



Barrack St Investments Limited

2019  
Annual Report





**FINANCIAL YEAR END**

30 June 2019

**SHARES TRADED EX DIVIDEND**

26 August 2019

**DIVIDEND BOOKS CLOSE**

27 August 2019

**DIVIDEND PAYMENT**

13 September 2019

**ANNUAL GENERAL MEETING**

The Annual General Meeting of  
Barrack St Investments Limited:

**WILL BE HELD AT:**

The office of  
Bentleys NSW Pty Ltd  
Level 14  
60 Margaret Street  
SYDNEY NSW 2000

**TIME:**

11.00am (NSW Time)

**DATE:**

Friday 15 November 2019

**INVESTING IN BARRACK ST  
INVESTMENTS LIMITED**

Investors can purchase shares in  
Barrack St Investments Limited  
through the Australian Securities  
Exchange.

ASX code: **BSI**

Barrack St Investments Limited  
ABN 30 167 689 821  
Registered in Australia  
23 January 2014 and listed on  
ASX in August 2014

**BARRACK ST INVESTMENTS LIMITED DIRECTORS** (from left to right)

Jared Pohl, Murray d'Almeida, David Crombie AM

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## HIGHLIGHTS FOR 2019



### Highlights for the year ending June 2019

- The portfolio performance before fees and tax is 17.3% versus a 6.5% increase in the All Ordinaries Index over the twelve-month period.
- The Net Tangible Assets (NTA) per share increased by 6.3% after tax (on realised gains only).
- Dividends of 3.50 cents comprising a 2.0 cent final dividend (2018) and a 1.50 cent interim dividend (2019) were paid during the year. Both dividends were fully franked and were fully attributable to LIC capital gains.

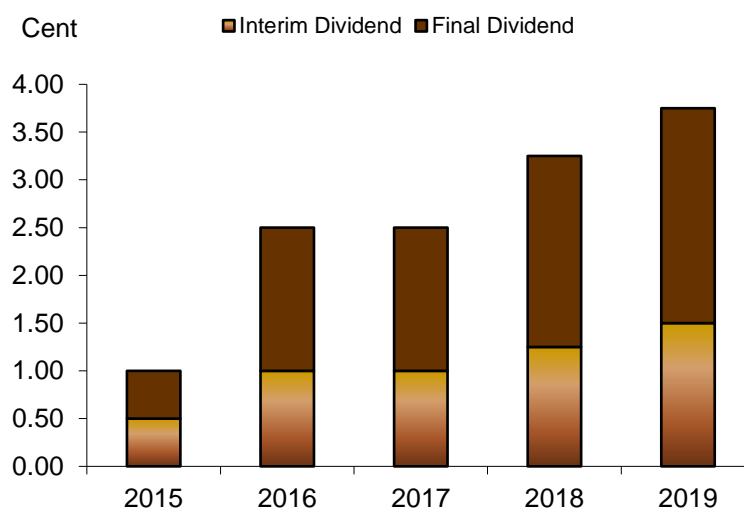


### Barrack St Investments Performance vs. the All Ordinaries Index

Year to	Portfolio Return Pre Fees	NTA (on Realised Gains Only)	All Ordinaries Index
June-15	3.4%	-3.6%	-3.1%
June-16	24.8%	15.8%	-2.6%
June-17	2.6%	-5.9%	8.5%
June-18	20.0%	12.3%	9.1%
June-19	17.3%	6.3%	6.5%



### Dividends per share (as declared)





## Major Investments June 2019

TOP 10 INVESTMENTS		
	June 19	June 18
SEEK Limited	7.5%	5.7%
Pendal Group Limited	7.2%	6.9%
Domino Pizza Enterprises Limited	6.9%	5.7%
Afterpay Touch Group Limited	5.7%	2.2%
Corporate Travel Limited	5.3%	5.4%
HUB24 Limited	5.0%	3.1%
Costa Group Holdings	4.9%	0.0%
REA Group Limited	4.9%	2.7%
Carsales.Com Limited	4.6%	6.5%
Megaport Limited	3.9%	2.2%
<b>TOTAL</b>	<b>55.9%</b>	<b>40.4%</b>

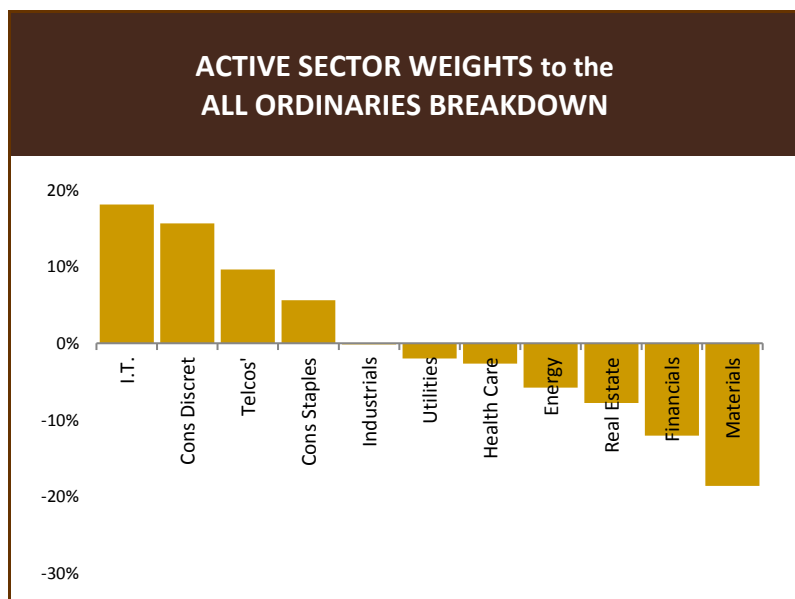


## Sector Breakdown June 2019

SECTOR BREAKDOWN	
Consumer Discretionary	19.2%
Information Technology	18.1%
Financials	14.6%
Cash	14.3%
Telecommunications Services	12.0%
Consumer Staples	9.4%
Industrials	7.5%
Health Care	4.9%
<b>TOTAL</b>	<b>100.0%</b>



## Benchmark Comparison



# OVERVIEW

## COMPANY PROFILE

Barrack St Investments Limited (the “Company”) listed on the Australian Securities Exchange (ASX) in August 2014 and is a Listed Investment Company (LIC) providing investors with access to an expertly crafted quality portfolio of Australian small and mid-cap growth companies.

The portfolio is managed by ECP Asset Management Pty Ltd, which has a strong funds management investment team renowned for its stability, track record and sound investment process.

The Manager’s investment philosophy is built on the belief that the economics of business drives long-term investment returns. Investing in high quality businesses that have the ability to generate predictable, above average economic returns, will produce superior investment performance over the long-term.

## MISSION

Creating Shareholder wealth through active management of a portfolio of ASX listed small and mid-cap quality growth companies.

## OBJECTIVES

The investment objectives of Barrack St Investments Limited are:

- To achieve medium to long-term capital growth and income through investing in a diversified portfolio of small and mid-cap Australian companies;
- To preserve and enhance the NTA backing per share after allowing for inflation; and
- To provide Company Shareholders with a fully franked dividend which, over time, will grow at a rate in excess of the rate of inflation.

## INVESTOR BENEFITS

The benefits for investors in Barrack St Investments Limited are:

- Reduced share investment risk through a diversified investment portfolio;
- Professional and disciplined management of an investment portfolio;
- Fully franked dividend income and access to tax advantages of Listed Investment Company Capital Gains when available;
- Access to a Dividend Reinvestment Plan;
- No entry or exit charges made by the Company; and
- Easy access to information via the Company’s head office or website [www.barrackst.com](http://www.barrackst.com).

## INVESTMENT MANAGER

The management of the Company’s investment portfolio is undertaken by ECP Asset Management Pty Ltd.

The Company's portfolio of investments comprises companies whose operations cover a wide spectrum of business activities and the portfolio is constructed from the perspective of a business owner, by investing in well managed companies and not simply by tracking the index weighting of various component stocks.

There is a management fee of 1% p.a. on the net tangible assets of the Company, payable monthly. The Manager receives a fee which is performance based and payable annually in arrears if the Company's investments outperform an absolute return of 8%. If the Company's net performance is less than the returns on 8%, no performance fee is payable ensuring the Manager is focused on absolute returns to Shareholders.

Mr Jared Pohl is a Director of ECP Asset Management Pty Ltd. ECP Asset Management Pty Ltd is an authorised representative of EC Pohl & Co Pty Ltd, which holds an AFSL.

Information on the Investment Manager is available from [www.ecpam.com](http://www.ecpam.com).

