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17 February 2021

Company Announcements  
Australian Securities Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**QV Equities Limited**  
**Appendix 4D & Half Year Report 31 December 2020**

Dear Sir / Madam

Please find attached the Appendix 4D and Half Year Report to 31 December 2020.

Yours faithfully

**Zac Azzi**  
Company Secretary

Authorised for release by the Board

# QV Equities Limited

ABN 64 169 154 858

## Appendix 4D – Half Year Report

### Results for announcement to the market

### For the half-year ended 31 December 2020

(Comparative figures being the half year ended 31 December 2019)

	\$	up/down	% movement
Revenue from ordinary activities*	5,056,253	down	45
Profit from ordinary activities before income tax expense	3,702,171	down	51
Profit from ordinary activities after tax attributable to equity holders	2,978,768	down	55

\*The revenue reduction is mainly due the fact that many companies held in the investment portfolio significantly reduced or cancelled their dividends due to COVID-19.

### Dividend information

	Dividend per share	Franked amount per share	Tax rate for franking
2020 Final dividend paid	2.2c	2.2c	30%
2021 Interim dividend September 2020 quarter paid	1.1c	1.1c	30%
2021 Interim dividend December 2020 quarter declared	1.1c	1.1c	30%

### Interim dividend dates

Ex dividend date	15 February 2021
Record date	16 February 2021
Payment date	5 March 2021

### Net tangible assets

	31 December 2020	31 December 2019
Net tangible asset backing (per share) before tax	\$1.01	\$1.13
Net tangible asset backing (per share) after tax	\$1.03	\$1.12

Monthly updates to the NTA can be found on our website [www.qvequities.com](http://www.qvequities.com)

# **QV Equities Limited**

ABN 64 169 154 858

## **Interim Financial Report**

**For the half-year ended 31 December 2020**

## **QV Equities Limited**

ABN 64 169 154 858

### **Corporate Directory**

#### **Directors**

Peter McKillop (Independent Director, Chairman)  
Jennifer Horrigan (Independent Director)  
Eamonn Roles (Independent Director)  
Anton Tagliaferro (Non-independent Director)  
Simon Conn (Non-independent Director)

#### **Secretary**

Zac Azzi

#### **Investment Manager**

Investors Mutual Limited  
Level 24, 25 Bligh Street  
Sydney NSW 2000  
(AFSL 229988)

#### **Registered Office**

Level 24, 25 Bligh Street  
Sydney NSW 2000  
Telephone: (02) 9232 7500  
Fax: (02) 9232 7511  
Email: [info@qvequities.com](mailto:info@qvequities.com)  
Website: [www.qvequities.com](http://www.qvequities.com)

#### **Share Registrar**

Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
Telephone: 1800 868 464

#### **Auditor**

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

#### **Stock Exchange**

Australian Securities Exchange (ASX)  
ASX code: QVE Ordinary shares

# QV Equities Limited

ABN 64 169 154 858

## Interim Financial Report For the half-year ended 31 December 2020

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The interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the 30 June 2020 annual report and any public announcements made by QV Equities Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' Report

The Directors present their report together with the interim financial report of QV Equities Limited ("the Company") for the half-year ended 31 December 2020.

### Directors

The following persons were Directors of the Company during the half-year and up to the date of this report.

Name	Positions	Appointment date
Peter McKillop	Independent Director (Chairman)	17 April 2014
Jennifer Horrigan	Independent Director	26 April 2016
Eamonn Roles	Independent Director	30 August 2019
Anton Tagliaferro	Non-independent Director	30 April 2014
Simon Conn	Non-independent Director	14 June 2016

### Principal activities

The principal activity of the Company is making investments in a diversified portfolio of entities listed on the Australian Securities Exchange which are not included in the S&P/ASX 20 Index. The primary objective is to provide both long term capital growth and income. No change in this activity took place during the period or is likely in the future.

### Review of operations

Investment operations for the period ended 31 December 2020 resulted in an operating profit before tax of \$3,702,171 (2019: \$7,626,902) and an operating profit after tax of \$2,978,768 (2019: \$6,634,149). The reduction in operating profit is mainly due to the fact that many of the companies held in the investment portfolio significantly reduced or cancelled their dividends during the period due to the economic disruption and ongoing uncertainty caused by COVID-19.

Net Tangible Assets backing (NTA) for each ordinary share as at 31 December 2020 before tax amounted to \$1.01 per share (2019: \$1.13). The NTA backing per share after tax was \$1.03 (2019: \$1.12). Over the period the Company paid 3.3 cents per share in dividends (2019: 2.2).

