

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2019

Appendix 4D

Details of Reporting Period

Current: Half-year ended 31 December 2019
 Previous corresponding: Half-year ended 31 December 2018

Results for announcement to the market			
	\$	Movement	% Movement
Total investment income (Revenue from ordinary activities)	2,115,061	▲	160%
Net profit from ordinary activities after tax attributable to members	365,288	▲	63%
Total comprehensive loss for the period attributable to members	6,776,478	▲	263%

Details of dividends						
	Ex-Dividend Date	Record Date	Payment Date	Cents per share	Franked amount per share	Tax rate for franking
2020 Interim dividend (cents per share)	6 March 2020	9 March 2020	23 March 2020	2.00	2.00	27.5%

Details of dividends reinvestment plan

N/A

Net Tangible Assets per share (cents)		
	31 December 2019	31 December 2018
Net Tangible Assets (per share) backing before tax	162.01	134.80
Net Tangible Assets (per share) backing after tax	148.31	128.47

Control gained or lost over entities during the period

The Company did not gain or lose control over any entities during the period.

Details of associates and joint venture entities

The Company did not have any interest in any associates or joint venture entities during the current period.

Independent auditor review report

This report is based on the interim financial report which has been subject to an independent review by the Company's Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A.

Interim Financial Report

For the half-year ended 31 December 2019

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2019

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Corporate Directory

Directors

Peter Constable (Chairman)
David Bottomley
Ray Kellerman

Company Secretary

David Bottomley
Claudia Rososinski (appointed on 28 August 2019)

Registered Office

Level 25
88 Phillip Street
Sydney NSW 2000

Contact Details

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F: (02) 8211 0555
W: www.rydercapital.com.au

Share Registry

Link Market Services Limited

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Sydney NSW 2000

P: 1300 554 474
W: www.linkmarketservices.com.au

Auditor

Pitcher Partners

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

P: (02) 9221 2099

Stock Exchange Listings

Ryder Capital Limited securities are listed on the Australian Stock Exchange under the following exchange codes:

Shares RYD
Options RYDOA

Ryder Capital Limited Half Yearly Report Half-year ended 31 December 2019

Directors' Report

Your directors present their report on Ryder Capital Limited ("Company") for the period ended 31 December 2019. The following persons were directors of the Company from registration date and up to the date of this report:

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

Principal activity

The principal activity of the Company during the period was investing in a concentrated portfolio of ASX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term capital growth in excess of its benchmark (RBA Cash rate plus 4.25% p.a.).

Review of Operations

Ryder Capital Limited (Ryder or Company) produced a statutory profit after tax of \$365,288 and a total comprehensive after-tax gain of \$6,776,478 for the six months to 31 December 2019 (1H FY20).

Reflecting the Company's strong NTA performance, increased dividend income and capital profits reserve, the Board is pleased to declare a 2 cent per share fully franked dividend (+100% from 1H FY19) with an ex-date of 6 March 2020 and payable date of 23 March 2020.

As with previous reports, we consider the most consistent and transparent measure of the Company's performance (in the absence of any material changes to issued capital) to be the movement in Net Tangible Assets (NTA) per share (pre-tax), which for the 1H FY20 period resulted in an increase of 9.75% and for the 12 months of CY19 an increase of 23.26%.

Whilst 1H FY20 performance has been strong, it was without any benefit from a change to the carrying value of Updater Inc. (Updater) which completed a material fundraising and strategic acquisition in late December 2019. The Board continues to view the Company's investment exposure (~9.9% at 31 December 2019) in Updater (carried at \$A0.995 per CDI which is the last traded ASX price on 8 October 2018) as conservative. Directors are continuing to work through a review of the carrying value of Updater which at the time of this report remains incomplete.