## ENVIRONMENT, SOCIAL, GOVERNANCE

A business can only maintain a sustainable competitive advantage if it adequately respects all stakeholders in the business and environment in which it operates. Companies who are not engaged in sustainable practices, will not be able to generate above average economic returns throughout their life cycle. To this end, the Manager’s investment process scrutinises companies to see if they have the appropriate, and sensible Governance structures in place as well as incorporating sustainable practices into their day to day operations. Companies that don’t meet standards of respect and integrity with regard to compensation structures, internal controls, accounting treatment, rules, relationships, systems and process throughout the organisation, are not included in the portfolio.

In keeping with this philosophy, the Manager became a signatory to the United Nations-backed Principles for Responsible Investment Initiative in 2016. At the core of these principles is compliance with an investment approach that incorporates Environment, Social and Governance (ESG) factors into the investment decision making process and requires where appropriate, engagement with investee Boards to uphold the best possible ESG outcomes

# CHAIRMAN'S REPORT

Dear Shareholder,

It gives me great pleasure to present the sixth Annual Chairman's Report of Barrack St Investments Limited.

## THE YEAR IN REVIEW

At 30 June 2019, the Net Assets of the Company increased by \$1,209,391 (5.7%) due to strong performance of the portfolio. Noting that this asset growth is after paying fully franked dividends throughout the period of \$641,132 (3.0% of FY18 net assets). The All Ordinaries Index as a proxy for the market illustrated incredible volatility, with quarterly movements throughout the year of: up 0.6%, down 9.7%, up 9.7% and up 7.0% finishing 6.5% up for the financial year. External market themes continued from the prior year into FY19 contributing to some of the market movements. Trade tensions between the US and China and the Royal Commission into the Banking and Financial Services sector occupied headlines for much of the year, shadowed only briefly by the Australian Federal election.

The Company continues to work hard in its active promotion, encouraging new Shareholders to be involved and to further grow value through increasing scale over time. To support our marketing team, we have opened channels on LinkedIn and Facebook and we look forward to sharing relevant content for Shareholders and Interested parties. The details of these profiles can be found in our Company Directory on page 39.

## THE MARKET OUTLOOK

Business confidence jumped after the Federal Election result but has reduced in the recent surveys. Indicators of the current environment suggest that the economy is likely to remain stable without significant growth or decline in the short term. For the companies in our portfolio, while the market conditions remain flat, we remain focused on their intrinsic capabilities and competitive advantage to deliver performance over the long-term.

A popular topic within the investment industry currently revolves around incorporating ESG (Environment, Social, Governance) considerations into the investment process. I direct our readers to page 6 which summarises the Investment Manager's implementation of the Principles of Responsible Investing incorporating an ESG framework. At a Board level, we are also considering ESG within our Company to continue to enhance our social licence to operate.

## DIVIDEND

With the strong performance of our investments, the Board has decided to approve a final dividend of 2.25 cents per share. The overall dividend for the year of 3.75 cents per share, fully franked, representing a dividend yield of 3.9%.

Given the value of realised gains the dividend is fully attributable to LIC capital gains. This can be an enormous tax benefit to Shareholders, depending on their circumstances, and we will continue to pass this on as and when the LIC gains are available.

## THE INVESTMENT MANAGEMENT TEAM

ECP Asset Management, led by Dr Manny Pohl AM (Chief Investment Officer) manages the portfolio of investments of the Company. Manny has a long and successful track record in investment management. Your Board believes that the performance since inception of 13.8% compared to an increase of the All Ordinaries Index by 3.7% for the same period, is testimony of the investment philosophy successfully implemented by ECP Asset Management.

## THE BOARD

Your Board remains optimistic about the future and in our view, companies with good strong management and healthy balance sheets will continue to perform well and reward our Shareholders over the longer term. I look forward to your continued support.

Finally, I wish to thank my fellow Board members, Company Secretary, our Consultants and in particular the staff of ECP Asset Management Pty Ltd for their input and support in the past year and we, (including myself as Chairman) look forward to the year ahead.

Yours sincerely



**Murray H d'Almeida**  
Chairman





# DIRECTORS' REPORT

Your Directors present their report on Barrack St Investments Limited for the financial year ended 30 June 2019.

## 1. DIRECTORS

The following persons were Directors of Barrack St Investments Limited from the beginning of the financial year until the date of this report, unless otherwise stated: Murray H d'Almeida, David C Crombie AM and Jared D Pohl. B Jones was appointed as Alternate Director to M d'Almeida, D Crombie from 9 November 2018.

## 2. INFORMATION ON DIRECTORS



**Murray H d'Almeida**  
FAICD

*Chairman, Non-Executive Director*

### **Experience and expertise**

Director since the inception of the Company in 2014.  
Over 36 years of diverse national and international business experience. Founded the Retail Food Group and developed a presence in seven overseas countries. Subsequently has maintained operating and board positions within a range of financial services, mining, commercial, academic, government and sporting businesses and organisations.

### **Other Current directorships**

Chairman Global Masters Fund Limited  
Chairman Interhealthcare Pty Ltd  
Director Triple Energy Limited  
Deputy Chancellor Southern Cross University  
Trustee of Currumbin Wildlife Foundation  
Member of Gold Coast Light Rail Business Advisory Board

### **Former Listed Company directorships in last 3 years**

Chairman IncentiaPay Limited  
Chairman EnviroSuite Limited  
Chairman Management Resource Solutions PLC

### **Interest in Shares**

10,000 ordinary shares



**David C Crombie AM**  
B.Econ (UQ)

*Non-Executive Director*

### **Experience and expertise**

Director since 2014  
Extensive business experience as founding partner in Palladium Group (formerly GRM International), with 1600 professional staff engaged on development projects in 26 countries across a range of sectors including health, education, agricultural services and capacity building for AusAid, DIFID and USAid plus multilateral and Government /private sector clients. Retired as Managing Director in 2000 and from the Board in 2019. Currently managing agricultural and livestock projects across northern Australia. Formerly President of the National Farmers Federation, Chairman Meat and Livestock Australia and President of Australian Rugby Union.

### **Other current directorships**

Director Alliance Aviation Services (AQZ)  
Member of Advisory Board – QAAFI (Queensland Alliance for Agriculture and Food Innovation)

### **Former Listed Company directorships in last 3 years**

Director Australian Agricultural Company (AAC)

### **Interest in Shares**

115,393 ordinary shares



**Jared D Pohl**  
B.Com, B.IT, MBA

*Executive Director*

### **Experience and expertise**

Director since 2017.  
Jared has over 14 years investment experience. Prior to co-founding ECP Asset Management in 2012, Jared was a member of the Hyperion Asset Management investment team. Additionally Jared was seconded to Wasatch Advisors in Salt Lake City where he worked alongside their Private Market team, looking for pre-IPO investment opportunities. Prior to financial services Jared consulted on a number of IT projects and has been involved extensively in the tech start-up space and regularly appears as a Judge/Mentor at events and guest lectures to students on entrepreneurship.

### **Other current directorships**

Director of ECP Asset Management Pty Ltd  
Advisory Council of Bond University  
Transformer  
Director of Sound Life Charity (Limited by guarantee)  
Bond University Business Faculty Advisory Council

### **Former Listed Company directorships in last 3 years**

None

### **Interest in Shares**

15,000 ordinary shares



### 3. PRINCIPAL ACTIVITIES

The principal activity of the Company is investing in securities listed on the Australian Securities Exchange.

The mission is to create Shareholder wealth through active management of a portfolio of ASX Listed quality small to mid-cap growth companies.

### 4. REVIEW OF OPERATIONS

In what was a volatile year for the equities market our portfolio performed very well to increase 17.3%, compared to the ASX All Ordinaries Index which grew only 6.5%. With such volatility in market sentiment our portfolio of small and mid-cap companies responded with exaggerated fluctuations, for example in the December quarter when the ASX All Ordinaries decreased 9.7% (also representing a 7.4% decrease for the full calendar year) our portfolio decreased 14% and when the market recovered early in 2019 the March quarter result for the All Ords was an increase of 9.7% however our portfolio increased 18.1%.

For the financial year revenue from dividends and interest increased by \$10,632 (2.4%), while expenses, excluding fees, increased by \$1,846 (0.6%). There were no significant changes to the operations of the Company and the results reflect the consistent performance of the Manager. This has resulted in the performance fee payable of \$483,951. This is a \$301,891 increase on the prior year which is due to the fee calculation for FY2018 being adjusted for the high water mark set in FY2017 when performance did not exceed the benchmark.

### 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. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than the dividend declared as per item 9, no other matter or circumstance not otherwise dealt with in the Director's Report or Financial Report, which has arisen since the end of the year that has significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### 7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

There are no planned changes to principal activities. Any general decline in equity markets may have an adverse effect on results in future years.

