

# **SUNVEST CORPORATION LIMITED**

ABN 77 008 132 036

## **Annual Report**

**year ended 30 June 2019**

# SUNVEST CORPORATION LIMITED

## CORPORATE DIRECTORY

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DIRECTORS:	Bruce Burrell Carole Rowan Mark Rowan-Hull Callum Baxter
COMPANY SECRETARY:	Bruce David Burrell MBA FCPA
REGISTERED OFFICE	Level 57 MLC Centre 19-29 Martin Place Sydney NSW 2000
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 5 115 Grenfell Street Adelaide SA 5000  GPO Box 1903 Adelaide SA 5001  Telephone: Within Australia 1300 556 161 Outside Australia 61 3 9615 400 Email enquiries : <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a>
AUDITORS:	Hall Chadwick Level 40 2 Park Street Sydney NSW 2000
BANKERS:	Commonwealth Bank of Australia Macquarie Bank
STOCK EXCHANGE LISTING:	Sunvest Corporation Limited shares are listed on the Australian Securities Exchange (ASX: SVS).

**SUNVEST COPORATION LIMITED  
DIRECTORS' REPORT**

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Your directors present their report on the Company for the financial year ended 30 June 2019.

**1. Directors**

The following persons were directors of Sunvest Corporation Limited during the year and up to the date of this report:

Bruce David Burrell

Ronald Bruce Rowan (resigned 13 September 2018)

Carole Christine Rowan (resigned 13 September 2018 and re-appointed 7 November 2018)

Callum Newton Baxter (appointed 7 November 2018)

Mark Jonathan Rowan-Hull (appointed 29 January 2019)

Peter Burrows (appointed 13 September 2018, resigned 7 November 2018)

Alex Keach (appointed 13 September 2018, resigned 7 November 2018)

**2. Principal Activities**

The principal activities of the Company during the financial year were investing in shares in other companies which are quoted or are intended to be quoted on a recognised exchange, in Australia and the UK.

There were no significant changes in the nature of the Company's principal activities during the financial year.

**3. Dividends**

No dividends have been paid or declared for payment during the financial year or to the date of this report.

**4. Review of Operations**

The result was a loss after tax of \$492,921 compared to a loss of \$1,476,246 in 2018.

The result includes an impairment expense of \$151,495 (2018 - \$331,551) arising from a permanent diminution in the value of the Company's investment portfolio.

The result also includes an unrealised loss of \$271,454 (2018- unrealised loss of \$972,305)

There were no sales of investments during the year (2018 – \$3,464,110 in sales proceeds).

There were 4 purchases of new investments totaling \$597,286 during the year (2018 – nil)

The fair value of the share portfolio at 30 June 2019 was \$2,913,246 which compares to the June 2018 fair value of \$2,738,909.

The principal movements in the company's investment portfolio are as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Portfolio value at beginning of the year	2,738,909	4,042,765
Purchases of shares	597,286	-
Unrealised loss on shares	(271,454)	(972,305)
Impairment expense	(151,495)	(331,551)
Portfolio value at end of the year	<u>2,913,246</u>	<u>2,738,909</u>

#### 4. Review of Operations (continued)

Details of the Company's investment portfolio are set out in Note 21 and in the 'ASX and Shareholder Additional Information' section at the rear of the annual report.

The majority of the investments are in companies quoted on the ASX and UK stock exchanges (LSE, AIM, NEX) .

The directors believe the investment portfolio is satisfactory with an appropriate spread of investments in companies operating in different industries and in different geographical locations.

The Company has no external debt other than trade payables.

#### 5. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year:

#### 6. Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company in future financial years

#### 7. Likely Developments

The directors will continue to seek investment opportunities in shares in companies where superior returns appear likely. Such investments will likely occur in smaller companies which are listed on the ASX or on UK stock exchanges.

#### 8. Environmental Regulation

The directors are not aware of any particular and significant environmental regulation under a law of the Commonwealth, State or Territory relevant to the consolidated entity.

#### 9. Directors' Shareholdings

The interests of current directors in the ordinary shares of the company at 30 June 2019 and the movement in the number of shares during the year, are as follows:

	Number held 30 June 2018	Purchased on-market	Number held 30 June 2019
Bruce Rowan	10,167,797	-	10,167,797 (1)
Carole Rowan	9,683,798	-	9,683,798 (1)
Bruce Burrell	297,868	18,127	315,995 (2)
Mark Rowan-Hull	-	-	- (3)
Callum Baxter	-	-	- (3)

(1) includes 9,667,797 shares owned by companies of which Bruce Rowan and Carole Rowan are directors and shareholders.

(2) Includes 254,285 shares owned by a family investment company of which Bruce Burrell is a director and major shareholder.

(3) Mark Rowan-Hull and Callum Baxter are directors of the companies which own the above 9,667,797 shares but are not shareholders in those companies. Messrs. Rowan-Hull and Baxter have a relevant, director related entity, interest in the above shares.

## 10. Information on Directors and Company Secretary

<b>Carole Christine Rowan</b>	—	Non Executive
Experience	—	Board member since 1990 (Other than for the period 13 September 2018 to 7 November 2018)
Other current directorships	—	Nil
Former directorships (last three years)	—	Nil
<b>Bruce David Burrell</b>	—	Non Executive and Company Secretary
Experience	—	Board member since 1996 Extensive experience with ASX public companies in finance, corporate secretarial and governance.
Other current directorships	—	Nil
Former directorships (last three years)	—	Nil
Special responsibilities	—	Non-executive Chairman
<b>Callum Newton Baxter</b>	—	Non Executive
Experience	—	Geologist and company director
Other current directorships	—	Greatland Gold plc Starvest plc
Former directorships (last three years)	—	Nil
<b>Mark Jonathan Rowan-Hull</b>	—	Non Executive
Experience	—	Property
Other current directorships	—	Nil
Former directorships (last three years)	—	Nil

## 11. Share Options

The Company had no options on issue at the end of the year. No options were granted during the year and no shares have been issued on the exercise of options at any time during the year.

## 12. Remuneration Report (audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Shareholdings
- D. Service agreements
- E. Share-based payment compensation
- F. Loans and other transactions with key management personnel

The information provided under headings A-F in the remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

#### **A. Principles used to determine the nature and amount of remuneration**

The remuneration policy of Sunvest Corporation Limited is designed to align the interests of the directors and shareholders and the Company's business objectives.

The Board believes the remuneration policy to be appropriate and effective in its ability to retain directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for directors is as follows:

The remuneration policy is determined by the Board. There is no Remuneration Committee as the board feels that the size and level of activities of the Company does not warrant a separate committee.

The remuneration of the directors is based on a number of factors, including length of service, particular experience of the individual director, performance of the individual director and the overall performance of the Company.

The Board reviews directors' remuneration annually by reference to the Company's performance, individual performances and comparable information from within similar industry sectors.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration levels of non-executive directors are reviewed annually. Independent external advice would be sought if considered appropriate.

All remuneration paid to directors is valued at cost to the Company and expensed.

The maximum aggregate directors' fees which may be paid is approved by the shareholders at an annual general meeting. Fees for non-executive directors are not linked to the company's performance. Non-executive directors are not provided with retirement benefits. They do not receive options.

There are no Board retirement schemes or redundancy schemes.

Pursuant to the Company's constitution each director is entitled to receive the following:

- i) payment for the performance of extra services or special exertions at the request of the Board and for the purposes of the Company; and
- ii) payment for reimbursement of all reasonable expenses incurred by a director on the business of the Company.