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the half-year ended 31 December 2020.

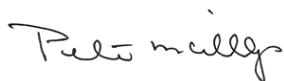
### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

### Rounding of amounts to the 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.

The report is made in accordance with a resolution of the Board of Directors:



Peter McKillop, Chairman

17 February 2021

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

Postal Address  
GPO Box 1615  
Sydney NSW 2001

**p.** +61 2 9221 2099  
**e.** [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

**Auditor's Independence Declaration  
to the Directors of QV Equities Limited  
ABN 64 169 154 858**

In relation to the independent auditor's review of QV Equities Limited for the half year ended 31 December 2020, 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.



C I Chandran  
Partner

Pitcher Partners  
Sydney

17 February 2021

## Statement of Comprehensive Income

	Notes	31 December 2020 \$	31 December 2019 \$
<b>Investment revenue</b>			
Dividend/distribution income		2,949,236	6,742,464
Interest income		80,841	329,042
Other income		55,289	6,700
Realised gains on options		1,424,587	1,620,289
Unrealised gains on options		546,300	551,315
<b>Total investment income</b>		<b>5,056,253</b>	<b>9,249,810</b>
<b>Expenses</b>			
Management fees		1,052,226	1,326,562
Directors' fees		50,000	50,000
ASX fees		34,632	44,553
Registry fees		36,790	36,856
Other expenses		180,434	164,937
<b>Total expenses</b>		<b>1,354,082</b>	<b>1,622,908</b>
<b>Profit before income tax</b>		<b>3,702,171</b>	<b>7,626,902</b>
Income tax expense	6	723,403	992,753
<b>Profit after income tax</b>		<b>2,978,768</b>	<b>6,634,149</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Movement in fair value of long term equity investments, net of tax		15,831,736	(2,961,940)
<b>Items that will be reclassified to profit and loss</b>			
Movement in fair value of floating rate notes, net of tax		(124,179)	(13,355)
<b>Other comprehensive income/(loss), net of tax</b>		<b>15,707,557</b>	<b>(2,975,295)</b>
<b>Total comprehensive income for the period</b>		<b>18,686,325</b>	<b>3,658,854</b>
<b>Earning per share</b>			
Basic and diluted earnings per share (cents per share)	5	1.17	2.42

*The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*



## Statement of Financial Position

	Notes	31 December 2020 \$	30 June 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		18,997,379	31,204,620
Receivables		2,093,070	453,501
Prepayments		316,832	90,568
<b>Total current assets</b>		<b>21,407,281</b>	<b>31,748,689</b>
<b>Non-current assets</b>			
Long term investments	3	228,999,680	220,112,578
Deferred tax assets		8,440,920	12,765,887
<b>Total non-current assets</b>		<b>237,440,600</b>	<b>232,878,465</b>
<b>Total assets</b>		<b>258,847,881</b>	<b>264,627,154</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade creditors and other payables		310,658	1,805,457
Current tax liabilities		3,160,441	939,610
Financial liabilities at fair value	3	812,825	1,492,345
<b>Total current liabilities</b>		<b>4,283,924</b>	<b>4,237,412</b>
<b>Total liabilities</b>		<b>4,283,924</b>	<b>4,237,412</b>
<b>Net Assets</b>		<b>254,563,957</b>	<b>260,389,742</b>
<b>Equity</b>			
Issued capital	8	256,022,795	272,103,428
Asset revaluation reserve		(19,785,519)	(29,628,264)
Capital profits reserve		15,347,913	13,392,726
Profits reserve		2,978,768	4,521,852
<b>Total equity</b>		<b>254,563,957</b>	<b>260,389,742</b>

*The Statement of Financial Position should be read in conjunction with the accompanying notes.*

