,728	32,436,702

Details of investments accounted for using the equity method are as follows:

	% Ownership at end of half-year		Carrying value		Contribution to net profit/(loss)	
	31 Dec 18	30 Jun 18	**31 Dec 18**	30 Jun 18	**31 Dec 18**	31 Dec 17
Associated entities			**$**	$	**$**	$
79 Logan Road Pty Ltd	**35.0**	35.0	**35**	35	**-**	-
79 Logan Road Trust	**35.0**	35.0	**2,924,423**	3,027,222	**(13,550)**	38,140
Australian Invoice Finance Ltd	**47.6**	47.6	**2,247,272**	2,283,650	**(36,377)**	(101,560)
Bigstone Capital Pty Limited	**36.6**	29.0	**2,281,277**	1,064,648	**(392,565)**	-
BioPower Systems Pty Limited	**25.1**	25.1	**-**	-	**-**	-
Cravernda Pty Ltd (a)	**50.0**	-	**60**	-	**-**	-
Cravernda Unit Trust (a)	**50.0**	-	**60**	-	**-**	-
Cedar and Stone Pty Ltd	**43.3**	20.0	**96,225**	50,000	**46,225**	-
Concise Asset Management Limited	**-**	-	**-**	-	**-**	(48,140)
Donnybrook JV Pty Ltd	**49.0**	49.0	**3,289,692**	3,178,478	**(35,787)**	(56,491)
Eildon Capital Limited	**39.8**	38.7	**17,700,225**	18,536,741	**927,211**	504,486
Eildon Funds Management Limited	**40.0**	40.0	**142,497**	189,109	**93,388**	227,572
JAK Investment Group Pty Ltd	**40.0**	40.0	**265,839**	317,513	**(51,672)**	(4,508)
JAK Contributory Mortgage Fund Loan Trust No.3	**20.8**	-	**783,519**	-	**61,123**	-
Kingsgrove Property LMC Pty Ltd (a)	**50.0**	50.0	**-**	-	**-**	-
LAC Unit Trust	**33.3**	33.3	**782,555**	688,928	**(1,864)**	1,306
LAC JV Pty Ltd	**33.3**	33.3	**100**	100	**-**	-
Lewcorp Properties Pty Ltd	**20.0**	-	**818,853**	-	**(16,672)**	-
Mooloolaba Wharf Holding Company Pty Limited (a)	**50.0**	50.0	**2,709,927**	50	**2,709,877**	-
South Pack Laboratories (Aust) Pty Ltd	**-**	-	**-**	-	**-**	326,699
The Kingsgrove (Vanessa Road) Unit Trust	**25.0**	25.0	**-**	-	**-**	-
The Maroochydore Medical Centre Facility Unit Trust (a)	**50.0**	50.0	**50**	50	**-**	-
Turrella Property Unit Trust	**32.5**	32.5	**247,832**	247,749	**82**	(20)
Turrella Property Pty Ltd	**32.5**	32.5	**-**	102	**(102)**	37
Urban Properties Pty Limited	**33.3**	33.3	**-**	-	**-**	-
Urban Properties Cairns Pty Limited	**20.0**	20.0	**-**	-	**-**	-
Urban Properties Centenary Pty Limited	**20.0**	20.0	**-**	-	**-**	-
US Residential Fund	**22.2**	-	**2,233,392**	-	**(32,792)**	-
Joint Ventures						
MAKE EBRB Dev Nominee Pty Ltd (a)	**50.0**	50.0	**1,853,895**	2,852,327	**(998,432)**	(236,207)
MAKE 246 EBRB Pty Ltd (a)	**50.0**	50.0	**-**	-	**-**	-
			38,377,728	32,436,702	**2,258,093**	651,314

(a) Cravernda Pty Ltd, Cravernda Unit Trust, Kingsgrove Property LMC Pty Ltd, Mooloolaba Wharf Holding Company Pty Limited, The Maroochydore Medical Centre Facility Unit Trust, MAKE EBRB Dev Nominee Pty Ltd and MAKE 246 EBRB Pty Ltd are not considered to be controlled entities of CVC as management of each entity is controlled by the holders of the remaining 50%.