### 8. ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### 9. DIVIDENDS PAID

TYPE	CENTS PER SHARE	TOTAL AMOUNT \$'000S	DATE OF PAYMENT
The dividends paid to Shareholders during the financial year were as follows:			
Final	2.00	366	September 2018
Interim	1.50	275	March 2019
	<b>3.50</b>	<b>641</b>	
Dividends paid by the Company during the preceding year were:			
Final	1.50	274	September 2017
Interim	1.25	229	March 2018
	<b>2.75</b>	<b>503</b>	

The final dividend paid in September 2018 and the interim dividend paid in March 2019, were fully franked.

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a franked final dividend of \$412,156 (2.25 cents per share) to be paid on 13 September 2019. The final dividend will be fully attributable to LIC capital gains, refer to Note 15 (d).

### 10. EARNINGS PER SHARE

Based on profit after income tax.

	2019 Cents	2018 Cents
Basic earnings per share	<b>10.10</b>	<b>9.22</b>
Diluted earnings per share	<b>10.10</b>	<b>9.22</b>

Based on Comprehensive Income after tax.

	2019 Cents	2018 Cents
Basic earnings per share	<b>10.10</b>	<b>13.10</b>
Diluted earnings per share	<b>10.10</b>	<b>13.10</b>

See Note 16 of the Financial Report.

### 11. COMPANY SECRETARY

#### Brian Jones B.Com, FCA

Brian Jones is a Chartered Accountant. He has been Company Secretary of Barrack St Investments Limited since August 2014. He has over 38 years' experience in the accounting and finance industries and is currently Company Secretary of one other listed Company.

### 12. MEETINGS OF DIRECTORS

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

BOARD			AUDIT AND RISK COMMITTEE	
Director	Eligible to attend	Attend	Eligible to attend	Attend
M H d'Almeida	4	4	1	1
D Crombie AM	4	4	1	1
J D Pohl	4	4	1	1

The Board resolved to disband the Audit and Risk Committee ('ARC') after the August 2018 meeting. All matters addressed in the past by the ARC, are now incorporated into Board meetings.

## 13. 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) Service agreements
- (D) Share-based compensation
- (E) Related Party Transactions
- (F) Equity Instrument Disclosure relating to Key Management Personnel

### (A) Principles used to determine the nature and amount of remuneration

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors.

No remuneration consultants were engaged during the year.

The per annum remuneration of the Directors remained unchanged from the previous year:

■ Chairman	\$45,000
■ Other Directors	\$40,000

Remuneration of Directors is determined by the Board within the maximum amount of \$200,000 previously approved by the Shareholders.

There is no performance based remuneration for Directors.

### (B) Details of remuneration

Details of the remuneration of each Director of Barrack St Investments Limited and the executives of the Company are set out in the following table.

DETAILS OF REMUNERATION								
Director	Year	Short-term Benefits			Post-Employment Super	Equity		Total
		Fees	Performance Fees	Non-monetary Benefits		Shares	Options	
		\$	\$	\$	\$	\$	\$	\$
<b>M H d'Almeida *</b> <i>Non-executive Chairman</i>	2019	46,125	-	-	-	-	-	46,125
	2018	46,125	-	-	-	-	-	46,125
<b>D C Crombie AM *</b> <i>Non-executive Director</i>	2019	41,000	-	-	-	-	-	41,000
	2018	41,000	-	-	-	-	-	41,000
<b>J D Pohl *</b> <i>Executive Director</i>	2019	41,000	-	-	-	-	-	41,000
	2018	41,000	-	-	-	-	-	41,000
<b>Total Directors Remuneration</b>	2019	128,125	-	-	-	-	-	128,125
	2018	128,125	-	-	-	-	-	128,125

\* Inclusive of non-claimable GST amount

### (C) Service agreements

As the Company does not employ any staff, there are no employment service agreements entered into by the Company. The Company Secretary is a self-employed Contractor and the Executive Director is employed by the Investment Manager – ECP Asset Management Pty Ltd.

### (D) Share-based compensation

No share-based compensation exists.

### (E) Related Party Transactions

The following transactions occurred with other related parties:	2019 \$	2018 \$
Expenses paid or payable by the Company to:		
-A Performance Fee and Management Fee was payable in accordance with the Management Services Agreement as detailed in Note 22.		
-Mr J D Pohl has an interest in the transaction as during the year Mr J D Pohl was a Director of ECP Asset Management Pty Ltd		
- ECP Asset Management Pty Ltd for Performance Fee	483,951	182,060
- ECP Asset Management Pty Ltd for Management Fee.	234,342	232,250
All related party transactions are made on an arm's length basis using the standard terms and conditions.		

## (F) Equity Instrument Disclosure relating to Key Management Personnel

The number of shares in the Company held during the financial year by each Director of Barrack St Investments Limited, including their related parties is set out below. There were no shares granted during the year as compensation.

2019	Balance At The Start Of The Year	Received During The Year By Exercise Of Options	Other Changes During The Year	Balance At the End Of The Year
M H d'Almeida	10,000	-	-	10,000
D Crombie AM	111,445	-	3,948	115,393
J D Pohl	15,000	-	-	15,000

## END OF REMUNERATION REPORT (AUDITED)

### 14. GENERAL TRANSACTIONS

In addition to Director's remuneration, the Company has a management services agreement with ECP Asset Management Pty Ltd – refer Notes 21 and 22.

### 15. LOANS

There are no loans issued to any of the Directors during or since the financial year (30 June 2018 – Nil).

### 16. OPTIONS

No Options have been issued during or since the financial year (30 June 2018– Nil)

### 17. INSURANCE OF OFFICERS AND/OR AUDITORS

During the financial year the Company insured the Directors and Officers against certain liabilities as permitted by the *Corporations Act 2001*. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

The Company has entered into an agreement for the purpose of indemnifying Directors and Officers, to the extent permitted by law, against any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as a Director and Officer of the Company.

The Company has not during or since the financial year indemnified or paid any insurance premiums to indemnify the auditors.

### 18. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceeding to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the *Corporations Act 2001*.

### 19. NON-AUDIT SERVICES

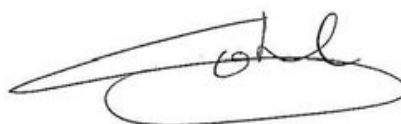
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

There have been no amounts paid or payable to the auditors for non-audit services provided during the year.

The Directors have considered the position and are satisfied that the provision of any non-audit services (if necessary in future) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Board is satisfied that the provision of any non-audit services by the auditor, would not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services would be reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporation Act 2001* is set out on page 12.



Jared D Pohl  
Director

19 August 2019

## AUDITOR'S INDEPENDENCE DECLARATION



*For your peace of mind*

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

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019, there have been:

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

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

A handwritten signature in black ink, appearing to read 'Lee-Ann Dippenaar'.

**Lee-Ann Dippenaar BCom CPA RCA**  
**Director**

**Dated this 19<sup>th</sup> day of August 2019**

**HEAD OFFICE:**

**t:** +61 (0)7 5580 4700  
**p:** PO Box 1463, Oxenford, Queensland 4210 Australia  
**a:** 4 Helensvale Road, Helensvale, Queensland 4212 Australia  
**e:** info@wpias.com.au  
**w:** www.wpias.com.au

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Liability limited by a scheme approved under Professional Standards Legislation

**GOLD COAST • BRISBANE • SYDNEY • MELBOURNE • PERTH • AUCKLAND**



## CORPORATE GOVERNANCE STATEMENT: FOR THE YEAR ENDED 30 June 2019

The Directors of Barrack St Investments Ltd are committed to excellence in corporate governance. By adopting the ASX Corporate Governance Council's Corporate Governance Principles and incorporating industry best practice, the Company has built a framework that supports our business performance and enhances transparency and accountability which ultimately protects the interests of Shareholders.

Below is a list of the Company's Corporate Governance Framework documents set out against the relevant ASX Governance Principles and Recommendations, the details of which are available on the Company's Website. The full Corporate Governance Statement for the year ending 30 June 2019 is also available on the website, at <http://www.barrackst.com/corporategovernance/>.