2019 was a very strong year for both global and Australian equities, in fact the best year in the last ten for Australia with the ASX All Ordinaries Accumulation Index returning 24.06% and the ASX Small Ordinaries Accumulation Index returning 21.36%. Ryder's return of 23.26% (net of all fees and costs) compares favourably and was achieved notwithstanding our large cash holdings (averaging ~22.1% in CY19) and our large unlisted investment in Updater, together averaging ~32.6% of the portfolio over CY19. Whilst six and twelve month returns remain short-term timeframes of review, we are pleased that Ryder continues to compare positively against its own performance benchmark and that of other long only equity index returns over both short

and medium to longer term time frames whilst we continue to hold material exposures to low yielding cash – please refer to the performance table in this report.

The Company's net assets rose to \$87,788,582 (from \$83,034,684 at 30 June 2019). The Company's NTA per share value was minimally enhanced by the ongoing operation of the Company's share buyback where 198,741 units were purchased on market at an average price of \$1.2405 per share for a total outlay of \$246,547 during the period. The Company's closing issued capital of 59,197,580 shares and share price of \$1.43 resulted in a market capitalisation of \$84.36m at 31 December 2019 up 13.6% from \$74.25m at 30 June 2019.

The Company made a statutory loss before tax of \$196,642 and after providing for a tax benefit of \$561,930 made an after-tax profit of \$365,288 in 1H FY20. Statutory profit as reported and referred to above ignores unrealised gains or losses on the Company's portfolio, therefore a more transparent and meaningful measure of the Company's performance for the reporting period is to look at the net movement in the starting pre-tax Net Asset Value (NAV) adjusted for tax and equity distributions of \$89,278,165 at 30 June 2019 and the closing pre-tax NAV adjusted for tax and equity distributions on 31 December 2019 of \$97,924,544. The result is a gain of \$8,646,379 before tax but after performance fees and all other operating expenses. This figure represents the pre-tax gain in the net worth of the Company after all operating costs which given the stable capital structure during the period, directly corresponds to the per share pre-tax net gain.

The Manager's performance (as measured by the performance of the Company's portfolio less all operating costs before tax) exceeded the Company's set performance benchmark for the period. As a result, the Company has accrued a performance fee of \$1,442,701 at 31 December 2019 for the 1H FY20 period. The payment of the performance fee will be dependent on the Manager's absolute performance relative to the Company's benchmark for the 12 month period to 30 June 2020. The Manager continues to meaningfully outperform the Company's performance benchmarks over 1 year, 3 year and inception to date time periods.

All performance numbers are reported after all management and performance fees and all other Company expenses but before tax. We highlight this point in order to differentiate ourselves from some of our peers who elect to report gross returns (that exclude management fees, performance fees and operating costs) as opposed to net pre-tax returns which we consider to be the more appropriate performance measure for shareholders to evaluate.

Ryder Capital Limited Half Yearly Report Half-year ended 31 December 2019

Directors' Report (continued)

Review of Operations (continued)

Set out below is the Company's performance, with reference to the Company's benchmark and two relevant ASX equities indices across short and medium to longer term timeframes⁽²⁾. We highlight the Company's pre-tax undiluted performance which over 1 year, 3 year and inception to date time frames, exceeds the most comparable ASX equity index to that of the Company's investment strategy - the ASX Small Ords Accumulation Index.

Since inception⁽⁴⁾ the Manager has outperformed all comparable ASX equity indices⁽⁵⁾ in both positive and negative markets providing superior risk adjusted returns to the Company and shareholders.

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a)	Since Inception ⁽⁴⁾ (%)	Since Inception ⁽⁴⁾ (% p.a)
Gross Portfolio Performance	-1.00	12.34	26.95	22.51	119.01	20.12
Pre-tax Undiluted NTA Return⁽¹⁾	-0.88	9.64	22.96	17.35	85.02	15.47
Pre-tax NTA Return⁽²⁾	-0.88	9.75	23.26	14.34	71.14	13.39
Hurdle (RBA Cash Rate +4.25%)	1.24	2.55	5.42	5.64	27.03	5.75
Excess Return Pre-tax (RBA Cash Rate +4.25%) ⁽³⁾	-2.12	7.09	17.54	11.71	57.99	9.72
ASX All Ords Accumulation Index	0.75	3.59	24.06	10.41	58.03	11.31
ASX Small Ords Accumulation Index	0.76	3.89	21.36	9.98	68.34	12.96