	31 Dec 2018	**30 Jun 2018**
	$	**$**
NOTE 9: FINANCIAL ASSETS - "AT FAIR VALUE THROUGH PROFIT OR LOSS"		
Current		
Shares in listed corporations	**41,385,118**	48,368,616
Shares in unlisted corporations	**4,897,895**	-
	46,283,013	48,368,616
Non-current		
Shares in listed corporations	**27,566,983**	38,399,138
Shares in unlisted corporations	**23,200,751**	18,252,318
	50,767,734	56,651,456

NOTE 10: INVESTMENT PROPERTIES

Investment properties (note 21)		
Non-current	**1,350,000**	1,350,000
Reconciliation:		
Investment properties at beginning of the half-year	**1,350,000**	8,578,697
Additions – capital expenditure	**5,352**	1,711,382
Reclassification to inventory	**-**	(11,620,343)
Fair value adjustment	**(5,352)**	2,680,264
Total investment properties at the end of the half-year	**1,350,000**	1,350,000

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Total property, plant and equipment	**309,934**	342,861
Plant and equipment:		
At amortised cost	**313,669**	301,737
Accumulated depreciation	**(181,201)**	(151,171)
Total plant and equipment	**132,468**	150,566
Leasehold improvements:		
At cost	**208,942**	208,942
Accumulated depreciation	**(58,476)**	(43,647)
Total properties	**150,466**	165,295
Properties:		
At amortised cost	**27,000**	27,000

	31 Dec 2018	30 Jun 2018
	$	$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONT.)		
Reconciliation:		
Plant and equipment:		
Carrying amount at the beginning of the half-year	**150,566**	183,815
Additions	**11,932**	22,562
Depreciation	**(30,030)**	(55,811)
Carrying amount at the end of the half-year	**132,468**	150,566
Leasehold improvements		
Carrying amount at the beginning of the year	**165,295**	186,588
Additions	**-**	8,098
Depreciation	**(14,829)**	(29,391)
Carrying amount at the end of the half-year	**150,466**	165,295
Properties:		
Carrying amount at the beginning and end of the half-year	**27,000**	27,000

NOTE 12: INVENTORIES

	31 Dec 2018	30 Jun 2018
Current		
Land and development held for resale	**3,527,914**	3,605,672
Non-current		
Land and development held for resale	**18,646,176**	18,150,818

Inventories recognised as an expense for the period ended 31 December 2018 include land sales of $11,688,906 (2017: $7,867,787). These expenses have been included in the cost of goods sold in the Statement of Financial Performance.

NOTE 13: TRADE AND OTHER PAYABLES

	31 Dec 2018	30 Jun 2018
	$	$
Current		
Trade and other payables	**1,079,580**	4,591,316
Sundry creditors and accruals	**5,149,712**	5,510,182
	6,229,292	10,101,498

NOTE 14: INTEREST-BEARING LOANS AND BORROWINGS

Current		
Secured loan	**48,358**	2,583,121
Unsecured loan from associated entity	**9,619,266**	-
	9,667,624	2,583,121
Non-current		
Secured loans	**14,306,992**	13,930,628
Unsecured loan from associated entity	**-**	9,677,586
Convertible notes	**55,641,775**	55,236,987
	69,948,767	78,845,201

NOTE 15: PROVISIONS

Current		
Employee entitlements	**977,445**	867,798
Non-current		
Employee entitlements	**52,094**	21,005

NOTE 16: CONTRIBUTED EQUITY

	31 Dec 2018		31 Dec 2017	
	Number	$	Number	$
Issued and paid-up ordinary share capital				
Balance at the beginning and end of the half-year	**119,532,788**	**103,646,848**	119,532,788	103,646,848

	31 Dec 2018	31 Dec 2017
	$	$
NOTE 17: RETAINED PROFITS		
Balance at the beginning of the half-year	**99,606,254**	80,631,251
Net (loss)/profit attributable to shareholders	**(6,380,226)**	16,619,869
Dividends	**(9,562,623)**	(9,562,623)
Balance at the end of the half-year	**83,663,405**	87,688,497

NOTE 18: OTHER RESERVES

	Asset Revaluation Reserve	**Foreign Exchange Reserve**	**Total**
	$	**$**	**$**
Half-year ended 31 December 2018:			
Balance at the beginning and the end of the half-year	**(318,237)**	**-**	**(318,237)**
Half-year ended 31 December 2017:			
Balance at the beginning of the half-year	13,772,192	98,116	13,870,308
Net unrealised gain on "available-for-sale" investments	(226,327)	(173,435)	(399,762)
Net unrealised loss on "available-for-sale" investments – non-controlling interest	(177)	-	(177)
Realised (gain)/loss on "available-for-sale" investments reclassified to the income statement	(642,541)	22,784	(619,757)
Income tax on items taken directly to or from equity	443,521	45,195	488,716
Balance at the end of the half-year	13,346,668	(7,340)	13,339,328

NOTE 19: ASSETS PER SECURITY

	31 Dec 2018	31 Dec 2017
	$	$
Net assets per share attributable to members of the parent entity	**1.58**	1.71
Net tangible assets per share attributable to members of the parent entity	**1.58**	1.71