## Statement of Changes in Equity

	Notes	Issued capital \$	Asset revaluation reserve \$	Capital profits reserve \$	Profits reserve \$	Retained profits \$	Total \$
<b>Balance at 1 July 2020</b>		<b>272,103,428</b>	<b>(29,628,264)</b>	<b>13,392,726</b>	<b>4,521,852</b>	<b>–</b>	<b>260,389,742</b>
Profit for the period		–	–	–	–	2,978,768	2,978,768
<b>Other comprehensive income:</b>							
Net revaluation of investments		–	15,707,556	–	–	–	15,707,556
<b>Total comprehensive income for the period</b>		<b>–</b>	<b>15,707,556</b>	<b>–</b>	<b>–</b>	<b>2,978,768</b>	<b>18,686,324</b>
<b>Transactions with equity holders in their capacity as owners:</b>							
Shares issued from dividend reinvestment plan	8	–	–	–	–	–	–
Dividends provided for or paid		–	–	(3,909,624)	(4,521,852)	–	(8,431,476)
Shares buyback - redemption	8	(16,080,633)	–	–	–	–	(16,080,633)
<b>Other:</b>							
Realised profit on sale of investments		–	(5,864,811)	5,864,811	–	–	–
Transfer to profits reserve		–	–	–	2,978,768	(2,978,768)	–
<b>Balance at 31 December 2020</b>		<b>256,022,795</b>	<b>(19,785,519)</b>	<b>15,347,913</b>	<b>2,978,768</b>	<b>–</b>	<b>254,563,957</b>

*The Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**QV Equities Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2020**  
**(continued)**

**Statement of Changes in Equity (continued)**

	Notes	Issued capital \$	Asset revaluation reserve \$	Capital profits reserve \$	Profits reserve \$	Retained profits \$	Total \$
Balance at 1 July 2019		282,529,624	9,189,720	15,019,704	5,010,719	–	311,749,767
Profit for the period		–	–	–	–	6,634,149	6,634,149
Other comprehensive income:							
Net revaluation of investments		–	(2,975,295)	–	–	–	(2,975,295)
Total comprehensive income for the period		–	(2,975,295)	–	–	6,634,149	3,658,854
Transactions with equity holders in their capacity as owners:							
Shares issued from dividend reinvestment plan	8	365,148	–	–	–	–	365,148
Dividends provided for or paid		–	–	(1,068,858)	(5,010,719)	–	(6,079,577)
Shares buyback - redemption	8	(5,208,103)	–	–	–	–	(5,208,103)
Other:							
Realised profit on sale of investments		–	(4,003,920)	4,003,920	–	–	–
Transfer to profits reserve		–	–	–	6,634,149	(6,634,149)	–
Balance at 31 December 2019		277,686,669	2,210,505	17,954,766	6,634,149	–	304,486,089

*The Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## Statement of Cash Flows

	31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>		
Dividend/distribution received	2,673,826	6,996,089
Interest received	80,957	349,441
Net realised gains on exchange traded options	1,296,571	955,574
Other income	68,276	10,081
Payments for other expenses	(1,619,521)	(1,788,020)
Income tax paid	(1,061,093)	(1,874,987)
<b>Net cash inflow from operating activities</b>	<b>1,439,016</b>	<b>4,648,178</b>
<b>Cash flows from investing activities</b>		
Payments for investments	(32,427,651)	(26,628,810)
Proceeds from sale of investments	43,754,033	40,627,925
<b>Net cash inflow from investing activities</b>	<b>11,326,382</b>	<b>13,999,115</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(8,431,476)	(5,714,429)
Payments for redemptions by share buyback	(16,541,163)	(5,208,103)
<b>Net cash outflow from financing activities</b>	<b>(24,972,639)</b>	<b>(10,922,532)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(12,207,241)</b>	<b>7,724,761</b>
Cash and cash equivalents at the beginning of the period	<b>31,204,620</b>	40,070,290
<b>Cash and cash equivalents at the end of the period</b>	<b>18,997,379</b>	47,795,051
<b>Non-cash transactions:</b>		
Shares issued via dividend reinvestment plan	-	365,148

*The Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **Notes to the Financial Statements**

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## **1 General information**

QV Equities Limited ("the Company") is a listed investment company domiciled in Australia. The Company was established with the primary objective of providing long term capital growth and income, through a diversified portfolio of the ASX listed entities outside of the S&P/ASX 20 Index. The portfolio is managed by Investors Mutual Limited.

The interim financial statements were authorised for issue by the Board on 17 February 2021.

## **2 Basis of preparation**

The principal accounting policies adopted in the preparation of these interim financial statements are set out below.

### **(a) Basis of preparation of half-year report**

The half-year financial statements are general purpose financial statements prepared in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

These half-year financial statements do not include all the notes of the type normally included in an annual financial report. It is recommended that these half-year financial statements be read in conjunction with the 30 June 2020 annual financial report and any public announcements made by QVE during the half-year in accordance with any disclosure requirements arising under the *Corporations Act 2001*.

These half-year financial statements have been prepared on an accrual basis and are based on the historical cost basis except as modified by the revaluation of investments which are recorded at fair value.

The accounting policies in these interim financial statements are the same as those applied in the Company's financial statements for the year ended 30 June 2020.