1. Pre-tax NTA return adjusted for exercised 26.7m RYDO options.
2. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees and ignoring the dilutionary impact of unexercised outstanding RYDOA options.
3. Excess Return will be calculated with reference to undiluted NTA return as of February 2019 to better reflect underlying fund performance consistent with the Manager's performance measurement.
4. Inception Date is 22 September 2015.
5. ASX All Ords Accumulation & ASX Small Ords Accumulation

Outlook

As bottom-up stock pickers, we do not overly obsess about short term market volatility, market direction or macro themes. We do however use market volatility to selectively enter and exit investments and as a guide to determine appropriate portfolio and cash weightings - as such we continue to give thought to the market's recent strong rise and increased risk associated with ever inflating asset prices, global geopolitical tensions, the upcoming US election and political risks.

We continue to anticipate positive, albeit somewhat subdued equity market returns going forward, supported by central banks who are once again adopting a more accommodative stance, at least for now. With the US election in November, we are mindful of what a change in leadership would mean for market risk appetite in general.

Global GDP growth outlook has stabilised more recently and with the US-China trade tensions working towards resolution, the improved global trade outlook should provide further support for equity markets. As such we see markets muddling along in a positive way with the potential for isolated event volatility (such as the Chinese Coronavirus) providing opportunities for stock picking.

Domestically, the Australian economy continues to present as somewhat anaemic with consumer sentiment poor and a widening gap between stock market performance and underlying earnings growth leaving us increasingly cautious.

We hold approximately 19.95% of the portfolio in cash and 23.09% once proceeds of the QMS Limited takeover are received in late February, placing the Company in a strong position to capitalise on future investment opportunities as they present.

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Directors' Report (continued)

Dividends

On 9 August 2019, the Directors declared a fully franked dividend of 3.00 cents per share which amounted to \$1,776,202 and was paid on 4 September 2019.

An interim dividend of 2.00 cents per share fully franked has been declared by the Board and will be paid on 23 March 2020.

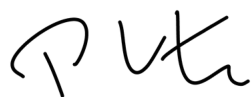
Rounding of amounts to nearest dollar

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Directors.



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 18 February 2020

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

In relation to the independent auditor's review of Ryder Capital Limited for the half year ended 31 December 2019, to the best of my knowledge and belief there have been:

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

A handwritten signature in black ink, appearing to read 'S M Whiddett'.

S M Whiddett
Partner

Pitcher Partners
Sydney

18 February 2020

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Statement of Profit or Loss and Other Comprehensive Income			
	Note	Half-year ended 31 December 2019	Half-year ended 31 December 2018
Investment Income		\$	\$
Interest income		107,624	120,727
Dividend income net of franking credits		1,999,874	672,696
Net realised gain on net financial assets at fair value through profit or loss		-	1,035
Other income		7,563	19,825
Total investment income		2,115,061	814,283
Expenses			
Management fees		(629,158)	(456,599)
Directors' fees		(20,000)	(15,000)
Performance fees		(1,442,701)	-
Other operating expenses		(219,844)	(204,298)
Total expenses		(2,311,703)	(675,897)
(Loss) / profit for the period before income tax expense		(196,642)	138,386
Income tax benefit		561,930	85,513
Profit for the period		365,288	223,899
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Movement in fair value of long term equity investments, net of tax	7(d)	6,411,190	(4,369,869)
Total comprehensive income for the period		6,776,478	(4,145,970)
Basic earnings per share	5	0.62 cents	0.48 cents
Diluted earnings per share	5	0.62 cents	0.48 cents