ASX GOVERNANCE PRINCIPLES	RELEVANT DOCUMENT/INFORMATION
<b>Principle 1:</b> Lay solid foundations for management and oversight	Board Charter
<b>Principle 2:</b> Structure the Board to add value	Board Charter
<b>Principle 3:</b> Act ethically and responsibly	Code of Conduct Share Trading Policy
<b>Principle 4:</b> Safeguard integrity in corporate reporting	Board Charter Code of Conduct
<b>Principle 5:</b> Make timely and balanced disclosure	Disclosure Policy
<b>Principle 6:</b> Respect the rights of security-holders	Communications Policy Privacy Policy
<b>Principle 7:</b> Recognise and manage risk	Board Charter
<b>Principle 8:</b> Remunerate fairly and responsibly	Board Charter

## CORPORATE GOVERNANCE STATEMENT: FOR THE YEAR ENDED 30 June 2019 *(continued)*

The Corporate Governance Statement explains the extent to which the Company complies with the ASX Corporate Governance Principles and Recommendations including how the policies above support Corporate Governance in the Company. Under the “if not, why not” approach the Board provide explanations as to why a particular recommendation is not appropriate to its circumstances. For clarity, the Board would like to highlight below the recommendations that have not been adopted and the reasons behind the decision:

ASX GOVERNANCE PRINCIPLES	Compliance Statement
<b>Principle 1:</b> Lay solid foundations for management and oversight  Recommendation 1.5: Gender Diversity	Compliant except for 1.5: Non-Compliant  The Board seeks to develop a culture of diversity whereby a mix of skills and diverse backgrounds are employed maximizing the benefits of a collection of view-points. At this point in time and through previous recruitment processes gender diversity has not been achieved, however there is complete commitment to creating further diversity at the next opportunity.
<b>Principle 2:</b> Structure the Board to add value  Recommendation 2.1: Establish a Nomination Committee	Compliant except for 2.1: Non-Compliant  The Company has not established a formal Nomination Committee, as the Board considers that, due to the specific scope and nature of the Company’s activities, the whole Board should undertake the responsibility.
<b>Principle 3:</b> Act ethically and responsibly	Compliant
<b>Principle 4:</b> Safeguard integrity in corporate reporting	Compliant
<b>Principle 5:</b> Make timely and balanced disclosure	Compliant
<b>Principle 6:</b> Respect the rights of security-holders	Compliant
<b>Principle 7:</b> Recognise and manage risk  Recommendation 7.1: Risk Committee        Recommendation 7.3: Internal audit function	Compliant except for 7.1 and 7.3: Non-Compliant  The Board recently dissolved the Audit and Risk Committee, citing that the benefits of a separate committee were not being realised due to the composition of the committee and overlap with the Board. The Board has reviewed the Board Charter and its processes to ensure risk management is thoroughly managed.  Non-Compliant The Company does not have an internal audit function given the size and nature of the Company. Instead, the Board liaises closely with the Company’s external auditor to identify potential improvements to the financial risk management and internal control process. The Board also interrogates the internal compliance and external audit of the Manager.
<b>Principle 8:</b> Remunerate fairly and responsibly  Recommendation 8.1: Remuneration Committee       Recommendation 8.3: Equity-based remuneration	Compliant except for 8.1 and 8.3: Non-Compliant  The Company does not have a Remuneration and Nomination Committee, instead the full Board develops the remuneration policy balancing the need to attract high quality Directors, establishing appropriate incentives and commercial control of expenses. The establishment of a committee would not provide further efficiency to the operation of the Board given the Board size.  Non-Compliant The Company does not have an equity-based remuneration scheme and does not intend to establish one. Recommendation 8.3 is not applicable.

# FINANCIAL REPORT

BARRACK ST INVESTMENTS LIMITED

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This financial report covers Barrack St Investments Limited as an individual entity. There are no controlled entities.

Barrack St Investments Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Barrack St Investments Limited  
Suite 5  
Level 3 Barrack House  
16-20 Barrack Street  
SYDNEY NSW 2000

The financial report was authorised for issue by the Directors on 19 August 2019.

A description of the nature of the entity's operations and its principal activities is included in the Operating and Financial Review.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All media releases, financial reports and other information are available from the Company at the above address or from our website:

**[www.barrackst.com](http://www.barrackst.com)**

# FINANCIAL REPORT

BARRACK ST INVESTMENTS LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue	5	461,733	451,101
Net gain on sale of available-for-sale financial assets		-	2,531,920
Net cumulative gain on sale of financial assets at fair value		2,512,786	-
Net unrealised gains on financial assets at fair value		562,862	-
Expenses	6	(1,020,264)	(714,435)
<b>Profit/(loss) before income tax</b>		<b>2,517,117</b>	<b>2,268,586</b>
Income tax expense	7	(666,594)	(580,077)
<b>Net Profit/(loss) after income tax</b>		<b>1,850,523</b>	<b>1,688,509</b>
<b>Other Comprehensive Income</b>			
Changes in fair value of available for sale financial assets		-	1,142,187
Income tax (expense)/benefit relating to components of Other Comprehensive Income		-	(430,696)
Other Comprehensive Income/(loss) for the year, net of tax		-	711,491
<b>Total Comprehensive Income/(loss) for the year</b>		<b>1,850,523</b>	<b>2,400,000</b>
<b>Earnings per share:</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share based on net profit/(loss)	16	10.10	9.22
Diluted earnings per share based on net profit/(loss)	16	10.10	9.22
<b>Comprehensive earnings/(loss) per share</b>	16	<b>10.10</b>	<b>13.10</b>

*The accompanying Notes form part of these Financial Statements.*



BARRACK ST INVESTMENTS LIMITED  
**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	8	3,440,010	1,382,559
Trade and Other Receivables	9	32,173	142,389
<b>TOTAL CURRENT ASSETS</b>		<b>3,472,183</b>	1,524,948
<b>NON-CURRENT ASSETS</b>			
Available-for-sale Financial Assets at fair value	10	-	20,810,743
Financial assets at fair value through profit or loss	10	20,499,031	-
Deferred tax assets	12	-	35,614
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,499,031</b>	20,846,357
<b>TOTAL ASSETS</b>		<b>23,971,214</b>	22,371,305
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	519,658	218,929
Current tax liabilities	12	469,181	540,286
<b>TOTAL CURRENT LIABILITIES</b>		<b>988,839</b>	759,215
<b>NON-CURRENT LIABILITIES</b>			
Deferred Tax Liability	12	548,460	387,566
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>548,460</b>	387,566
<b>TOTAL LIABILITIES</b>		<b>1,537,299</b>	1,146,781
<b>NET ASSETS</b>		<b>22,433,915</b>	21,224,524
<b>EQUITY</b>			
Issued Capital	13	17,952,246	17,952,246
Reserves	14	-	803,921
Retained earnings		4,481,669	2,468,357
<b>TOTAL EQUITY</b>		<b>22,433,915</b>	21,224,524

*The accompanying Notes form part of these Financial Statements.*

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

<b>2018</b>	Note	Ordinary Shares \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 1 July 2017</b>		<b>17,952,246</b>	<b>1,283,667</b>	<b>92,430</b>	<b>19,328,343</b>
Profit for the year		-	<b>1,688,509</b>	-	<b>1,688,509</b>
Other Comprehensive Income for the year		-	-	<b>711,491</b>	<b>711,491</b>
<b>Total Comprehensive Income for the year</b>		-	<b>1,688,509</b>	<b>711,491</b>	<b>2,400,000</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid or provided for	15	-	<b>(503,819)</b>	-	<b>(503,819)</b>
<b>Balance at 30 June 2018</b>		<b>17,952,246</b>	<b>2,468,357</b>	<b>803,921</b>	<b>21,224,524</b>

<b>2019</b>	Note	Ordinary Shares \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 1 July 2018</b>		<b>17,952,246</b>	<b>2,468,357</b>	<b>803,921</b>	<b>21,224,524</b>
Profit for the year		-	<b>1,850,523</b>	-	<b>1,850,523</b>
Other Comprehensive Income for the year		-	-	-	-
<b>Total Comprehensive Income for the year</b>		-	<b>1,850,523</b>	-	<b>1,850,523</b>
<b>Transactions with owners in their capacity as owners</b>					
Dividends paid or provided for	15	-	<b>(641,132)</b>	-	<b>(641,132)</b>
<b>Other</b>					
Reclassification of available for sale financial assets to financial assets held at fair value through profit or loss	2(i)	-	<b>803,921</b>	<b>(803,921)</b>	-
<b>Balance at 30 June 2019</b>		<b>17,952,246</b>	<b>4,481,669</b>	-	<b>22,433,915</b>

*The accompanying Notes form part of these Financial Statements.*

BARRACK ST INVESTMENTS LIMITED  
**STATEMENT OF CASH FLOWS**  
 FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		493,150	431,662
Interest received		236	62
Income Tax paid		(541,497)	(132,273)
Other Payments (inclusive of GST)		(723,499)	(502,472)
Net cash provided by/(used in) operating activities	24	(771,610)	(203,021)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		18,749,850	15,649,306
Payments for investments		(15,279,657)	(14,500,268)
Net cash provided by/(used in) investing activities		3,470,193	1,149,038
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(641,132)	(503,819)
Net cash provided by/(used in) financing activities		(641,132)	(503,819)
Net increase/(decrease) in cash and cash equivalents held		2,057,451	442,198
Cash and cash equivalents at the beginning of the year		1,382,559	940,361
Cash and cash equivalents at end of year	8	3,440,010	1,382,559

*The accompanying Notes form part of these Financial Statements.*

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The functional and presentation currency of Barrack St Investments Limited is Australian dollars.

### 1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements and associated notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### Interest Revenue

Interest is recognised using the effective interest method.

##### Dividend Revenue

Dividends are recognised when the entity's right to receive payment is established.