The figures above are calculated based on the consolidated financial position of CVC Limited.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

NOTE 20: SEGMENT REPORTING

The revenues and results by business segments are as follows:

	Private Equity Investments	Commercial Debt and Alternative Assets	Listed Investments	Property Backed Lending	Direct Property	Funds Management	Controlled Eliminations	Consolidated
	$	$	$	$	$	$	$	$
Half-year ended 31 December 2018:								
Revenues:								
Total revenue for reportable segments	122,309	1,561,913	26,858	3,191,799	30,997,255	613,417	-	36,513,551
Inter-segment revenue	-	-	-	-	1,238,810	6,585,480	(7,824,290)	-
Unallocated amounts:								
Interest income								447,988
Consolidated revenue								36,961,539
Equity accounted income	46,225	-	894,418	61,123	1,591,880	(335,553)	-	2,258,093
Results:								
Total profit for reportable segments	51,586	1,561,913	(13,269,187)	3,544,688	4,013,824	(192,745)	-	(4,289,921)
Share of profit of equity accounted investees	46,225	-	894,418	61,123	1,591,880	(335,553)	-	2,258,093
	97,811	1,561,913	(12,374,769)	3,605,811	5,605,704	(528,298)	-	(2,031,828)
Unallocated amounts: corporate expenses								(6,608,330)
Consolidated profit before tax								(8,640,158)
Disaggregation of revenue from contracts with customers								
Timing of revenue recognition								
At a point in time	122,309	1,561,913	26,858	3,191,799	11,962,866	613,417	-	17,479,162
Over time	-	-	-	-	19,034,389	-	-	19,034,389
	122,309	1,561,913	26,858	3,191,799	30,997,255	613,417	-	36,513,551

Segment results are shown before related income tax expense.

NOTE 20: SEGMENT REPORTING (CONT.)

	Private Equity Investments $	Commercial Debt and Alternative Assets $	Listed Investments $	Property Backed Lending $	Direct Property $	Funds Management $	Controlled Eliminations $	Consolidated $
Half-year ended 31 December 2017:								
Revenues:								
Total revenue for reportable segments	1,640,891	691,922	10,035,337	3,058,766	24,304,593	503,708	-	40,235,217
Inter-segment revenue	-	-	-	-	1,687,042	6,665,521	(8,352,563)	-
Unallocated amounts:								
Interest income								271,150
Consolidated revenue								40,506,367
Equity accounted income	326,699	-	504,486	-	(257,743)	77,872	-	651,314
Results:								
Total profit for reportable segments	1,446,093	690,295	10,035,337	3,058,766	13,817,822	(578,328)	-	28,469,985
Share of profit of equity accounted investees	326,699	-	504,486	-	(257,743)	77,872	-	651,314
	1,772,792	690,295	10,539,823	3,058,766	13,560,079	(500,456)	-	29,121,299
Unallocated amounts: corporate expenses								(3,612,416)
Consolidated profit before tax								25,508,883
Disaggregation of revenue from contracts with customers								
Timing of revenue recognition								
At a point in time	1,640,892	691,922	10,035,337	3,058,766	22,143,718	503,708	-	38,074,343
Over time	-	-	-	-	2,160,875	-	-	2,160,875
	1,640,892	691,922	10,035,337	3,058,766	24,304,593	503,708	-	40,235,218

Segment results are shown before related income tax expense.

NOTE 21: FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities of CVC are approximately equal to their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

Judgements and estimates were made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, CVC has classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

The fair value of the assets and liabilities as well as the methods used to estimate the fair value are summarised in the table below.

	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Total
	$	$	$	$
At 31 December 2018				
Financial assets				
"Fair value through profit or loss" investments				
Shares in listed corporations	**21,760,655**	**47,191,446**	**-**	**68,952,101**
Shares in unlisted corporations	**-**	**-**	**28,098,646**	**28,098,646**
Non-financial assets				
Investment properties	**-**	**-**	**1,350,000**	**1,350,000**
	21,760,655	**47,191,446**	**29,448,646**	**98,400,747**
At 30 June 2018				
Financial assets				
"Fair value through profit or loss" investments				
Shares in listed corporations	25,593,061	61,174,693	-	86,767,754
Shares in unlisted corporations	-	-	18,252,318	18,252,318
Non-financial assets				
Investment properties	-	-	1,350,000	1,350,000
	25,593,061	61,174,693	19,602,318	106,370,072

Reconciliation of Level 3 fair value movements:

	31 Dec 2018	31 Dec 2017
	$	$
Opening balance at the beginning of the period	**19,602,318**	21,813,103
Purchases	**13,044,422**	3,131,881
Sales	**(2,063,780)**	(87,500)
Losses recognised in other income (a)	**(834,314)**	(312,580)
Gains recognised in other comprehensive income	**-**	806,531
Transfer out of Level 3 to Level 1	**(300,000)**	(500,000)
Transfer out of Level 3 (b)	**-**	(7,447,230)
Closing balance at the end of the period	**29,448,646**	17,404,205
(a) Unrealised losses recognised in profit or loss attributable to assets held at the end of the reporting period	**1,649,847**	198,411

(b) The capital cost of the property at 18 John Oxley Drive Port Macquarie New South Wales was reclassified from investment properties to inventories as CVC made a decision to develop the site during the 2017 half-year period.

NOTE 21: FAIR VALUE MEASUREMENTS (CONT.)

The fair values of Level 2 financial instruments are determined using available prices where trading does not occur in an active market. The quantitative information about the significant unobservable inputs used in level 3 fair value measurements are as follows:

	Fair value			Weighted average		
	31 Dec 2018	30 June 2018				
Description	**$**	**$**	**Unobservable inputs**	**31 Dec 2018**	**30 Jun 2018**	**Relationship of unobservable inputs to fair value**
Leased properties	**1,350,000**	1,350,000	Capitalisation rate	16.30%	10.16%	The higher the capitalisation rate, the lower the fair value
			Lease expiry	4.83 years	0.33 years	The longer the lease term, the higher the fair value
			Occupancy	100%	100%	The higher the occupancy rate, the higher the fair value
	1,350,000	1,350,000				
Other investments	**28,098,646**	18,252,318	(a)			

(a) There is no quantitative information. Fair value has been determined by using valuation techniques. Such techniques include using recent arm's length market transactions; net asset backing; reference to the current market value of another instrument that is substantially the same and discounted cash flow analysis.

CVC LIMITED & CONTROLLED ENTITIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

NOTE 22: INCOME AND EXPENSE

This note provides a breakdown of the items included in "income from equity investments" and "impairment of financial instruments".

	31 Dec 2018	31 Dec 2017
	$	$
Profit from development properties		
Contract revenue	**19,034,389**	10,660,875
Sale of land	**11,809,853**	12,999,397
	30,844,242	23,660,272
Net (loss)/income from equity investments		
Net gain on sales of equity investments	**-**	463,225
Net (loss)/gain on financial assets at fair value through profit or loss	**(13,239,803)**	5,725,992
Dividends from related entities	**740,069**	-
Dividends from unrelated entities	**771,614**	2,649,592
Fee from unrelated entities	**97,912**	-
Impairment recovery of investments in related entities	**-**	158,692
Impairment recovery of investments in unrelated entities	**-**	3,506,989
Impairment of listed investments	**-**	(737,146)
Impairment of unlisted investments	**-**	(135,233)
Impairment of investments in associated entities	**(1,574,694)**	-
	(13,204,902)	11,632,111
Impairment on loans		
Impairment on loans to other entities	**-**	118,662
Other overhead and administration fees		
Lease expenses	**291,411**	274,866
Insurance expenses	**94,244**	101,091
Legal fees	**181,562**	60,061
Change in fair value of investment property	**5,352**	63,178
Other expenses	**1,073,554**	556,284
	1,646,123	1,055,480

NOTE 23: SUBSEQUENT EVENTS

Since the end of the period, the directors have determined to pay an interim dividend of 7 cents per share, fully franked, payable on 8 March 2019.

There are no other matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of CVC, the results of those operations or the state of affairs of CVC in the financial period subsequent to 31 December 2018.

NOTE 24: CHANGES IN ACCOUNTING POLICIES

24.1 AASB 15 *Revenue from Contracts with Customers*

CVC has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018 which replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue related Interpretations. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

(a) Accounting for revenue

CVC's revenue includes interest revenue, dividend income and investment gains which are specifically excluded from the scope of AASB 15 and are consistent with those of the previous financial year and corresponding interim reporting period. Other revenues are set out below.

Contract Revenue

CVC develops commercial properties. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by using the output method by reference to a progress certificate issued by the project manager. The progress certificate issued by the project manager represents the current state of completion and is a reliable estimate of the works that have been done. This involves reporting revenue, expenses and profit attributable to the proportion of work completed. Where revenues are associated with uncertain project expenditure, including rental guarantees and lease incentive payments, the revenue is not recognised in the profit or loss until it is highly probable that there will be no reversal or adjustment in the future.

A receivable is also recognised by reference to the progress certificate issued by the project manager as this is the point in time that consideration is unconditional.