## B. Details of remuneration

Details of the nature and amount of remuneration of the directors and the key management personnel of the Company and the consolidated entity are:

	Short-term benefits	Post- employment benefits	Share-based payments	
	Cash salary and fees	Superannuation		Total
	\$	\$	\$	\$
<b>2019</b>				
<b>Directors</b>				
Bruce Burrell	109,400	-	-	109,400
Bruce Rowan	-	-	-	-
Carole Rowan	6,000	-	-	6,000
Mark Rowan-Hull	6,000	-	-	6,000
Callum Baxter	12,000	-	-	12,000
	133,400	-	-	133,400
<b>2018</b>				
<b>Directors</b>				
Bruce Rowan	44,000	-	-	44,000
Carole Rowan	-	-	-	-
Bruce Burrell	63,000	-	-	63,000
	107,000	-	-	107,000

There have been no other key management personnel during the last 2 financial years.

## C. Shareholdings

The numbers of ordinary shares in the company held during the financial year by each director of Sunvest Corporation Limited, including their personally related parties, are set out below.

2019	Balance at the start of the year	Granted during the year as compensation	Purchases on-market during the year	Balance at the end of the year
<b>Directors</b>				
Bruce Rowan	10,167,797*	-	-	-
Carole Rowan	9,683,798*	-	-	9,683,798*
Bruce Burrell	297,868	-	18,127	315,995
Mark Rowan-Hull	-	-	-	-
Callum Baxter	-	-	-	-
<b>2018</b>				
	Balance at the start of the year	Granted during the year as compensation	Purchases on-market during the year	Balance at the end of the year
<b>Directors</b>				
Bruce Rowan	10,167,797*	-	-	10,167,797*
Carole Rowan	9,683,798*	-	-	9,683,798*
Bruce Burrell	274,201	-	23,667	297,868

\*includes a total of 9,667,797 shares owned by companies of which Carole Rowan is a director and major shareholder.

Mark Rowan-Hull and Callum Baxter are non-executive directors of the companies which hold the

above 9,667,797 shares but are not shareholders in those companies. They hold a relevant , director related entity interest, in the above shares.

#### **D. Service Agreements**

The Company has no service agreements with its directors.

#### **E. Share-based payment compensation**

No share-based compensation was paid during the year (2018 – nil).

#### **Key Performance Indicators**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Earnings per share (cents)	(4.05)	(12.14)	(0.41)	25.87
Growth in earnings per share (%)	-	-	-	813
Profit (loss) after tax	(492,921)	(1,476,246)	(50,317)	3,145,099
Net asset backing per share at 30 June (\$)	0.39	0.43	0.54	0.43
Growth in net asset backing per share (%)	-	-	-	83
Net assets at 30 June	4,735,057	5,227,978	6,704,224	6,754,541



## **12. Remuneration Report (audited) (continued)**

### **F. Loans and other transactions with key management personnel**

Bruce Burrell, a director, incurs certain operating and other costs on behalf of the Company and seeks reimbursement thereof. Depending upon the timing of incurring the expense and reimbursements, certain amounts may be payable to or receivable from Bruce Burrell. Refer note 10(a).

During the year an amount of \$10,000 was payable to Bruce Burrell for providing the principal administrative office and functions of telephone, fax, postage, stationery and internet. The payment was based on normal commercial terms and conditions.

Aggregate amounts of compensation paid to each of the key management personnel of Sunvest Corporation Limited is summarised in Note 14(c).

## **13. Directors' Meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Meetings of Directors	
	Held	Attended
Bruce Burrell	11	11
Bruce Rowan	4	4
Carole Rowan	9	9
Mark Rowan-Hull	4	4
Callum Baxter	5	5
Peter Burrows	1	1
Alex Keach	1	1

No separate board committees have been constituted by the directors given the size of the Company and its operations.

## **14. Indemnifying Directors, Officers or Auditor**

The Company has not maintained a contract of insurance during the financial year which insures any person who is or has been an officer of the Company against certain liabilities in respect of their duties as an officer of the Company.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Company.

## **15. Proceedings on behalf of Company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of the proceedings. The company was not a party to any such proceedings during the year.

## 16. Auditor

Hall Chadwick was appointed as auditors by the directors on 10 October 2014 and the appointment was confirmed by shareholders at the annual general meeting held on 20 November 2014.

Hall Chadwick continues in office in accordance with section 327 of the Corporations Act 2001.

### Non-audit services

The Company may decide to employ Hall Chadwick on assignments additional to its statutory duties where the auditor's expertise and experience with the Company are important.

The Board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 as none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

### During the year the following fees were paid or payable to the auditor for audit and non- audit services:

	2019 \$	2018 \$
<b>Audit</b>		
Audit and review of financial reports of the Company		
- Hall Chadwick	39,864	27,008
<b>Other Services</b>		
Taxation services	992	4,270

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 11 of the financial report.

This report is made in accordance with a resolution of the directors.

Signed on behalf of the directors of Sunvest Corporation Limited



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Bruce David Burrell  
Chairman

Dated at Sydney this 30<sup>th</sup> day of August 2019

SUNVEST CORPORATION LIMITED  
ABN 77 008 132 036

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF SUNVEST CORPORATION LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Sunvest Corporation Limited. As the lead audit partner for the audit of the financial report of Sunvest Corporation Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*Hall Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

*G Webb*

GRAHAM WEBB  
Partner  
Date: 30 August 2019

A Member of PrimeGlobal  
An Association of Independent  
Accounting Firms



## **SUNVEST CORPORATION LIMITED CORPORATE GOVERNANCE STATEMENT**

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The board of the Company is committed to having the highest standards of ethical behavior together with an effective system of corporate governance for the Sunvest Group commensurate with the size of the Company and the scope of its business operations.

In accordance with ASX Listing Rule 4.10.3, set out below is the ASX Corporate Governance Council's eight principles of corporate governance (ASX Governance Principles) and described against each is how the board has applied each principle and the recommendations set out within them.

The Company is fully supportive of the 'if not, why not' disclosure based approach to governance adopted by the ASX Governance Principles because, inter alia, they recognize there is no single model of corporate governance and that good corporate governance practice is not restricted to adopting all the recommendations.

The board has adopted and complied with most of the recommendations but there are a number of recommendations that the board, after careful review, have not adopted. Full details of these, together with an explanation of why an alternate and more appropriate approach has been taken by the Board, are set out in the following statement.

### **Principle 1: Laying Solid Foundations for Management and Oversight**

Compliance with this Principle requires the Company to establish and disclose the respective roles and responsibilities of both the board and management.

#### **Role of the Board**

The Company's overall corporate objective, as determined by the board, is to provide shareholders with attractive investment returns principally through enhancement of capital.

In this regard, the Company's primary goals are:

- to be profitable and pay dividends which, over time, grow faster than the rate of inflation; and
- to provide attractive total returns over the medium to long term.

The role of the board supports the corporate objectives of the Company. The board generally sets objectives and goals for the operation of the Company, oversees the Company's management, reviews the Company's performance on a regular basis and monitors its affairs in the best interests of the Company. The board is accountable to its shareholders as owners of the Company.