#### (b) Income Tax

The income tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### (c) Goods and Services Tax (GST)

Revenue, 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 Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (d) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (e) Financial Instruments

The company holds investments in listed equities as its principle business, these investments are classified as financial assets at fair value through profit or loss. This measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset; and
- The business model for managing financial assets

#### Financial Assets - Recognition

The Company's investments are recognised on the date that the company commits itself to the purchase of the asset (ie trade date accounting is adopted).

Investments are measured at fair value, which is determined by quoted prices in an active market.

#### Financial Assets - Subsequent Measurement

Securities held in the portfolio are revalued to market values at each reporting date. The realised and unrealised net gains or losses on the portfolio are recognised in the profit or loss.



BARRACK ST INVESTMENTS LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**(e) Financial Instruments** *(continued)*

**Loans and Receivables**

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss in other expenses.

**Fair Value Estimation**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current bid price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

**(f) Trade And Other Payables**

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

**(g) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**Provisions for Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**(h) Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

**(i) New and Amended Accounting Standards adopted**

The Company has adopted AASB 9: *Financial Instruments* with an initial application date of 1 July 2018. As a result the Company has changed its financial instruments accounting policies as follows.

The company has elected to present in profit or loss changes in fair value of all its equity investments previously classified as available for sale, as these investments do not fit the measurement criteria for amortised cost or fair value through other comprehensive income and the company has not elected to designate equity instruments as fair value through other comprehensive income. As a result, assets with a fair value of \$20,810,743 were reclassified from available for sale financial assets to assets at fair value through profit or loss and cumulative unrealised gains of \$803,921 were transferred from the asset revaluation reserve to retained earnings at 1 July 2018.

AASB 9 has been adopted without restating comparative financial information. The reclassification adjustments arising have been recognised in the opening balance sheet on 1 July 2018.

AASB 15: *Revenue from contracts with Customers* has an initial application date of 1 July 2018. The Company does not have any revenue to which AASB 15 is applicable and accordingly had no impact on the Company.

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### (j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following table summarises those future requirements and their impact on the Company where the standard is relevant:

AASB 16 Leases	
Effective Date 1 January 2019	AASB 16 introduces a single lessee accounting model by eliminating the current requirement to distinguish leases as either operating leases or finance leases depending on the transfer of risks & rewards of ownership.  The impact of AASB 16 will not have a material impact on the Company.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### (a) Key Estimates

There are no key assumptions or sources of estimation uncertainty that have a risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period as investments are carried at their market value.

#### (b) Key Judgements

The preparation of financial reports in conformity with Australian Account Standards require the use of certain critical accounting estimates. This requires the Board to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax liabilities and deferred tax assets have been recognised for Capital Gains Tax (CGT) on the unrealised gains/losses in the investment portfolio at current tax rates.

As the Directors do not intend to dispose of the portfolio, the tax liability/benefit may not be crystallised at the amount disclosed in Note: 12. In addition, the tax liability/benefit that arises on the disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains/losses at the time of disposal.

The Company has an investment process which is anticipated will deliver medium to long-term capital growth - minimum investment period is three to five years.

The deferred tax asset has been carried forward as it believed that this process will deliver growth over this period to utilise the deferred tax asset.

The Company does not hold any securities for short term trading purposes. Therefore, the investment portfolio is classified as Financial Assets at fair value through Other Comprehensive Income.

### 4. OPERATING SEGMENTS

#### Segment Information

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

Operating segments have been determined on the basis of reports reviewed by the Board. The full Board is considered to be the chief operating decision maker of the Company. The Board considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Board considers the business to consist of just one reportable segment.

BARRACK ST INVESTMENTS LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
<b>5. REVENUE AND OTHER INCOME</b>			
Interest Received		236	62
Dividends Received		461,497	451,039
		<b>461,733</b>	<b>451,101</b>
<b>6. OTHER EXPENSES</b>			
ASX listing and other fees		32,146	33,695
Audit fees		20,517	23,750
Directors fees		128,125	128,125
Insurance		18,886	15,648
Share registry		12,941	14,216
Management Fees		234,342	232,250
Performance Fee		483,951	182,060
Other		89,356	84,691
		<b>1,020,264</b>	<b>714,435</b>
<b>7. INCOME TAX EXPENSE</b>			
<b>(a) Reconciliation of income tax to accounting profit</b>			
Profit/(Loss) before income tax		2,517,117	2,268,586
Prima facie tax payable on profit from ordinary activities before income tax rate at 30% (2018 - 30%)		755,135	680,576
Adds:			
Tax effect of:			
- Franking Credits		40,637	44,378
- Other		5,376	5,241
- Adjustment to Income tax in prior year		904	-
Less:			
Tax effect of:			
- Rebateable fully franked dividends		(135,458)	(147,928)
- Other provision for income tax in prior year		-	(2,190)
Income tax expense		<b>666,594</b>	<b>580,077</b>
<b>(b) The major components of tax (expense)/income comprise:</b>			
Current tax liability		(469,181)	(540,286)
(Under)/Over provision in prior year		(904)	2,190
Deferred income tax expense:			
(Decrease)/increase in deferred tax assets		(35,614)	(85,111)
Decrease/(increase) in deferred tax liabilities		(160,895)	43,130
Income Tax (expense)/credit from continuing operations		<b>(666,594)</b>	<b>(580,077)</b>
<b>(c) Amounts recognised directly in Other Comprehensive Income</b>			
		-	(430,696)

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
<b>8. CASH AND CASH EQUIVALENTS</b>			
Cash at Bank and on hand		3,440,010	1,382,559
<b>Reconciliation of cash</b>			
Cash and cash equivalents reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of Financial Position as follows:			
Cash at bank and on hand		3,440,010	1,382,559
<b>Balance as per Statement of Cash Flows</b>		<b>3,440,010</b>	<b>1,382,559</b>
<b>9. TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Trade receivables		-	82,833
GST receivable		9,812	8,413
Dividends receivable		2,392	34,044
Prepayments		19,652	17,099
Other receivable		317	-
<b>Total current trade and other receivables</b>		<b>32,173</b>	<b>142,389</b>
<b>10. FINANCIAL ASSETS</b>			
Available for sale financial assets at fair value	20	-	20,810,743
Financial assets designated as at fair value through profit or loss	20	20,499,031	-
<b>Total financial assets</b>		<b>20,499,031</b>	<b>20,810,743</b>
(a) Financial assets consist of investments in listed equity securities, fair value is determined by reference to closing bid prices on the Australian Securities Exchange.			
<b>11. TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Accounts payable and accrued expenses		519,658	218,929
<b>Total current trade and other payables</b>		<b>519,658</b>	<b>218,929</b>
Contractual cash flows from trade and other payables approximate their carrying amount. Trade and other payables are all contractually due within six months of reporting date.			



BARRACK ST INVESTMENTS LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

## 12. TAX

Current Tax Payable	<b>469,181</b>	540,286
Recognised deferred tax assets	-	(35,614)
Recognised deferred tax liabilities	<b>548,460</b>	387,566
<b>Net deferred tax liabilities adjusted for deferred tax assets</b>	<b>548,460</b>	351,952
<b>(a) Deferred Tax Assets Attributable to:</b>		
- Capital raising costs	-	31,770
- Accruals	-	3,844
	-	35,614
<b>(b) Deferred Tax Liabilities Attributable to:</b>		
- Unrealised gain on Financial Assets	<b>547,743</b>	378,884
- Unfranked dividend and interest receivable	<b>717</b>	8,682
	<b>548,460</b>	387,566

## 13. ISSUED CAPITAL

<b>(a) Share Capital</b>		
Ordinary shares Fully Paid 18,318,043 (2018: 18,318,043)	<b>18,322,898</b>	18,322,898
Capital raising costs	<b>(370,652)</b>	(370,652)
<b>Total</b>	<b>17,952,246</b>	17,952,246

### (b) Ordinary Shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the Shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

### (c) Movements in ordinary share capital

Date	Details	Number of shares	Price	\$
<b>30 June 2017</b>	<b>Balance</b>	<b>18,318,043</b>		<b>18,322,898</b>
	Nil Movement *	-		-
<b>30 June 2018</b>	<b>Balance</b>	<b>18,318,043</b>		<b>18,322,898</b>
	Nil Movement *	-		-
<b>30 June 2019</b>	<b>Balance</b>	<b>18,318,043</b>		<b>18,322,898</b>