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

Ryder Capital Limited
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Statement of Financial Position			
	Note	As at 31 December 2019	As at 30 June 2019
Assets		\$	\$
<i>Current assets</i>			
Cash and cash equivalents		19,403,079	22,525,023
Receivables		39,152	69,844
Total current assets		19,442,231	22,594,867
<i>Non-current assets</i>			
Long-term equity investments	3	78,014,163	67,506,755
Deferred tax asset		489,796	499,263
Total non-current assets		78,503,959	68,006,018
Total assets		97,946,190	90,600,885
Liabilities			
<i>Current liabilities</i>			
Payables		1,554,572	823,457
Current tax liability		5,006,721	3,150,713
Total current liabilities		6,561,293	3,974,170
<i>Non-current liabilities</i>			
Deferred tax liability		3,596,315	3,592,031
Total non-current liabilities		3,596,315	3,592,031
Total liabilities		10,157,608	7,566,201
Net assets		87,788,582	83,034,684
Equity			
Issued capital	6	64,803,675	65,050,053
Retained earnings / (losses)		(3,110,964)	(2,876,206)
Profit reserve		600,046	-
Capital profits reserve		16,022,999	11,424,280
Asset revaluation reserve		9,472,826	9,436,557
Total equity		87,788,582	83,034,684

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

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Statement of Changes in Equity							
	Note	Issued capital	Retained earnings/(losses)	Profits reserve	Capital profit reserve	Asset revaluation reserve	Total equity
		\$	\$	\$	\$	\$	\$
Balance at 30 June 2018		40,904,728	(2,836,231)	-	3,384,226	15,954,210	57,406,933
Profit for the period		-	223,899	-	-	-	223,899
Net revaluation of investments		-	-	-	-	(4,369,869)	(4,369,869)
Total comprehensive income for the period		-	223,899	-	-	(4,369,869)	(4,145,970)
Other							
Transfer of realised gains on sale of investments, net of tax	7 (c),(d)	-	-	-	1,417,130	(1,417,130)	-
Transfer to profit reserve	7 (a),(b)	-	(357,533)	357,533	-	-	-
		-	(357,533)	357,533	1,417,130	(1,417,130)	-
Transactions with owners in their capacity as owners							
Shares and options issued during the period	6 (a)	28,138,966	-	-	-	-	28,138,966
Shares acquired under buy-back during the period	6 (a)	(2,816,426)	-	-	-	-	(2,816,426)
Transactions costs on shares acquired under buy-back	6 (a)	(5,777)	-	-	-	-	(5,777)
Income tax on transactions costs	6 (a)	1,589	-	-	-	-	1,589
Dividend paid	7 (b),(c)	-	-	(357,533)	(643,535)	-	(1,001,068)
		25,318,352	-	(357,533)	(643,535)	-	24,317,284
Balance at 31 December 2018		66,223,080	(2,969,865)	-	4,157,821	10,167,211	77,578,247
Balance at 30 June 2019		65,050,053	(2,876,206)	-	11,424,280	9,436,557	83,034,684
Profit for the period		-	365,288	-	-	-	365,288
Net revaluation of investments		-	-	-	-	6,411,190	6,411,190
Total comprehensive income for the period		-	365,288	-	-	6,411,190	6,776,478
Other							
Transfer of realised gains on sale of investments, net of tax	7 (c),(d)	-	-	-	6,374,921	(6,374,921)	-
Transfer to profit reserve	7 (a),(b)	-	(600,046)	600,046	-	-	-
		-	(600,046)	600,046	6,374,921	(6,374,921)	-
Transactions with owners in their capacity as owners							
Shares acquired under buy-back during the period	6 (a)	(246,006)	-	-	-	-	(246,006)
Transactions costs on shares acquired under buy-back	6 (a)	(514)	-	-	-	-	(514)
Income tax on transactions costs	6 (a)	142	-	-	-	-	142
Dividend paid	7 (c)	-	-	-	(1,776,202)	-	(1,776,202)
		(246,378)	-	-	(1,776,202)	-	(2,022,580)
Balance at 31 December 2019		64,803,675	(3,110,964)	600,046	16,022,999	9,472,826	87,788,582