The board operates under a board charter, which documents the role of the board outlined above and the matters that the board has reserved to itself. Those matters include:

- setting the corporate objectives of the Company and approving business strategies and plans of the Company set in place to meet those objectives;
- approving the expense budget at least annually;
- approving changes to the Company's capital structure and dividend policy;
- appointing and removing the CEO/Managing Director and carrying out succession planning for the CEO/Managing Director as applicable;
- reviewing the performance of the CEO/Managing Director and remuneration and contractual arrangements;
- appointing and removing senior executives on the recommendation of the CEO/Managing Director;
- reviewing the performance and remuneration of senior executives on the review and recommendation of the CEO/Managing Director;

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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**Principle 1: Laying Solid Foundations for Management and Oversight (continued)**

- reviewing the composition of the board, the independence of Directors, the board's performance and for carrying out succession planning for the Chairman and other Non-Executive Directors;
- reviewing the performance of management and the Company, including the risk management, internal controls and compliance systems;
- dealing with any matters in excess of any specific delegations that the board may from time to time delegate to the CEO/Managing Director and senior executives;
- approving the communication to shareholders and to the public of the half-year and full-year results and monthly net tangible asset disclosures;
- setting designated authorities for management to implement (in consultation with the Chairman/Managing Director) the decisions of the board in respect to investments.

The Directors meet formally as a board as and when required and usually between 6 to 12 times a year.

**Company Secretary**

The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

**Delegation to Board Committees**

The board has not established any Board Committees to assist the board in exercising its authority.

The Company does not have a separate Audit Committee, Remuneration Committee or Nominations Committee.

After careful consideration the board has decided that given the small size of the Company and its operations it was appropriate that the functions of audit, remuneration and nomination committees be reserved for the full board.

**Delegation to Management**

The Managing Director is responsible to the Company for the performance of management and the board acts in close consultation with the Managing Director.

The board is responsible for evaluating the performance of the Managing Director and the Company's senior executives in accordance with the Company's aims and objectives, and remunerating them appropriately. As part of its approach to encouraging enhanced performance, the board has adopted a remuneration structure for the Managing Director and other senior executives which includes a significant component of 'at risk' remuneration designed to encourage and reward high performance. Full details of the remuneration process and the benchmarks used for assessment are given in the Remuneration Report.

**Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 1 and its recommendations. As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

**Principle 2: Structuring the Board to Add Value**

Compliance with this Principle requires the Company to have a board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

**SUNVESTCORPORTION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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**Principle 2: Structuring the Board to Add Value (continued)**

The Directors' Report sets out the details of the skills, experience, and expertise of each Director. The roles of the Chairman and Managing Director are not separate. The role of the Managing Director is set out under Principle 1, above. The role of the Chairman is set out in the board charter, including being responsible for:

- the business of the board, taking into account the issues and the concerns of all Directors and the requirements of the board charter;
- the leadership and conduct of board and Company meetings to be in accordance with the agreed agenda, the Company's Corporate Objective and Principles of Conduct (described under Principle 3, below); and
- encouraging active engagement by Directors and an open and constructive relationship between the board and the Managing Director and senior executives.

The Chairman also has the authority to act and speak for the board between meetings, subject to any agreed consultation processes.

**Appointment and Renewal**

The board consists of a Non-Executive Chairman, Bruce Burrell, and Non-Executive Directors Carole Rowan, Mark Rowan-Hull and Callum Baxter. Bruce Burrell and Callum Baxter are considered by the Board to be independent.

Details of the term of office held by each Director in office as at the date of this report are as follows:

Name of Director	Date Appointed	Non-executive	Independent
Bruce Burrell	1996	Yes	Yes
Carole Rowan *	1990	Yes	No
Callum Baxter	2018	Yes	Yes
Mark Rowan-Hull	2019	Yes	No

- Mrs Carole Rowan was first appointed a director in 1990, resigned in September 2018 and was re-appointed in November 2018.

The Company's constitution provides that each Director, except for the Managing Director, must seek re-election by shareholders at least every three years if they wish to remain a Director. Any new Director appointed by the board must seek election by shareholders at the next Annual General Meeting of the Company. This complies with the ASX Listing Rules.

**Written Agreements**

All of the Directors have entered into an Agreement with the Company covering the terms of their appointment, the Company's share trading policy, access to documents, Director's indemnity against liability, and Directors' and Officers' insurance.

Each Director of the Company is encouraged to have a financial interest in the Company.

**Nomination Committee**

The Company does not have a Nomination Committee.

**SUNVESTCORPORTION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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After careful consideration the board decided that the functions of a Nomination Committee were best reserved for the full board. The full board periodically reviews board composition, succession planning, and where applicable recommends suitable Directors for appointment by the Directors and approval by shareholders. In reviewing board composition, the Committee takes note of regulatory requirements and recommendations in this area and reviews the mix of skills, experience and diversity the board considers appropriate for the Company's particular circumstances.

## **Principle 2: Structuring the Board to Add Value (continued)**

### **Nomination Committee (continued)**

The board also reviews the process in place to assess the board's performance. In order to provide a specific opportunity for performance matters to be discussed with each Director, each year the Chairman conducts a formal Director review process. He meets with each Director individually to discuss issues including performance and discusses with each Director the effectiveness of the board as a whole, individual Directors and the Chairman with the intention of providing mutual feedback.

Performance is reviewed against both measurable and qualitative indicators. To assist the effectiveness of these meetings, the Chairman is provided with objective information about each Director (e.g. number of meetings attended, other current directorships etc.) and a guide for discussion to ensure consistency. The Chairman reports on the general outcome of these meetings to the board. Given the nature of the Company's activities, the Board believes that there is sufficient formality in the process of evaluation of the board, individual Directors and the Chairman.

A performance evaluation of directors was undertaken during the year ended 30 June 2019. No formal evaluation of executives was undertaken as the Company has no executives.

### **Independence of Directors**

The board reviews the independence of each of the Non-Executive Directors on an annual basis, taking into account the factors set out in the ASX Governance Principles, including situations where an individual Director may be a partner in, controlling shareholder of, or executive of an entity which has a material commercial relationship with the Company.

It is considered that the Non-Executive Directors, Carole Rowan and Mark Rowan-Hull are not independent, however the Non-Executive Directors, Bruce Burrell and Callum Baxter are independent.

Any real or potential conflicts of interest are dealt with by procedures consistent with Corporations Act requirements which are designed to ensure that conflicted Directors do not take part in the decision-making on the relevant issue. On this basis, it is believed that their independence on all other issues is not compromised.

To assist Directors to fully meet their responsibilities to bring an independent view, the board has agreed a procedure in appropriate situations for Directors to take independent professional advice, at the expense of the Company, after advising the Chairman of their intention to do so. The results of the independent professional advice are made available to the Chairman.

### **Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 2 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

## **Principle 3: Promotion of Ethical and Responsible Decision-making**

Compliance with this Principle requires that the Company should actively promote ethical and responsible decision-making. The Company, including its Directors and key executives, is committed to maintaining the highest standards of integrity and seeks to ensure all its activities are undertaken with efficiency, honesty and fairness, and in accordance with legal obligations. The Company also maintains a high level of transparency regarding its actions consistent with the need to maintain the confidentiality of commercial-in-confidence material and, where appropriate, to protect the shareholders' interests.



**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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**Principle 3: Promotion of Ethical and Responsible Decision-making (continued)**

The Company has approved and promulgated 2 codes, namely Corporate Principles of Conduct and a Trading Policy for Directors together with the Company's Trading Policy that the Company has for dealing in its own shares by its senior executives and employees. The Corporate Principles of Conduct include the code of conduct for Directors and senior executives and these documents are provided to management and new Directors as they join the Company and any updates are provided to all employees and Directors.

In addition to the consideration by the board of individual Directors' independence, the Corporate Principles of Conduct sets out details of how conflicts of interest should be avoided. The Company's Directors and employees must disclose to the Company any material personal interest that they or any associate may have in a matter that relates to the affairs of the Company. Directors must inform the Company Secretary immediately they become aware of any changes to their shareholdings or directorships. Where a conflict of interest may arise, full disclosure by all interested persons must be made and appropriate arrangements followed, such that interested persons are not included in making the relevant decisions and discussions.