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

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
<b>14. RESERVES</b>		
Asset Revaluation Reserve		
The asset revaluation reserve recorded the fair value movements of available for sale financial assets after provision for deferred tax. As a result of the adoption of AASB 9 on 1 July 2018 the asset revaluation reserve was reclassified to retained earnings (refer note 2(i)).		
<b>15. DIVIDENDS</b>		
<b>(a) Dividends and distributions paid</b>		
The following dividends were declared and paid:		
Final fully franked ordinary dividend of 2.0 cents (2018 – 1.5 cents) per share paid on 21 September 2018 (2018 – 22 September 2017)	<b>366,361</b>	274,843
Interim fully franked ordinary dividend of 1.5 cents (2018 - 1.25 cents) per share paid on 20 March 2019 (2018 – 23 March 2018)	<b>274,771</b>	228,976
<b>Total</b>	<b>641,132</b>	503,819
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the year ended 30 June 2019 and 2018 were as follows		
Paid in cash	<b>641,132</b>	503,819
Satisfied by issue of shares	-	-
<b>Total</b>	<b>641,132</b>	503,819
<b>(b) Proposed Dividends</b>		
Proposed final 2019 fully franked ordinary dividend of 2.25 cents (2018: 2.0 cents) per share to be paid on 13 September 2019.	<b>412,156</b>	366,361
The proposed final dividend for 2019 was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend at 30 June 2019.		
<b>(c) Franked dividends</b>		
The franking credits available for subsequent financial years at a tax rate of 30%	<b>732,875</b>	332,988
The above available balance is based on the dividend franking account at year-end adjusted for:		
(a) Franking credits that will arise from the payment of the current tax liabilities;		
(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end;		
(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.		
The impact on the franking credit of the dividends proposed after the end of the reporting period is to reduce it by \$176,638 (2018: \$157,012).		
The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.		

BARRACK ST INVESTMENTS LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

**15. DIVIDENDS** (continued)

**(d) Listed Investment Company capital gain account**

Balance of the Listed Investment Company (LIC) capital gain account (before tax)	2,431,931	1,783,895
Balance of the Listed Investment Company (LIC) capital gain account (after tax)	1,702,352	1,248,727

Distributed capital gains may entitle certain Shareholders to a special deduction in their Tax Return as set out in the dividend statement.

LIC capital gains available for distribution are dependent on:

- (i) the disposal of investment portfolio holdings which qualify for LIC capital gains;  
or
- (ii) the receipt of LIC distribution from LIC securities held in the portfolio.

**16. EARNINGS PER SHARE**

**(a) Earnings used in the calculation of basic and diluted earnings per share.**

(i) Profit/(loss) from continuing operations attributable to the owners of the Company	1,850,523	1,688,509
(ii) Total Comprehensive Income/(loss)	1,850,523	2,400,000

**(b) Basic and Diluted earnings per share**

	Cents	Cents
(i) Profit/(loss) from continuing operations attributable to the owners of the Company	10.10	9.22
(ii) Total Comprehensive Income	10.10	13.10

**(c) Weighted average number of ordinary shares used in the calculation of earnings per share**

	18,318,043	18,318,043
--	------------	------------

Total Comprehensive Income is a more appropriate base for determining earnings per share as it includes profit after income tax and changes in fair value of financial assets

**17. AUDITOR'S REMUNERATION**

Remuneration of the auditor of the Company for:

Audit or reviewing the financial statements	20,517	23,750
<b>Total remuneration of auditors</b>	<b>20,517</b>	<b>23,750</b>

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

### 18. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Company does not speculate in financial assets.

The Company's overall risk management program focuses on the volatility of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk governance is managed through the Board which provides direct oversight on the Company's risk management framework and overall risk management performance.

The Board provides written principles for risk management covering investment portfolio composition. Risk is managed by the professional, disciplined management of the investment portfolio by ECP Asset Management Pty Ltd (the Manager).

The Company held the following financial instruments:

	Note	2019 \$	2018 \$
<b>Financial Assets</b>			
Cash and cash equivalents	8	3,440,010	1,382,559
Receivables	9	32,173	142,389
Financial Assets at fair value	10	20,499,031	20,810,743
<b>Total Financial Assets</b>		<b>23,971,214</b>	<b>22,335,691</b>
<b>Financial Liabilities</b>			
Trade and Other Payables	11	519,658	218,929
<b>Total Financial Liabilities</b>		<b>519,658</b>	<b>218,929</b>

#### (a) Market Risk

##### Foreign exchange risk

The Company operates entirely within Australia and is not exposed to material foreign exchange risk.

##### Equity market risk

The Company is exposed to risk of market price movement through its investments in Australian listed equity securities. Equity investments held by the Company are classified on the Statement of Financial Position as Financial Assets at fair value through Other Comprehensive Income and any movement in the listed equity securities is reflected in Other Comprehensive Income.

The risk to Shareholders is that adverse equity securities market movements have the potential to cause losses in Company earnings or the value of its holdings of financial instruments. The Manager's investment strategy centres on the view that investing in proven high quality businesses with growth opportunities arising from their sustainable competitive advantage will outperform over the longer-term. Consistent with this approach, the Manager has an established risk management framework that includes procedures, policies and functions to ensure constant monitoring of the quality of the investee companies. The objective of the risk management framework is to manage and control risk exposures within acceptable parameters while optimising returns.

Equity market risk is measured as a percentage change in the value of equity instruments held in the portfolio, as compared to the total market index for the same period.

The Company's exposure to equity market risk over the Manager's investment horizon at the end of the reporting period is:

	2019	2018
Portfolio return since inception	13.76%	12.8%
All Ordinaries Index return	3.67%	2.9%

#### (b) Sensitivity Analysis

Increases/decreases in an equity securities price, affect the Company's asset revaluation reserve and Other Comprehensive Income for the year. The analysis is based on the assumption that the Financial Assets at fair value through Other Comprehensive Income had increased/decreased by 5% (2018 5%) with all other variables held constant.

Impact on Equity and Other Comprehensive Income for the year:-

2019 +/- \$1,024,952

2018 +/- \$1,040,537

Impact on profit or loss is nil.

#### (c) Cash Flow Interest Rate Risk

The Company is exposed to cash flow interest rate risk from holding cash and cash equivalents at variable rates. The Company does not enter into financing activities which would expose it to interest rate fluctuations on borrowed capital.

Revenue from interest forms a very minor portion of the Company's income and therefore exposure to interest rate risk is not significant.

As at the reporting date, the Company had the following cash and cash equivalents:

30 June 2019: Balance \$3,440,010

Weighted average interest rate 0.01%

30 June 2018: Balance \$1,382,559

Weighted average interest rate 0.01%

#### (d) Relative Performance Risk

The Manager aims to outperform the risk free cash rate over the long-term. However, as the portfolio consists of equity investments these will tend to be more volatile than cash, so there will likely be periods of relative under and over performance compared to the benchmark risk free rate.

Over the long-term the Manager is confident that the portfolio can achieve outperformance through an investment selection process that invests in companies that have a sound business model, display a sustainable competitive advantage and have proven quality management.

**BARRACK ST INVESTMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2019

**(e) Credit Risk**

Credit risk is the risk of a counterparty defaulting on their financial obligations resulting in a loss to the Company. The objective of the Company is to minimise credit risk exposure. Credit risk arises from cash and cash equivalents and Financial Assets at fair value through Other Comprehensive Income. Credit risk is managed by the Manager.

Credit risk arising from cash and cash equivalents is managed by only transacting with counterparties independently rated with a minimum rating of A. The providers of financial services to the Company are rated as AA by Standard and Poor's. Credit risk on cash and cash equivalents is deemed to be low.

Credit risk arising from Financial Assets at fair value through Other Comprehensive Income relates to the risk of counterparties on the ASX defaulting on their financial obligations on transactions for Australian listed equity securities. The credit risk for these transactions is deemed to be low.

The maximum credit risk exposure of the Company at year end is the carrying value of the assets in the Statement of Financial Position.

There is no concentration of credit risk with respect to financial assets in the Statement of Financial Position.

**(f) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The objective of the Company is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable Australian listed equity securities.

The Manager controls liquidity risk by continuously monitoring the balance between equity securities and cash or cash equivalents and the maturity profiles of assets and liabilities to ensure this risk is minimal.

**19. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Company consists of equity attributable to members of the Company. The Board monitors the return on capital, which is defined as net operating income divided by total Shareholders' Equity. The Board also monitors the level of dividends to Shareholders.

The capital of the Company is invested by the Investment Manager in accordance with the investment policy established by the Board. The Company has no borrowings. It is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

**20. FAIR VALUE MEASUREMENTS**

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

- Financial Assets At fair value through Profit or Loss.

**Fair value hierarchy**

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Company:

	Level 1	Level 2	Level 3	TOTAL
30 June 2019	\$	\$	\$	\$
<b>Recurring fair value measurements.</b>				
<b>Financial assets at fair value through profit or loss</b>				
-Listed Equity Securities	20,499,031			20,499,031
30 June 2018	\$	\$	\$	\$
<b>Recurring fair value measurements.</b>				
<b>Available for sale financial assets</b>				
-Listed Equity Securities	20,810,743			20,810,743

**Transfers between levels of hierarchy**

There were no transfers between levels of the fair value hierarchy.