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

RYDER CAPITAL

Ryder Capital Limited
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Statement of Cash Flows		
	Half-year ended 31 December 2019	Half-year ended 31 December 2018
Cash flows from operating activities	\$	\$
Interest received	142,073	103,543
Dividends received	1,999,874	672,696
Other income received	7,563	19,825
Management fees paid	(617,230)	(437,450)
Performance fees paid	-	(2,953,362)
Directors' fees paid	(20,000)	(20,607)
Other operating expenses paid	(223,601)	(183,605)
Income tax paid	-	(16,777)
Net cash provided by / (used in) operating activities	1,288,679	(2,815,737)
Cash flows from investing activities		
Proceeds from sale of investments	27,391,338	2,837,833
Payments for purchase of investments	(29,779,239)	(12,065,329)
Net cash used in investing activities	(2,387,901)	(9,227,496)
Cash flows from financing activities		
Proceeds from issue of shares	-	28,138,966
Payments for share buy-back	(246,520)	(2,822,203)
Distributions paid	(1,776,202)	(1,001,068)
Net cash used in financing activities	(2,022,722)	24,315,695
Net (decrease) / increase in cash held	(3,121,944)	12,272,462
Cash and cash equivalents at beginning of the period	22,525,023	11,572,347
Cash and cash equivalents at end of the period	19,403,079	23,844,809

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

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Notes to the Financial Statements

1. GENERAL INFORMATION

These interim financial statements are for the half-year ended 31 December 2019, and were authorised for issue by the Directors on 18 February 2020.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These interim financial statements for the period ended 31 December 2019 have been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* in Australia.

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

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the 30 June 2019 annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements are prepared based on an accruals concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the half-year. It is prepared on the basis of fair value measurement of assets and liabilities except otherwise stated.

The accounting policies applied in these interim financial statements are the same as those applied to the Company's financial statements for the year ended 30 June 2019.

(b) Rounding amounts

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

(c) Details of reporting period

The current reporting period is the half-year ended 31 December 2019. For the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2018. For the Statement of Financial Position, the previous corresponding date is 30 June 2019.

3. FAIR VALUE MEASUREMENT

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

- Long term equity investments

Fair value hierarchy

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

Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and

Level 3 - measurements based on unobservable inputs from the asset or liability.

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. With respect to the current carrying value in the financial statements for Updater Inc., refer to note 3(c).

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Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Recognised fair value measurements

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2019 and 30 June 2019:

	Level 1	Level 2	Level 3	Total
As at 31 December 2019	\$	\$	\$	\$
Financial assets				
<i>Long-term equity investments</i>				
Listed investments	68,392,871	-	-	68,392,871
Unlisted investments	-	-	9,621,292	9,621,292
Total financial assets	68,392,871	-	9,621,292	78,014,163

	Level 1	Level 2	Level 3	Total
As at 30 June 2019	\$	\$	\$	\$
Financial assets				
<i>Long-term equity investments</i>				
Listed investments	57,885,463	-	-	57,885,463
Unlisted investments	-	-	9,621,292	9,621,292
Total financial assets	57,885,463	-	9,621,292	67,506,755

(b) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

As at 31 December 2019, there are no transfers between levels at the end of reporting period.

As at 31 December 2018, management transferred the Company's investments in listed equities from level 1 to level 3 on the fair value hierarchy on the basis that Updater Inc. (ASX: UPD) delisted from the official list of the ASX on 10 October 2018.

The following table presents the transfers between levels at 30 June 2019.

	Level 1	Level 2	Level 3
As at 30 June 2019	\$	\$	\$
Transfer between levels 1 and 3	(9,621,292)	-	9,621,292
Unlisted investments			

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Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2019 by class of financial instrument.