**Diversity**

The Company does not have a formal policy in relation to diversity regarding gender, age, ethnicity or cultural background. The board believes, after careful consideration, that in view of the small size and operations of the Company a meaningful diversity policy cannot be developed at this time.

There are currently only 4 people who contribute to the Company's affairs and each of those is a director of the Company.

At present the 4 people described comprise 3 males and 1 female.

Except for a departure regarding diversity policy, the board believes that the Company is fully compliant with Principle 3 and its recommendations.

**Principle 4: Safeguarding Integrity in Financial Reporting**

Compliance with this Principle requires that the Company has a structure to verify and safeguard the integrity of the Company's financial reporting.

The Company has not established an Audit Committee. The functions of an Audit Committee have been reserved for the full board. These functions include overseeing the integrity of the financial reporting process and reports to the board.

The full board is responsible for reviewing:

- the Company's accounting policies;
- the content of financial statements;
- issues relating to the controls applied to the Company's activities;
- the conduct, effectiveness and independence of the external audit;
- risk management and related issues; and compliance issues.

The role of the full board in respect of its oversight of risk management issues is set out under Principle 7 below.

**Written Affirmations**

Pursuant to section 295A of the Corporations Act the board receives from the Managing Director and the Chief Financial Officer written affirmations concerning the Company's financial statements as set out in the Directors' Declaration.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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**External Audit**

The Company reviews the independence and competence of the Company's external auditor including reviewing any non-audit work to ensure that it does not conflict with audit independence. The full board meets with the external auditor in the absence of management.

The Company ensures that the external auditor attends the Company's annual general meetings and is available to answer questions relevant to the audit.

**Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 3 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

**Principle 5: Making Timely and Balanced Disclosure**

Compliance with this Principle requires that the Company promote timely and balanced disclosure of all material matters concerning the Company.

As a listed entity, the Company has an obligation under the ASX Listing Rules to maintain an informed market in its securities. Accordingly, the Company ensures that the market is advised of all information required to be disclosed under the Listing Rules which the Company believes would or may have a material effect on the price or value of the Company's securities.

The Company has developed policies and procedures designed to ensure compliance with ASX Listing Rules and Corporations Act disclosure requirements and to ensure accountability at a senior management level for that compliance. The policy is reviewed during the course of each year, taking into account best practice developments in this area.

The Company makes ASX releases on a monthly basis to meet ASX Listing Rule requirements for continuous disclosure. The board has nominated Bruce Burrell, a director, as the person responsible for communications with ASX including responsibility for ensuring compliance with ASX continuous disclosure requirements.

The board believes that the Company is fully compliant with Principle 5 and its recommendations.

**Principle 6: Respecting the Rights of Shareholders**

Compliance with this Principle requires that the Company respect the rights of shareholders and facilitate the effective exercise of those rights.

The Company is owned by its shareholders and the board's primary responsibility is to shareholders and to achieve the Company's Corporate Objectives and thus increase the Company's value. The main communications with shareholders are the Annual and Half-Year Reports and the Annual General Meeting.

The Company's monthly announcements regarding net tangible asset backing are able to be viewed on the ASX platform but are not mailed to shareholders.

Shareholders are encouraged to attend the annual general meeting at which the external auditor is in attendance and available to answer shareholder questions on the audit and the preparation of the financial reports.

The Company does not at this stage maintain a website, but is in the process of developing one. The Company is in the process of developing an investor relations program. The board believes that the Company is fully compliant with Principle 6 and its recommendations.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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**Principle 7: Recognising and Managing Risk**

Compliance with this Principle requires that the board establish a system of risk oversight and management and internal control.

The board considers that the Company has established and maintains an appropriate and sound system of risk oversight, management and internal control.

The board considers an internal audit function to be not necessary due to the nature and size of the Company's operations.

By its nature as an investment company, the Company will always carry risk because it must invest its capital in activities which are not risk free.

The Company's management is primarily responsible for recognising and managing operational risk issues such as legal and regulatory risk, systems and process risk, human resource risk.

The board receives from the Managing Director and the Chief Financial Officer written affirmation that, to the best of their knowledge and belief, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects insofar as they relate to financial reporting risks. The board has also received reports from management as to the effectiveness of the Company's management of its material business risks.

The Company's risk management was reviewed during the year ended 30 June 2019.

The board believes that the Company is fully compliant with Principle 7 and its recommendations.

**Principle 8: Remunerating Fairly and Responsibly**

Compliance with this Principle requires that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is defined.

The Company has not established a Remuneration Committee. After careful consideration the board has decided that the functions of a remuneration committee are best reserved for the full board. These functions include to look after remuneration issues relating to the Non-Executive Directors, the Managing Director and other executive directors and senior executives.

Full details regarding the remuneration amounts and policies are disclosed in the Remuneration Report.

The board seeks external advice from consultants to ensure that its policies and practices are in line with external market conditions.

Executives who have been awarded shares and previous Long Term Incentive Plans that have not yet vested are prohibited from entering into transactions in associated products which limit the risk of participation in such plans.

**Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 8 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

**SUNVEST CORPORATION LIMITED  
CORPORATE GOVERNANCE STATEMENT (Cont'd)**

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## **Share Trading Policy**

### **Policy Introduction**

This policy deals primarily with the sale or purchase of securities in Sunvest Corporation Limited (SVS) by its employees, consultants, contractors, directors and officers (collectively referred to herein as Employees).

This policy is designed to:

- inform interested parties, such as shareholders of the SVS policy
- assist employees to avoid conduct that is known as 'insider trading'
- ensure that when employees do deal in securities of SVS, those dealings are fair and seen as fair
- effect proper business controls
- comply with legal requirements

This policy applies to Employees and their nominees, agents or other associates, such as family members, family trusts and family companies.

This policy applies to-

- SVS shares
- other securities that may be issued by SVS such as options
- derivatives and other financial products that can be traded on a financial market including products created by third parties
- products which operate to limit economic risk in security holdings in SVS

This policy is intended to apply in addition to legal requirements.

### **Insider trading provisions in the Corporations Act**

The Corporations Act 2001 prohibits a person from dealing in securities if that person-

- is in possession of information that is not generally available
- knows or should know that the information is not generally available where that information if available may have a material effect on the SVS share price

Dealing in securities means acquiring, applying for, selling or entering into an agreement to do so.

A person need not be an Employee of SVS to be guilty of insider trading. The prohibition extends to dealings by Employees through nominees, agents or other associates including family, family trusts and family companies.

There may be severe criminal and civil liability and penalties including imprisonment, imposed for breach of insider trading laws.

### **Restrictions on Dealing in SVS Securities**

#### **3.1 General Rule**

Employees must not buy or sell securities in SVS while they are in possession of inside information, being information about securities in SVS which is not publicly available.

#### **3.2 Specific prohibited dealings**

In addition to the general restriction in 3.1 above there are certain periods during the year when Employees may not deal in SVS securities as set out below.

### **Restrictions on Dealing in SVS Securities (continued)**

Employees are prohibited from dealing in SVS securities during the 1 week prior to and the day following the release of the following:

- Full year results to ASX
- Half-year results to ASX

In addition, employees are prohibited from dealing in SVS securities during the day prior to and the day following the release of the following:

- Monthly Net Tangible Asset Backing to ASX

These are referred to as the Closed Periods.

In addition the SVS board may impose other periods when Employees are prohibited from trading because price sensitive, non-public information may exist in relation to a matter.

Employees will be notified of these additional periods known as Prohibited Periods by memo or other correspondence from the Chairman or Managing Director.