**Highest and best use**

The current use of each asset measured at fair value is considered to be its highest and best use.

# FINANCIAL REPORT

## BARRACK ST INVESTMENTS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

### 21. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with other related parties:

- J D Pohl has an interest in the transaction as during the year J D Pohl was a Director and employee of ECP Asset Management Pty Ltd, the Manager
  - A Performance Fee payable in accordance with the Management Services Agreement as detailed in Note 22. **483,951** 182,060
  - A Management Fee of 1% per annum is paid or payable as detailed in Note 22. **234,342** 232,250

### 22. MANAGEMENT SERVICES AGREEMENT

In accordance with a Management Services Agreement approved by Shareholders in 2014, the terms of which were contained in the prospectus, the Company agreed to engage the Manager to provide primary and secondary management services, including:

- 1) managing the investment of the Company's portfolio, including keeping it under review;
- 2) ensuring investments by the Company are only made in authorised investments;
- 3) complying with the investment policy of the Company;
- 4) identifying, evaluating and implementing the acquisition and disposal of authorised investments;
- 5) provide the Company with monthly investment performance reporting;
- 6) manage the Company's public and regulatory announcements and notices;
- 7) promoting investment in the Company by the general investment community;
- 8) providing investor relationship services; and
- 9) provision of accounting, human resources, corporate and information technology services support.

The agreement may be terminated if:

- a) either party ceases to carry on business, or
- b) either party enters into liquidation voluntarily or otherwise, or
- c) either party passes any resolution for voluntary winding-up, or
- d) a receiver of the property of either party, or any part thereof, is appointed, or
- e) the Shareholders of the Company at an abnormal meeting called in for that purpose, resolve by binding resolution to terminate the operations, or
- f) if the Company provides written notice to the Manager in the event of any material and substantial breach of the agreement by the Manager or if the Manager fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- g) if the Manager provides written notice to the Company in the event of any material and substantial breach of the agreement by the Company or if the Company fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- h) In recognition of the roles and personal expertise of senior executives retained by the Manager for the purpose of providing the primary services described in clause 3 of the Agreement, the parties agree that the agreement may be terminated, at the option of the Company, if there are major changes to senior executives (or their roles) providing the primary services. The Company shall be entitled to give the Manager a written termination notice upon or after the occurrence of a major change of the kind mentioned and such notice, if given, shall be effective at the end of the calendar month next following the giving of such notice unless the Company and the Manager mutually agree upon another date at which this agreement will terminate.

Under the agreement the Manager will receive a management fee of 1% per annum on the net tangible assets of the Company. In addition, a performance fee, payable annually in arrears, equal to 20% of the amount by which the Company's net performance before tax (that is, after all costs and outlays but before the calculation of the performance fee) exceeds the Benchmark of 8% subject to a high-water mark. If the Company's net performance in the year is less than the Benchmark, then no performance fee will be payable.



BARRACK ST INVESTMENTS LIMITED  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

## 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

The Company has no staff and therefore has no Key Management Personnel other than the Directors.

No member of Key Management Personnel held options over shares in the Company during the year.

There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 21.

The totals of remuneration paid to the Directors of Barrack St Investments Limited during the year are as follows:

Short-term Employment benefits	128,125	128,125
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Detailed remuneration disclosures are provided in sections (A) – (F) of the remuneration report on pages 10 and 11.

The Company's Secretary, Brian Jones, was contracted directly during the current financial year (July 18 – June 19).

## 24. CASH FLOW INFORMATION

Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	1,850,523	1,688,509
Cash flows included in profit attributable to investing activities		
- Net gain on sale of financial assets	(2,512,786)	(2,531,920)
Non-cash flows in profit:		
- Net unrealised gain on financial assets at fair value	(562,862)	-
Changes in assets and liabilities		
- (increase)/decrease in Trade and other receivables	27,382	(19,497)
- increase/(decrease) in trade and other payables	300,729	200,803
- increase/(decrease) in current tax payable	(71,105)	405,823
- (increase)/decrease in net deferred tax assets/liabilities	196,509	53,261
Cash flow from operations	(771,610)	(203,021)

## 25. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

## 26. EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Subsequent to year-end on 19 August 2019, the Directors declared a final 2019 fully franked ordinary share dividend of 2.25 cents per share.

## DIRECTORS' DECLARATION

The Directors of the Company declare that:

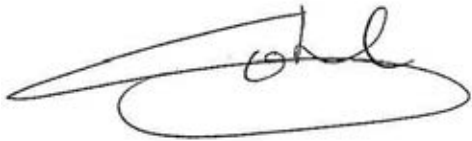
- (a) the Financial Statements and Notes set out on pages 15 to 31 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
  - (ii) 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; and

in the Directors' opinion,

- (b) 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
- (c) the remuneration disclosures set out on pages 10 and 11 of the Directors' Report (as part of the audited remuneration report) for the year ended 30 June 2019 comply with section 300A of the *Corporations Act 2001*.

The Directors have been given the declaration by the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

A handwritten signature in black ink, appearing to read 'Jared D Pohl', is written over a large, faint, oval-shaped watermark or background line.

**Jared D Pohl**  
Director

19 August 2019

# INDEPENDENT AUDITOR'S REPORT



*For your peace of mind*

BARRACK ST INVESTMENTS LIMITED  
ABN 30 167 689 821

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BARRACK ST INVESTMENTS LIMITED  
(Page 1 of 4)**

**Report on the Audit of the Financial Report**

**Opinion**

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

In our opinion, the accompanying financial report of Barrack St Investments Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

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

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

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for 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.

**HEAD OFFICE:**

t: +61 (0)7 5580 4700  
p: PO Box 1463, Oxenford, Queensland 4210 Australia  
a: 4 Helensvale Road, Helensvale, Queensland 4212 Australia  
e: info@wpias.com.au  
w: www.wpias.com.au

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**BARRACK ST INVESTMENTS LIMITED**  
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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF BARRACK ST INVESTMENTS LIMITED**  
(Page 2 of 4)

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
<b>Financial Assets at Fair Value Through Profit or Loss</b> Refer to Notes 2(e), 2(i) and 10 to the financial statements	
<p>As at 30 June 2019 the Company's statement of financial position includes financial assets at fair value through profit or loss of \$20,499,031.</p> <p>On initial application of AASB 9: Financial Instruments the Company has elected to present in profit or loss changes in fair value of all its equity investments previously classified as available for sale. As a result, assets with a fair value of \$20,810,743 were reclassified from available for sale financial assets to assets at fair value through profit or loss and cumulative unrealised gains of \$803,921 were transferred from the asset revaluation reserve to retained earnings at 1 July 2018.</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> <li>Inspecting externally prepared documentation to verify the valuation of the portfolio as at 30 June 2019.</li> <li>Randomly and judgmentally selecting investments and agreeing dividends and closing market value to third party evidence.</li> <li>Recalculating the movement in fair value for the year.</li> <li>Recalculating the reclassification adjustments on implementation of AASB 9 at 1 July 2018.</li> <li>Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 9.</li> </ul>
<b>Tax and Income Tax Expense</b> Refer to Note 7 and 11 to the financial statements	
<p>The Company recognises deferred tax liabilities and deferred tax assets. As at 30 June 2019 the deferred tax liability included in the statement of financial position amounted to \$548,460 and the deferred tax asset included in the statement of financial position amounted to \$nil.</p> <p>Current tax payable as at 30 June 2019 included in the statement of financial position amounted to \$469,181.</p> <p>We focused on this area as a key audit matter due to the amounts involved being material.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> <li>Reviewing the Company's taxation calculations for accuracy, completeness and compliance with AASB 112.</li> <li>Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 112.</li> </ul>
<b>Performance fee and management fee</b> Refer to Notes 21 and 22 to the financial statements	
<p>For the year ended 30 June 2019 the Company's statement of profit or loss and other comprehensive income includes the performance fee of \$483,951 and a management fee of \$234,342.</p> <p>In accordance with a management service agreement the Company pays a performance fee and a management fee to a related party to engage a manager to provide primary and secondary management services.</p> <p>We focused on this area as a key audit matter due to the nature of the relationship.</p>	<p>Our procedures included, inter alia:</p> <ul style="list-style-type: none"> <li>Reviewing the management service agreement.</li> <li>Assessing the Company's management fee calculation to ensure compliance with the agreement.</li> <li>Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 124.</li> </ul>

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t: +61 (0)7 5580 4700  
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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF BARRACK ST INVESTMENTS LIMITED**  
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## **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 included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This auditor's report relates to the financial report of Barrack St Investments Limited for the year ended 30 June 2019, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the website.