	Unlisted investments	Total
	\$	\$
Opening balance - 31 December 2018	-	-
Transfer into/(out) from level 3	4,725,355	4,725,355
Purchases	-	-
Sales	-	-
Unrealised gains/(losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income	4,895,937	4,895,937
Closing balance - 30 June 2019	9,621,292	9,621,292
Transfer into/(out) from level 3	-	-
Purchases	-	-
Sales	-	-
Unrealised gains/(losses) recognised in the Statement of Profit or Loss and Other Comprehensive Income	-	-
Closing balance - 31 December 2019	9,621,292	9,621,292

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

Description	Fair value	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 31 December 2019	\$			
Updater Inc.	9,621,292	Last trade price	N/A	N/A

Description	Fair value	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 30 June 2019	\$			
Updater Inc.	9,621,292	Last trade price	N/A	N/A

Updater Inc. (Updater) an unlisted Delaware incorporated company is carried at a value of \$24.875 per Common Stock. This is the equivalent value of \$0.995 per Chess Depositary Interest (CDI) which was the last traded ASX price (8 October 2018) for Updater CDIs prior to the delisting and stock consolidation at a ratio of 25:1 (CDI to Common Stock). This value compares to the last transacted price of \$1.25 per CDI (\$31.25 Common Stock equivalent) relating to the Updater buyback which was completed on 16 October 2018. Directors are continuing to work through a review of the carrying value of Updater which at the time of this report remains incomplete. The Company notes that CDIs and CDI pricing are no longer relevant and as such all future references to Updater will be to its Common Stock.

(ii) Valuation processes

Portfolio reviews are undertaken regularly by the Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

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

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

Ryder Capital Limited
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Notes to the Financial Statements

4. DIVIDENDS

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
(a) Paid in the current period		
Dividends paid in the current period		
A fully franked final dividend on ordinary shares in respect of the 2019 financial year of 3.00 cents per share was paid on 4 September 2019 (2018: A fully franked final dividend on ordinary shares in respect of the 2018 financial year of 2.00 cents per share was paid on 19 October 2018)	1,776,202	1,001,068
	1,776,202	1,001,068
(b) Dividend franking account		
Opening balance of franking account	457,997	649,366
Franking credits on dividends received	700,487	170,441
Franking credits on dividends paid	(673,732)	(379,715)
Tax payment made	-	1,386
Closing balance of franking account	484,752	441,478
Franking credits on tax payable	5,006,721	421,048
Adjusted franking account balance	5,491,473	862,526

On 18 February 2020, the Directors declared a fully franked dividend of 2.00 cents per share which amounted to \$1,183,837 and will be paid on 23 March 2020.

The impact on the dividend franking account of the dividends proposed after balance sheet date but not recognised as a liability is to decrease it by \$449,042.

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

Ryder Capital Limited
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Notes to the Financial Statements

5. EARNINGS PER SHARE

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
Basic earnings per share	0.62 cents	0.48 cents
Diluted earnings per share	0.62 cents	0.48 cents
Earnings used in calculating basic earnings per share	365,288	223,899
Earnings used in calculating diluted earnings per share	365,288	223,899
Weighted average number of ordinary shares used in the calculation of basic earnings per share	59,208,265	46,726,154
Weighted average number of shares used in the calculation of diluted earnings per share	59,208,265	46,726,154

6. ISSUED CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

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

Options

Nil ordinary shares in the Company and nil secondary options were issued during the period. The initial options expired on 10 December 2018. The Company has 26,732,673 secondary options on issue exercisable at \$1.50 on or before 10 December 2021.