### **3.3 Additional restrictions on Designated Personnel**

Because the board, the Managing Director and direct reports, the company secretary or chief financial officer (collectively known as Designated Personnel) are likely to be exposed to confidential or non-public information, they are subject to additional restrictions.

Any Designated Personnel wishing to deal in SVS securities must give written notice to the Chairman or Managing Director of their intention prior to dealing in the SVS securities.

The Designated Personnel must not deal in SVS securities until written approval has been given by the Chairman or Managing Director. The Designated Personnel must complete the dealing as soon as possible and in any event, not later than 5 business days after the permission was given and, they must advise in writing the dealing and relevant details to the Chairman or Managing Director within 2 business days after the dealing.

The board may designate other parties as Employees for the purpose of this policy and will notify that person in writing accordingly.

### **3.4 Dealings in exceptional circumstances**

An Employee who is not in possession of inside information may deal in SVS securities during a Prohibited Period if they have prior written approval of the Chairman or Managing Director. Such approval will only be given where:

- the Employee is in severe financial hardship, or
- an exceptional circumstance exists as determined by the Chairman or Managing Director.

### **3.5 Exceptions**

This policy does not apply to:

- Dealings in SVS securities already held by an Employee in a superannuation fund in which the Employee is a beneficiary where the transaction decision is made by the trustees or investment manager independently of the Employee.
- Dealings by an investment fund or other scheme where the assets are invested at the discretion of a third party.
- Acceptance of a takeover offer.
- Participating in a pro rata rights issue, a security purchases plan, a dividend reinvestment plan and an equal access share buy-back approved by the board.
- The exercise of an option (but not the subsequent sale of a share arising from the exercise) or a right under an employee share purchase scheme or conversion of a converting note in circumstances where SVS has been in an unusually long prohibited period or SVS has had a number of consecutive prohibited periods and the employee could not reasonably be expected to have exercised at a time when free to do so.

## **Restrictions on Dealing in SVS Securities (continued)**

### **3.5 Exceptions (continued)**

#### **Total prohibition on “Short Term” trading**

Employees must not engage in short-term trading of any SVS securities. Short-term is defined as a purchase and sale of the same securities within a six month period. This prohibition may be excepted by the Chairman or Managing Director in very limited circumstances, for example, employee incentive schemes if exceptional circumstances exist and written approval is obtained.

#### **Margin Lending**

Designated Personnel must ensure that when arranging finance for themselves or for or through associated parties, where securities of SVS are provided as security collateral that such obligations do not conflict with this policy.

Designated Personnel should ensure that the terms of a margin loan do not require dealings in SVS securities at such times when they are prohibited from dealing in SVS securities.

Margin lending is also subject to the approval requirements set out in 3.3 above. If a Designated Personnel enters into a margin loan agreement, within 10 days of so entering the following information must be given to the Chairman or Managing Director:

- Number of securities subject to the loan arrangements.
- Trigger events for disposal of those securities.
- Any other relevant information that may be required including the ability of the Designated Personnel to meet margin calls.

Subsequently, the Designated Personnel must advise any changes to the reported information above.

#### **Derivatives**

Designated Personnel may only enter into transactions involving derivatives as defined by section 761D of the Corporations Act in respect to SVS securities if the following criteria are satisfied:

- The relevant securities are fully vested.
- The derivative has a maturity date that falls outside a Prohibited Period.
- SVS is not a counter-party to the derivative.

The derivative is used for the purpose of protection of an asset value supporting a loan taken out for the purpose of exercising an option or to protect the value of the security in respect to tax liabilities that may become due and payable.

The approval requirements in section 3.3 above also apply to the use of derivatives.

The Designated Personnel must also provide evidence that the criteria set out above have been satisfied. The board reserves the right to publicly disclose Derivative positions over SVS securities including where such disclosure is not required under the law.

#### **Compliance with this Policy**

It is the responsibility of each Employee to comply with this policy.

Any Employee may be asked to confirm compliance with this policy or to provide confirmation of their dealings in SVS securities.

Any breach of this policy is serious and will be dealt with.

**SUNVEST CORPORATION LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Unrealised loss on financial assets	5	(271,454)	(972,305)
Dividends received		46,475	-
Other income	5	113,584	15,987
 Audit fees		 (39,864)	 (27,008)
Impairment expense		(151,495)	(331,551)
Directors fees		(133,400)	(107,000)
Stock exchange fees		(18,080)	(17,416)
Other expenses		(38,687)	(36,953)
<b>Loss before income tax</b>		<b>(492,921)</b>	<b>(1,476,246)</b>
Income tax expense	7	-	-
<b>Loss after income tax</b>		<b>(492,921)</b>	<b>(1,476,246)</b>
 <b>Loss attributable to equity holders of Sunvest Corporation Limited</b>		 <b>(492,921)</b>	 <b>(1,476,246)</b>
 <b>Other comprehensive income</b>			
Other comprehensive income, net of tax		-	-
 <b>Total comprehensive loss</b>		 <b>(492,921)</b>	 <b>(1,476,246)</b>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	19(a)	(4.05)	(12.14)
Diluted loss per share	19(b)	(4.05)	(12.14)

The above statement profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**SUNVEST CORPORATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	<b>Note</b>	<b>2019 \$</b>	<b>2018 \$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,896,286	2,544,351
Other receivables	9	42,725	88,218
<b>Total current assets</b>		<b>1,939,011</b>	<b>2,632,569</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	10	2,913,246	2,738,909
<b>Total non-current assets</b>		<b>2,913,246</b>	<b>2,738,909</b>
<b>Total assets</b>		<b>4,852,257</b>	<b>5,371,478</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	117,200	143,500
<b>Total current liabilities</b>		<b>117,200</b>	<b>143,500</b>
<b>Total liabilities</b>		<b>117,200</b>	<b>143,500</b>
<b>NET ASSETS</b>		<b>4,735,057</b>	<b>5,227,978</b>
<b>EQUITY</b>			
Contributed equity	12	8,854,966	8,854,966
Accumulated losses		(4,119,909)	(3,626,988)
<b>TOTAL EQUITY</b>		<b>4,735,057</b>	<b>5,227,978</b>

The above statement of financial position should be read in conjunction with the accompanying notes.



**SUNVEST CORPORATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Issued capital</b>	<b>Accumulated losses</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	8,854,966	(2,150,742)	6,704,224
Loss for the year	-	(1,476,246)	(1,476,246)
<b>Balance at 30 June 2018</b>	8,854,966	(3,626,988)	5,227,978
<b>Balance at 1 July 2018</b>	8,854,966	(3,626,988)	5,227,978
Loss for the year	-	(492,921)	(492,921)
<b>Balance at 30 June 2019</b>	8,854,966	(4,119,909)	4,735,057

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**SUNVEST CORPORATION LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		46,475	-
Interest received		25,584	15,795
Income tax refund		13,290	192
Payments to suppliers and employees (inclusive of goods and services tax)		(161,229)	(146,180)
<b>Net cash outflow from operating activities</b>	20	<b>(75,880)</b>	<b>(130,193)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of financial assets		(572,185)	-
<b>Net cash outflow from investing activities</b>		<b>(572,185)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Net cash outflow from financing activities</b>		<b>-</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents held</b>		<b>(648,065)</b>	<b>(130,193)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>2,544,351</b>	<b>2,674,544</b>
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>1,896,286</b>	<b>2,544,351</b>

The above statements of cash flows should be read in conjunction with the accompanying notes.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

#### Summary of significant accounting policies

##### **(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied except as disclosed below.

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

The financial statements were authorised for issue on 30 August 2019, by the directors of the Company.