Sale of land

CVC develops and sells residential properties and commercial land. Revenue is recognised when control of the property has transferred to the customer. The revenue is measured at the transaction price agreed under the contract. The properties have generally no alternative use for CVC due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer. The consideration is due when legal title has been transferred.

Fee income

CVC provides services to parties which is measured at the amount in accordance with the agreement. Revenue is recognised in the accounting period which the services provided are matched with the use of the benefits by the client. A receivable is recognised at the same time as this is the point in time that consideration is unconditional because only the passage of time is required before the payment is due.

Financing components

CVC does not expect to have any contracts where the period between the transfer of promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, CVC does not adjust any of the transaction prices for the time value of money.

NOTE 24: CHANGES IN ACCOUNTING POLICIES (CONT.)

24.1 AASB 15 *Revenue from Contracts with Customers* (cont.)

(b) Presentation of assets and liabilities related to contracts with customers

CVC has also voluntarily changed the presentation of balance sheet to reflect the terminology of AASB 15. Contract assets in relation to construction contract were previously presented as part of Financial Assets – "at amortised cost". An amount of $743,050 has been reclassified to Contract Assets as at 1 July 2018.

(c) Impact of adoption

The adoption of AASB 15 has not had a material impact on the financial performance or position of the Group. No adjustment has been recognised to the opening balance of retained earnings at 1 July 2018 as a result of the adoption of AASB 15 and consequently no further disclosures have been included in this interim financial report.

24.2 AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* has been adopted from 1 July 2017, details of the changes have been disclosed in the annual report for the year ended 30 June 2018. In accordance with the transitional provisions in AASB 9 *Financial Instruments* paragraph 7.2.15, comparative figures have not been restated.

The following table provides an indication of the adjustments that would have been recognised for each individual line item in the Statements of Condensed Consolidated Statement of Financial Performance and Condensed Consolidated Statement of Comprehensive Income for the period ended 31 December 2017 had the adjustments been made.

	As originally presented	AASB 9	Restated
	$	$	$
Condensed Consolidated Statement of Financial Performance (extract) - For the half-year ended 31 December 2017			
Income from equity investments	11,632,111	(1,019,519)	10,612,592
Total income	**30,776,756**	**(1,019,519)**	**29,757,237**
Profit before related income tax expense	**25,508,883**	**(1,019,519)**	**24,489,364**
Income tax expense	5,540,039	(488,716)	5,051,323
Net profit	**19,968,844**	**(530,803)**	**19,438,041**
Net profit attributable to non-controlling interest	3,348,975	177	3,349,152
Net profit attributable to members of the parent entity	**16,619,869**	**(530,980)**	**16,088,889**
Condensed Consolidated Statement of Comprehensive Income (extract) - For the half-year ended 31 December 2017			
Profit for the period	**19,968,844**	**(530,803)**	**19,438,041**
Items that may be reclassified to profit or loss			
Investment value decrease recognised in other reserves	(399,762)	399,762	-
Amounts transferred from other reserves to income on sale	(619,757)	619,757	-
Income tax on items taken directly to or from equity	488,716	(488,716)	-
Other comprehensive income for the period, net of tax	**(530,803)**	**530,803**	**-**
Total comprehensive income for the period	**19,438,041**	**-**	**19,438,041**
Basic and diluted earnings per share for profit attributable to the members of the parent entity	0.1390	(0.0044)	0.1346

Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed can not be recalculated from the numbers provided.

CVC LIMITED & CONTROLLED ENTITIES
HALF YEARLY REPORT

DIRECTORS' DECLARATION

In the opinion of the directors:

(a) the interim financial statements and notes set out on pages 4 to 24, are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

(b) there are reasonable grounds to believe that CVC Limited will be able to pay its debts as when they become due and payable.

Dated at Sydney this 25th day of February 2019.

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

ALEXANDER BEARD
Director

JOHN READ
Director

CVC LIMITED
ACN 002 700 361

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of CVC Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of CVC Limited and the entities it controlled during the period.

Sydney, NSW	**Nicholas Guest**
25 February 2019	**Partner**

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CVC LIMITED
ACN 002 700 361

INDEPENDENT AUDITOR'S REVIEW REPORT

Independent auditor's review report to the members of CVC Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CVC Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of financial performance, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 CVC Limited is not in accordance with the *Corporations Act 2001* including:

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

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's 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 consolidated 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 the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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CVC LIMITED
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INDEPENDENT AUDITOR'S REVIEW REPORT (CONTINUED)

Auditor's Responsibility (Continued)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable 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*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nicholas Guest
Partner

Sydney, NSW
25 February 2019