## **Responsibility of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

### **HEAD OFFICE:**

**t:** +61 (0)7 5580 4700  
**p:** PO Box 1463, Oxenford, Queensland 4210 Australia  
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**BARRACK ST INVESTMENTS LIMITED**  
**ABN 30 167 689 821**

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF BARRACK ST INVESTMENTS LIMITED**  
**(Page 4 of 4)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors and management.
- Conclude on the appropriateness of directors and management'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 Company'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 disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

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

#### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the remuneration report included in pages 10 to 11 of the directors' report for the year ended 30 June 2019.

In our opinion the remuneration report of Barrack St Investments 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 s300A 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.

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

**Lee-Ann Dippenaar** BCom CA RCA  
Director

**Dated this 19<sup>th</sup> day of August 2019**

#### **HEAD OFFICE:**

**t:** +61 (0)7 5580 4700  
**p:** PO Box 1463, Oxenford, Queensland 4210 Australia  
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**GOLD COAST • BRISBANE • SYDNEY • MELBOURNE • PERTH • AUCKLAND**



# SHAREHOLDER INFORMATION

Barrack St Investments has only one class of equity security, being Fully Paid Ordinary Shares. The Shareholder information set out below was applicable as at 09 August 2019.

## 1. TWENTY LARGEST SHAREHOLDERS

Shareholders	Ordinary Shares	%
CITICORP NOMINEES PTY LIMITED	5,165,270	28.20%
LIC INVESTMENTS PTY LTD <LIC INVESTMENTS UNIT A/C>	980,000	5.35%
DYNASTY PEAK PTY LTD <THE AVOCA SUPER FUND A/C>	610,000	3.33%
MR JOHN STEVEN PAGE & MRS GILLIAN KAY PAGE <PAGE EMPLOYEES S/F A/C>	494,795	2.70%
DR MARK BOFINGER	468,219	2.56%
ABBAWOOD NOMINEES PTY LTD <ABBOT FAMILY S/F NO 1 A/C>	335,000	1.83%
BRISAN NOMINEES PTY LTD <BRISAN INVESTMENT A/C>	288,000	1.57%
DAVNAT SUPER FUND	277,445	1.52%
CARMANT PTY LTD <CARMANT SUPER FUND A/C>	212,057	1.16%
MR FRANCO DI LORENZO & MRS ANGELA DI LORENZO	207,150	1.13%
SAVIVE PTY LTD <SAVIVE SUPER FUND A/C>	173,000	0.94%
ROMADAK PTY LTD <THE JOMAR A/C>	167,124	0.91%
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	158,243	0.86%
COLE WHITEHURST PTY LTD <COLE WHITEHURST SUPER A/C>	153,849	0.84%
DE LEEUW HOLDINGS PTY LTD <DE LEEUW SUPER FUND A/C>	150,000	0.82%
MAURBRU SUPER PTY LTD <MAURBRU SUPER FUND A/C>	150,000	0.82%
B SMARTYPANTS PTY LTD <B & K SMARTYPANTS A/C>	150,000	0.82%
KAMILAROI INVESTMENTS PTY LTD	150,000	0.82%
FIRTHY PTY LTD <THE FIRTH SUPER FUND A/C>	150,000	0.82%
MR GRANT NEWTON & MRS KATHRYN CLARK	146,725	0.80%
<b>Total</b>	<b>10,586,877</b>	<b>57.80%</b>

## 2. DISTRIBUTION OF SECURITIES:

Fully Paid Ordinary Shares

Distributions	Number of Shareholders
1 to 1,000	18
1,001 to 5,000	44
5,001 to 10,000	50
10,001 to 100,000	169
100,001 and over	30
<b>Total</b>	<b>311</b>
Holdings of less than a marketable parcel	5

## 3. SUBSTANTIAL SHAREHOLDINGS

The names of the Shareholders who have notified the Company of a substantial holding in accordance with section 671B of the *Corporations Act 2001* are:

Substantial Shareholder	Number of Shares	% of Total
EC Pohl & Co Pty Ltd	5,165,270	28.20%
LIC Investments Pty Ltd <LIC Unit Trust>	1,413,000	7.71%

## 4. VOTING RIGHTS

On a show of hands every Shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## 5. ON-MARKET BUY BACK

There is no current on-market buy back.

## INVESTMENTS

### (1) HOLDINGS OF SECURITIES AS AT 30 JUNE 2019

Individual investments at 30 June 2019 are listed below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates. Individual holdings in the portfolio may change during the course of the year.

Company		Shares	Market Value \$	%
	<b>ORDINARY SHARES</b>			
A2M	The A2 Milk Company Limited	16,691	231,170.35	0.97
ALU	Altium Limited	10,652	364,298.40	1.52
APT	Afterpay Touch Group Limited	54,158	1,357,741.06	5.68
ARB	ARB Corporation Limited	35,789	651,359.80	2.72
BBN	Baby Bunting Group Limited	195,838	423,010.08	1.77
CAR	Carsales.Com Limited	81,355	1,100,733.15	4.60
CAT	Catapult Group International Ltd	312,227	341,888.57	1.43
CGC	Costa Group Holdings Limited	289,167	1,168,234.68	4.88
CTD	Corporate Travel Management Limited	55,879	1,257,277.50	5.26
DMP	Domino's Pizza Enterprises Limited	43,689	1,644,453.96	6.87
FPH	Fisher & Paykel Healthcare Corporation Limited	18,584	275,600.72	1.15
HUB	HUB24 Limited	101,551	1,206,425.88	5.04
MFG	Magellan Financial Group Limited	11,125	567,375.00	2.37
MP1	Megaport Limited	142,966	933,567.98	3.90
PDL	Pendal Group Limited	241,530	1,726,939.50	7.22
PPH	Pushpay Holdings Limited	204,712	753,340.16	3.15
PWH	PWR Holdings Limited	150,725	620,987.00	2.60
REA	REA Group Ltd	12,114	1,163,428.56	4.86
RMD	ResMed Inc.	51,452	883,430.84	3.69
SEK	SEEK Limited	84,846	1,795,341.36	7.50
SM1	Synlait Milk Limited	95,978	856,123.76	3.58
TPM	TPG Telecom Limited	94,061	605,752.84	2.53
WTC	Wisetech Global Limited	10,153	281,339.63	1.18
XRO	Xero Limited	4,825	289,210.50	1.21
			<b>20,499,031.28</b>	<b>85.68</b>
	<b>CASH</b>			
	Cash (including dividends receivable)		3,424,673.79	14.32
	<b>TOTAL</b>		<b>23,923,705.07</b>	<b>100.00</b>

### (2) TRANSACTIONS AND BROKERAGE

There were 245 (2018: 204) transactions in securities during the year on which brokerage of \$100,356 (2018: \$79,760) was paid.

## CORPORATE DIRECTORY

BARRACK ST INVESTMENTS LIMITED  
ABN 30 167 689 821  
REGISTERED IN QUEENSLAND ON  
23 JANUARY 2014.

### BOARD OF DIRECTORS

Murray H. d'Almeida  
*Non-Executive Chairman*

David C. Crombie AM  
*Non-Executive Director*

Jared D. Pohl  
*Executive Director*

### COMPANY SECRETARY

Brian E Jones

### REGISTERED OFFICE

Suite 305, Level 3  
Barrack House  
16-20 Barrack Street  
SYDNEY NSW 2000

Toll Free: 1800 352 474  
Fax: +61 (0) 2 8651 6899  
Email: [info@barrackst.com](mailto:info@barrackst.com)

### POSTAL ADDRESS

P O Box 7536  
Gold Coast Mail Centre  
BUNDALL QLD 9726

### AUDITORS

WPIAS Pty Ltd  
4 Helensvale Road  
HELENSVALE QLD 4210

### SOLICITORS

McCullough Robertson Lawyers  
ABN 42 721 345 951  
Level 32 MLC Centre  
19 Martin Place  
SYDNEY NSW 2000



Barrack St Investments Limited

### INVESTMENT MANAGER

ECP Asset Management Pty Ltd  
ACN 158 827 582  
Suite 305, Level 3  
343 George Street  
SYDNEY NSW 2000

Authorised Representative of  
EC Pohl & Co Pty Ltd  
ACN 154 399 916 AFSL 421704

Tel: +61 (0) 2 8651 6800  
Fax: +61 (0) 2 8651 6899  
Email: [info@ecpam.com](mailto:info@ecpam.com)

### SHARE REGISTRY

Boardroom Pty Limited  
ABN 14 003 209 836  
GPO Box 3993  
SYDNEY NSW 2001

Toll Free: 1300 737 760  
International: +61 (0) 2 9290 9600  
Fax: +61 (0) 0 9279 0664  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

### WEBSITE ADDRESS

[www.barrackst.com](http://www.barrackst.com)

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Barrack St Investments Limited  
(ACN 167 689 821)

Suite 305, Level 3  
Barrack House  
16–20 Barrack St  
Sydney NSW 2000

[www.barrackst.com](http://www.barrackst.com)