##### **(b) Foreign currency translation**

###### *(i) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Sunvest Corporation Limited's functional and presentation currency.

###### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in other comprehensive income.

## **SUNVEST CORPORATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019**

#### **(c) Revenue recognition**

The Group has applied AASB 15: Revenue from Contracts with Customers using the cumulative effective method. The directors have assessed that there is no impact on adoption of this standard as the company's revenue is derived from gains on its realised and unrealized investments.

Dividends are recognised as revenue when the right to receive payment is established.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax.

#### **(d) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

#### **(e) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

#### **(f) Cash and cashequivalents**

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.

#### **(g) Financial Instruments**

##### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

##### **Financial assets at fair value through profit or loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a company's financial assets is managed by the board on a fair value basis in accordance with an appropriate risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

##### **Classification and subsequent measurement**

###### *Financial liabilities*

Financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

###### *Impairment*

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Impairment losses are recognised in the profit or loss immediately.

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, to the asset's carrying amount. Any excess of

## SUNVEST CORPORATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

the carrying amount over its recoverable amount is recognised immediately in the profit or loss.

#### **(g) Financial Instruments (Continued)**

##### *Derecognition*

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset and the Company no longer controls the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **(h) Fair value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

#### **(i) Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **(i) Impairment of financial assets**

As part of the process of assessing whether financial assets have suffered any impairment, the Company first considers whether there is any objective evidence of impairment. The Company conducts a review for impairment in accordance with the accounting policy stated in note 1(g). At 30 June 2019 it has been assessed that certain financial assets are impaired and as a result a charge against the profit or loss account of \$151,495 has been made. In the previous financial year, to 30 June 2018 it was assessed that financial assets of \$331,551 had been impaired. Refer to note 10 for the carrying value of financial assets.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

#### **(j) Trade and other payables**

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **(k) Comparative figures**

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

#### **(l) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities recoverable from, or payable to the taxation authority, are presented as operating cash flows.

#### **(m) New Accounting Standards for Application in Future Periods**

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors have assessed that the adoption of AASB 16 will have no impact on the Company's

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR  
ENDED 30 JUNE 2019**

financial statements as it does not have any current lease agreements.



**SUNVEST CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR**  
**ENDED 30 JUNE 2019**

**(n) General**

1. Sunvest Corporation Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

*Registered Office and Principal Place of Business*  
Level 57  
MLC Centre  
19-29 Martin Place  
Sydney NSW 2000

**2. Financial risk management**

The Company's activities expose it to a variety of financial risks; market risk (primarily currency risk), credit risk, liquidity risk and cash flow interest rate risk. The Company's overall risk management program focuses on managing these risks and implementing and monitoring of controls around the cash management function. The Company's principal financial instruments consist of financial assets, cash and cash equivalents, receivables and payables.

The Company's management of treasury activities is centralised and governed by policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

**(a).Market risk – Currency risk**

Currency risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

Certain of the Company's investing activities are undertaken internationally and accordingly the Company is exposed to foreign exchange risk, particularly with the Canadian dollar and the United Kingdom pound.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

#### **(b).Credit risk**

The Company has treasury policies in place for deposit transactions and derivatives (if any) for such transactions to be conducted with financial institutions with a high credit rating.

The credit risk on financial assets which have been recognised on the balance sheets is generally the carrying amount, net of any provisions. At balance date, cash and deposits were held with Commonwealth Bank of Australia and Macquarie Bank. For receivables refer to note 10.

#### **(c).Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Company's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Company monitors its ongoing investing cash requirements and raises equity funding as and when appropriate to meet such planned requirements.

#### **(d).Cash flow interest rate risk**

The Company's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. Refer note 9 for further details.

Generally no interest is receivable or payable on the Company's trade and other receivables or payables. At balance date the Company has no interest bearing borrowings.

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#### **(e).Price risk**

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the balance sheet as financial assets. The Company is not directly exposed to commodity price risk.

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR  
ENDED 30 JUNE 2019**

**3. Segment information**

The Company predominantly operates in one business segment being investing in listed equities and other securities in Australia, United Kingdom and Canada.

The geographic segment distribution is set out below:

	<b>Australia</b>	<b>United Kingdom</b>	<b>Canada</b>	<b>Unallocated</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2019</b>					
Dividends	46,475	-	-	-	46,475
Other income	113,584	-	-	-	113,584
Total segment income	160,059	-	-	-	160,059
Segment result	283,718	(762,313)	(14,326)	-	(492,921)
Unallocated income less unallocated expenses					-
Loss before income tax					(492,921)
Income tax expense					-
(Loss) for the year	283,718	(762,313)	(14,326)	-	(492,921)
Segment assets	2,515,063	2,283,267	53,927	-	4,852,257
Segment liabilities	117,200	-	-	-	117,200
Impairment loss	141,806	9,689	-	-	151,495

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR  
ENDED 30 JUNE 2019**

**4. Segment information (continued)**

	Australia	United Kingdom	Canada	Unallocated	Consolidated
	\$	\$	\$	\$	\$
<b>2018</b>					
Total segment other income	15,987	-	-	-	15,987
Segment result	(624,138)	(845,508)	(6,600)	-	(1,476,246)
Unallocated income less unallocated expenses					-
Loss before income tax					(1,476,246)
Income tax expense					-
Loss for the year					(1,476,246)
Segment assets	2,874,955	2,428,270	68,253	-	5,371,478
Segment liabilities	143,500	-	-	-	143,500
Impairment loss	331,551	-	-	-	331,551

Segment revenues/other income and segment assets are allocated based on the country in which the financial asset is listed. There are no inter-segment transfers.

**5. Revenue and other income**

	2019 \$	2018 \$
Unrealised loss on financial assets	(271,454)	(972,305)
	(271,454)	(972,305)
Other income:		
Miscellaneous income	-	192
Debt forgiveness	88,000	-
Interest received	25,584	15,795
	113,584	15,987

**6. Expenses**

Loss before income tax includes the following :

Management fees	133,400	107,000
Impairment expense	151,495	331,551

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR  
ENDED 30 JUNE 2019**

**7. Income tax**

<b>(a) Income tax expense</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>(b) Numerical reconciliation of income tax</b>	<b>\$</b>	<b>\$</b>
<b>Expense to prima facie tax payable</b>		
Loss before income tax	(492,921)	(1,476,246)
Tax at the Australian tax rate of 27.5% (2018-27.5%)	(135,553)	(405,967)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
– Impairment of shares not deductible	41,661	91,177
– Utilisation of tax losses and temporary differences not previously brought to account	93,892	314,790
– Under provision in prior year	-	-
Income tax expense	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

The Company has estimated accumulated tax losses of \$293,146 (2018 - \$152,876).

**8. Current assets – cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,896,286	2,544,351
	<hr/>	<hr/>

The cash at bank which is held in an at call bank account bears an average floating interest rate of 0.6% (2018 – 0.6%).

**(a) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Balance as per statement of cash flows	1,896,286	2,544,351
	<hr/>	<hr/>

**(b) Risk exposure**

The group exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above

**SUNVEST CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR**  
**ENDED 30 JUNE 2019**

**9. Current assets – other receivables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Other debtors	31,069	82,064
Income tax refundable	11,656	6,154
	<u>42,725</u>	<u>88,218</u>

**a. Other debtors**

These amounts generally arise from transactions outside the usual operating activities of the Company. Included in other debtors of the Company in 2019 is an amount of \$26,216 (2018 - \$76,303) relating to advances made to a director to meet certain operating expenses.