	Half-year ended 31 December 2019		Year ended 30 June 2019	
	Units	\$	Units	\$
(a) Movements in ordinary share capital				
Opening balance	59,396,321	65,050,053	40,197,445	40,904,728
Shares buy back	(198,741)	(246,006)	(3,312,297)	24,151,290
Transactions costs on shares acquired under buy-back	-	(514)	-	(8,227)
Income tax on transactions costs	-	142	-	2,262
Shares issued upon the exercise of options	-	-	22,511,173	-
Closing balance	59,197,580	64,803,675	59,396,321	65,050,053
(b) Options issued				
Opening balance	26,732,673	-	32,607,000	-
Options issued during the period	-	-	(22,511,173)	-
Options not taken up as at date of expiry	-	-	(10,095,827)	-
Secondary options issued upon exercise of initial options	-	-	26,732,673	-
Closing balance	26,732,673	-	26,732,673	-

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2019

Notes to the Financial Statements

7. RESERVES AND RETAINED LOSSES

	Half-year ended 31 December 2019	Half-year ended 31 December 2018
	\$	\$
(a) Retained earnings / (losses)		
Balance at the beginning of the period	(2,876,206)	(2,836,231)
Profit for the period	365,288	223,899
Transfer to profit reserve	(600,046)	(357,533)
Balance at 31 December 2019	(3,110,964)	(2,969,865)
(b) Profits reserve		
The reserve is made of profits transferred from current and retained earnings / (losses) that are preserved for future dividend payments.		
Balance at the beginning of the period	-	-
Transfer from retained earnings	600,046	357,533
Dividend paid	-	(357,533)
Balance at 31 December 2019	600,046	-
(c) Capital profits reserve		
The reserve records gains or losses arising from disposal of long-term equity investments.		
Balance at the beginning of the period	11,424,280	3,384,226
Realised profit on sale of investments, net of tax	6,374,921	1,417,130
Dividend paid	(1,776,202)	(643,535)
Balance at 31 December 2019	16,022,999	4,157,821
(d) Asset revaluation reserve		
The reserve records revaluations of long-term equity investments.		
Balance at the beginning of the period	9,436,557	15,954,210
Movement in fair value of long-term equity investments, net of tax	6,411,190	(4,369,869)
Realised profit on sale of investments, net of tax transferred to capital profits reserve	(6,374,921)	(1,417,130)
Balance at 31 December 2019	9,472,826	10,167,211

Ryder Capital Limited
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Half-year ended 31 December 2019

Notes to the Financial Statements

8. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2019, the Company had no contingent liabilities or commitments.

9. SEGMENT INFORMATION

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

10. EVENTS SUBSEQUENT TO REPORTING DATE

Except for the dividend declared and not yet paid as noted in Note 4, no other matters or circumstances have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2019
Directors' Declaration

The Directors declare that:

(a) the financial statements and notes set out on pages 7 to 17 are in accordance with the *Corporations Act 2001*, and:

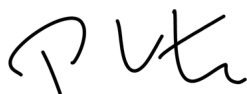
i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

ii) giving a true and fair view of the financial position of the Company as at 31 December 2019 and of its performance for the financial half-year ended on that date.

(b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of the Company.

On behalf of the Directors



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 18 February 2020

**Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2019**



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

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Ryder Capital Limited ("the Company"), which comprises the statement of financial position as at 31 December 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of Ryder Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2019**

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



Independence

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

Basis for Qualified Conclusion

The Company's investment in Updater Inc., is being carried at \$9,621,292 on the statement of financial position as at 31 December 2019 and is classified as a level 3 investment as described in Note 3. We also note that an unrealised gain (net of tax) of \$3,427,156, in respect of Updater Inc. is recorded in the Asset Revaluation Reserve as at 31 December 2019. Updater Inc. is a private company and there is a lack of observable private market or other data to assist in deriving a carrying value for this investment. Accordingly as at the date of this report we're unable to satisfy ourselves by alternative means concerning the carrying value of the Company's investment in Updater Inc.. Since the valuation of investments enters into the determination of the financial position of the Company, we were unable to determine whether adjustments might have been necessary to the current year's movement in fair value of investments recorded through other comprehensive income in the statement of profit or loss and other comprehensive income and the fair value of investments recorded on the statement of financial position.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the half year financial report of Ryder Capital Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

S M Whiddett
Partner

18 February 2020

Pitcher Partners
Sydney

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