**b. Interest rate risk**

All other receivables are non-interest bearing.

**c. Credit risk**

The Company has no material concentration of credit risk in relation to receivables.

**d. Fair value**

For other receivables, fair value approximates the carrying amount.

**10. Non-current assets – financial assets**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
At the beginning of the year	2,738,909	4,042,765
Purchases	597,286	-
Unrealised loss	(271,454)	(972,305)
Impairment	(151,495)	(331,551)
At the end of the year	<u>2,913,246</u>	<u>2,738,909</u>
Listed securities	2,913,246	2,738,909
Unlisted securities	<u>-</u>	<u>-</u>
	<u>2,913,246</u>	<u>2,738,909</u>

**SUNVEST CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR**  
**ENDED 30 JUNE 2019**

**11. Current liabilities – trade and other payables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade payables	73,200	11,500
Other payables	44,000	132,000
	<u>117,200</u>	<u>143,500</u>

Trade payables are non-interest bearing. Their fair value approximates their carrying amount.

Other payables comprise amounts owing to a director as follows:

\$44,000 (2018- \$132,000) in management fees which remain unpaid are unsecured, payable in cash at call.

**12. Contributed equity**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Share capital</b>		
12,159,024 ordinary shares fully paid (2018 -12,159,024)	<u>8,854,966</u>	<u>8,854,966</u>

There were no movements in contributed equity during the 2019 year or in the 2018 year.

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

At the shareholder's meeting each ordinary share is entitled to one vote when the poll is called, otherwise each shareholder has one vote on a show of hands.

**SUNVEST CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR**  
**ENDED 30 JUNE 2019**

**13. Key management personnel disclosures**

**(a) Directors**

The following persons were Directors of Sunvest Corporation Limited during the financial year:

Bruce Burrell – Chairman – non executive  
 Non-executive Directors:  
 Carole Rowan (resigned 13 September 2018, re-appointed 7 November 2018)  
 Mark Rowan-Hull (appointed 29 January 2019)  
 Callum Baxter (appointed 7 November 2018)  
 Bruce Rowan (resigned 13 September 2018)  
 Peter Burrows (appointed 13 September 2018, resigned 7 November 2018)  
 Alex Keach (appointed 13 September 2018, resigned 7 November 2018)

**(b) Other key management personnel**

The Company had no other key management personnel during the current or previous financial year.

**(c) Key management personnel compensation**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	133,400	107,000
Post-employment benefits	-	-
Share-based payments	-	-
<b>Total</b>	<b>133,400</b>	<b>107,000</b>

The company has taken advantage of the relief provided and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in the remuneration report and includes:

- Remuneration policy
- Details of remuneration
- Employment contracts of directors
- Share-based compensation

**(d) Equity instrument disclosures relating to key management personnel**

- (i) *Shares issued as remuneration*  
 There were no shares issued as remuneration during the year.
- (ii) *Option holdings*  
 The company has not issued any options.



# SUNVEST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

### 14. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the Company.

	2019 \$	2018 \$
<i>Audit services</i>		
Audit and review of financial reports	39,864	27,008
<i>Other services</i>		
Taxation services	992	4,270
Total remuneration	40,856	31,278

No amounts were paid or payable to a related practice of the auditor.

### 15. Contingencies

The Company did not have any contingent liabilities or contingent assets at 30 June 2019 (2018 - nil).

### 16. Commitments

The Company did not have any commitments for expenditure at 30 June 2019 (2018- nil).

### 17. Related party transactions

#### Key management personnel

Disclosures relating to key management personnel and transactions with key management personnel are set out in note 13 and in the Remuneration Report.

### 18. Events occurring after the balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company in future financial years.

### 19. Earnings per share

	2019 cents	2018 cents
a. <b>Basic earnings per share</b>		
Loss attributable to the ordinary equity holders	(4.05)	(12.14)
b. <b>Diluted earnings per share</b>	(4.05)	(12.14)

Diluted earnings per share is the same as basic earnings per share as disclosed above, as there have been no potential ordinary shares outstanding

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR  
ENDED 30 JUNE 2019**

**c. Reconciliations of earnings used in calculating earnings per share**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Basic and diluted earnings per share:		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share	(492,921)	(1,476,246)

**d. Weighted average number of shares used as the denominator**

Weighted average number of ordinary shares used As the denominator in calculating basic and diluted earnings per share	12,159,024	12,159,024
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**20. Cash flow information**

<b>Reconciliation of net loss to net cash flow from operating activities</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss for the year after income tax	(492,921)	(1,476,246)
Impairment expense	151,495	331,551
Debt forgiveness	(88,000)	-
Loss on revaluation of financial assets	271,454	972,305
Changes in operating assets and liabilities		
(Increase)/decrease in:		
- Other receivables	45,493	1,889
- Trade and other payables	36,599	40,308
 Net cash outflow from operating activities	 (75,880)	 (130,193)

There were no non-cash investment, financing or investing activities during the 2019 year (2018 – nil)

**Finance facilities**

At 30 June 2019, the Company had no external finance facilities (2018 – nil)

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR  
ENDED 30 JUNE 2019**

<b>21. Holdings at fair value</b>	<b>Fair value as at 30 June 2019 \$</b>	<b>Fair value as at 30 June 2018 \$</b>
Austex Oil Limited	-	136
Beowulf Mining plc	1,402,174	1,046,200
BKM Management Limited	-	420
Bubs (Australia) Limited	21,367	14,720
Cooper Energy Limited	50,060	-
Coronado Global Resources Inc.	453,750	-
Diatreme Resources Limited	650	1,050
Gledhow Investments plc	133,152	119,007
Greatland Gold plc	341,304	371,302
Great Panther Mining Limited	53,927	68,253
Hot Rocks Investments plc	201,017	249,013
Kibo Mining plc	40,872	146,454
Lombard Capital plc	30,910	69,619
Marechale Capital plc	9,511	15,301
Oracle Power plc	112,319	380,823
Ramelius Resources Limited	25,025	-
Red 5 Limited	25,200	-
Red Rock Resources plc	6,927	10,181
Regency Mines plc	516	3,804
Southern Cross Exploration Limited	-	226,000
Sunrise Resources plc	4,565	7,045
URA Holdings plc	-	9,580
	<b>2,913,246</b>	<b>2,738,908</b>

**Fair Value Measurements**

The Company measures and recognizes the following assets at fair value on a recurring basis after initial recognition:

**Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorized into as follows:

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the measurement date	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable data, the asset or liability is included in Level 3.

# SUNVEST CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2019

### Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

*Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities

*Income approach* converts estimated future cash flows or income and expenses into a single discounted present value.

*Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Company's assets measured and recognized on a recurring basis after initial recognition and their categorization within the fair value hierarchy.

	30 June 2019		
	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Recurring fair value measurements</b>			
<i>Financial assets</i>			
- shares in listed companies	2,913,246	-	-
Total financial assets recognised at fair value on a recurring basis	2,913,246	-	-

	30 June 2018		
	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Recurring fair value measurements</b>			
<i>Financial assets</i>			
- shares in listed companies	2,738,909	-	-
Total financial assets recognised at fair value on a recurring basis	2,738,909	-	-

**SUNVEST CORPORATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR YEAR**  
**ENDED 30 JUNE 2019**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Sunvest Corporation Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 23 to 44, are in accordance with the Corporations Act 2001 and:
  - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date ;
2. in the director's 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; and
3. the directors have been given the declarations required by s.295A of the Corporations Act 2001 from the Chief executive Officer and the Chief Financial Officer

On behalf of the directors



Bruce David Burrell  
Chairman

Dated at Sydney this 30th day of August 2019

**SUNVEST CORPORATION LIMITED**  
**ABN 77 008 132 036**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SUNVEST CORPORATION LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
Ph: (612) 9263 2600  
Fx: (612) 9263 2800

**Opinion**

We have audited the financial report of Sunvest Corporation Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- (a) the accompanying financial report of the Sunvest Corporation 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 2019 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001

**Basis of Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Corporation 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 year ended 30 June 2019. 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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Accounting Firms



**SUNVEST CORPORATION LIMITED**  
ABN 77 008 132 036

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SUNVEST CORPORATION LIMITED**

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Carrying Value of investments</b> Refer to Note 10 Non-current assets-financial assets, Note 21 Holdings at fair value, Note 1(h) Fair value of Assets and Liabilities, and Note 1(i) Critical accounting estimates and judgements.</p>	
<p>The Company's portfolio of investments has been accounted for at fair value through the profit or loss and disclosed as Financial Assets in the Statement of Financial Position.</p> <p>We focused on this area due to the size of the balance and its materiality to the financial report as a whole.</p> <p>As at 30 June 2019, the investments were valued at \$2,913,946.</p> <p>These investments, are classified as 'level 1' financial instruments in accordance with the classification under Australian Accounting Standards where quoted prices in active markets are available.</p>	<p>Our procedures included amongst others the following:</p> <ul style="list-style-type: none"> <li>• We verified fair value by reference to quoted prices in active markets.</li> <li>• For foreign denominated investments, we verified that those have been converted at the appropriate exchange rate.</li> <li>• We verified the quantity of shareholdings by obtaining independent confirmations from the relevant share registry.</li> <li>• We assessed whether there were any impairment indicators.</li> </ul>

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 the 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 Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as 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 Group's ability 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 Group or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibility 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 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 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 Group'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 director's 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw 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 Group 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 entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst 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 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**

We have audited the remuneration report included in pages 5 to 9 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Sunvest Corporation Limited for the year ended 30 June 2019 complies with s300A 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 s 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.



Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000



**GRAHAM WEBB**  
Partner  
Date: 30 August 2019

## SUNVEST CORPORATION LIMITED

**Additional information required by the ASX Limited Listing Rules and not disclosed anywhere else in this report is set out below:**

### 1. CORPORATE GOVERNANCE

Details in respect of the Company's Corporate Governance practices are set out in the accompanying Corporate Governance Statement.

### 2. SUBSTANTIAL SHAREHOLDERS

The following substantial shareholders have been disclosed in relevant notices received by the Company.

	No. of shares	% of issued capital
Bruce and Carole Rowan	10,183,798	83.76%

### 3. NUMBER OF SHAREHOLDERS

There are 288 shareholders holding a total of 12,159,024 shares.

### 4. VOTING RIGHTS

Article 90 of the Company's Constitution details the voting rights of the members.

The Constitution indicates that on a show of hands, every member present in person or by attorney or by proxy or in the case of a member being a corporation by representative duly authorised under the Corporations Law shall have one vote and upon a poll every member present in person or by attorney or proxy or representative duly authorised shall have one vote for every share held by him.

### 5. DISTRIBUTION OF HOLDINGS

	No. of Shareholders	No. of Shares
1 — 1000	107	73,374
1001 — 5000	131	333,436
5001 — 10000	17	126,957
10001 — 100,000	22	741,675
100,001 and over	11	10,883,582
	<hr/>	<hr/>
	288	12,159,024

### 6. NON-MARKETABLE PARCELS OF SHARES

186 shareholders held less than a marketable parcel of shares.

## 7. TWENTY LARGEST SHAREHOLDERS

		<b>No. Held</b>	<b>%</b>
1	Nyde Pty Ltd	5,074,663	41.7
2	Sun Nominees Pty Ltd	2,000,000	16.5
3	Sea Securities Pty Ltd	1,050,934	8.6
4	Sun Securities Pty Ltd	896,600	7.4
5	Palm Holdings Pty Ltd	645,600	5.3
6	Mr. Bruce Rowan	500,000	4.1
7	Bruce David Burrell	315,995	2.6
8	Ascent Capital. Pty Ltd	163,500	1.3
9	H&D Warner (CBM A/C)	150,000	1.2
10	Elliott Holdings Pty Ltd (CBM A/C)	148,000	1.2
11	Dr. Steven Rodwell	95,053	0.8
12	Leisure West Consulting Pty Ltd	85,750	0.7
13	Beowulf Mining plc	67,000	0.6
14	Mr. O. Snell & Mrs. S. Snell	54,167	0.4
15	Burnal Pty Ltd	39,000	0.3
16	Royal Sunset Pty Ltd	38,860	0.3
17	D.J. Liggins & B.F.Mellor (Awatea-Liggins account)	37,080	0.3
18	Croesus Mining Pty Ltd	29,250	0.3
19	Mr. Russell O'Connor	22,000	0.2
20	Estate Late Jean Carey	20,000	0.2
		<hr/>	
		11,433,452	94.0

## 8. TAXATION STATUS

Sunvest Corporation Limited is a public company for taxation purposes.

## 9. COMPANY SECRETARY

Bruce David Burrell MBA, FCPA

## 10. REGISTERED OFFICE AND PRINCIPAL ADMINISTRATION OFFICE

Level 57 MLC Centre  
19-29 Martin Place  
Sydney NSW 2000

## 11. SHARE REGISTRY

Computershare Investor Services Pty Ltd  
Level 5  
115 Grenfell Street  
Adelaide SA 5000  
GPO Box 1903  
Adelaide SA 5001  
Telephone:  
Within Australia 1300 556 161      Outside Australia 61 3 9615 400  
Email enquiries: web.queries@computershare.com.au

## 12. LIST OF INVESTMENTS HELD

Name of Company	Fair Value as at 1 August 2019 \$	Fair Value as at 1 August 2018 \$
Austex Oil Ltd	-	136
Beowulf Mining plc	1,244,469	943,805
BKM Management Limited	-	420
Bubs (Australia) Limited	25,641	13,770
Cooper Energy Limited	50,760	-
Coronado Global Resources Inc	405,000	-
Diatreme Resources Ltd	700	1,100
Evolution Mining Limited	25,100	-
Gledhow Investments plc	130,088	123,894
Greatland Gold plc	409,912	271,858
Great Panther Limited	44,189	87,503
Hot Rocks Investments plc	196,392	298,516
Kibo Mining plc	30,857	156,098
Lithium Australia Limited	22,083	-
Lithium Australia - options	2,292	-
Lombard Capital plc	22,146	70,867
Marachale Capital plc	9,292	16,460
Oracle Power plc	99,115	371,681
Ramelius Resources Limited	35,350	-
Red 5 Limited	32,900	-
Red Rock Resources plc	6,130	10,599
Regency Mines plc	360	4,104
Southern Cross Exploration Limited	-	197,750
Sunrise Resources plc	3,469	8,425
URA Holdings plc	-	3,164
	<b>2,796,245</b>	<b>2,580,150</b>

## 13. STOCK EXCHANGE QUOTATION

The Company's shares are traded only on the Australian Securities Exchange. The Home Exchange is Sydney.

## 14. RESTRICTED SECURITIES

The Company has no restricted securities on issue.

## 15. BUY BACK OF SHARES

No shares were bought back during the year ended 30 June 2019 or to the date of this report.

## 16. TRANSACTIONS AND BROKERAGE

Number of share sales during the year ended 30 June 2019	nil
Number of share purchases during the year ended 30 June 2019	4
Brokerage on shares sold during the year ended 30 June 2019	\$nil