There are no standards that are mandatorily effective for the current year that have a material impact on the entity.

### **(b) Investment**

#### *(i) Recognition and initial measurement*

Long term equity investments and investments held for sale are recognised initially at cost. Financial liabilities are recognised initially at cost.

#### *(ii) Classification and subsequent measurement*

The Company classifies its investments based on its business model for managing those financial assets and contractual cash flow characteristics of the investments.

For long term equity securities, the contractual cash flows do not represent solely payments of principal and interest and they are not held for trading. Therefore, the Company has made an irrevocable election to present fair value movements on these securities in other comprehensive income which accumulates in the asset revaluation reserve. On derecognition the cumulative gain/loss on these securities are transferred to the capital profits reserve.

For floating rate securities, the contractual cash flows are solely payments of principal and interest and the business model objective is achieved by both collecting contractual cash flows and selling these financial assets. Therefore, the Company mandatorily presents these securities in other comprehensive income which is accumulated in the asset revaluation reserve. On derecognition the cumulative gain/loss on these securities are recycled to the profit or loss.

The Company holds call options which are derivative financial instruments classified as financial liabilities at fair value through profit and loss, changes in the fair value of options are recognised in profit or loss for the reporting period.

## 2 Basis of preparation (continued)

### (b) Investment (continued)

#### (iii) Derecognition

Financial assets and financial liabilities are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Realised gains or losses on long term equity investments are transferred from the asset revaluation reserve to the capital profits reserve.

#### (iv) Valuation

All investments are classified and measured as being at fair value, please refer to note 3 for more information on the Company's policy for measuring fair value.

### (c) Revenue

#### (i) Interest income

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

#### (ii) Dividend income

Dividend income is recognised in the profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

### (d) Rounding of amounts to the 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.

## 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;
- Financial liabilities held for trading.

### 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.

### 3 Fair value measurement (continued)

(i) *Recurring fair value measurements*

The following tables present the Company's assets measured and recognised at fair value as at 31 December 2020 and 30 June 2020.

As at 31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Long term equity investments:				
Listed equities	210,778,030	–	–	210,778,030
Listed unit trusts	14,453,750	–	–	14,453,750
Floating rate notes	3,767,900	–	–	3,767,900
<b>Total</b>	<b>228,999,680</b>	<b>–</b>	<b>–</b>	<b>228,999,680</b>

**Financial liabilities**

Financial liabilities held for trading:

Options	812,825	–	–	812,825
<b>Total</b>	<b>812,825</b>	<b>–</b>	<b>–</b>	<b>812,825</b>

As at 30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>				
Long term equity investments:				
Listed equities	198,249,379	–	–	198,249,379
Listed unit trusts	17,918,999	–	–	17,918,999
Floating rate notes	3,944,200	–	–	3,944,000
<b>Total</b>	<b>220,112,578</b>	<b>–</b>	<b>–</b>	<b>220,112,578</b>

**Financial liabilities**

Financial liabilities held for trading:

Options	1,492,345	–	–	1,492,345
<b>Total</b>	<b>1,492,345</b>	<b>–</b>	<b>–</b>	<b>1,492,345</b>

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets and liabilities have been based on the last close prices at the end of the reporting period.

(ii) *Disclosed fair values*

The carrying amounts of receivables and payables other than tax items are reasonable approximations of their fair values due to their short-term nature.



## 4 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income, interest income and option trading.

## 5 Earnings per share

	Half-year ended	
	31 December 2020 cents	31 December 2019 cents
<b>(a) Basic and diluted earnings per share</b>		
Total earnings per share attributable to the ordinary equity holders of the Company	1.17	2.42
<b>(b) Weighted average number of shares used as denominator</b>		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share is based on the average number of shares as at 31 December 2020 and 31 December 2019	254,445,332	274,334,934

Diluted earnings per share and basic earnings per share are the same as there are no potential dilutive ordinary shares.

## 6 Taxation

### Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	31 December 2020 \$	31 December 2019 \$
Prima facie tax on profit from ordinary activities before income tax of 30% (2019: 30%)	1,110,651	2,288,071
<b>Increase/(decrease) in income tax expense due to:</b>		
Gross up of imputation credits received	162,776	532,164
Imputation credits on dividends received	(550,338)	(1,773,878)
Gross up of foreign income tax offsets	3,708	42,951
Foreign income tax offsets	(12,360)	(143,171)
Under/(over) provisions in previous year	8,966	46,616
	<b>723,403</b>	<b>992,753</b>

## 7 Dividends

Dividends paid fully franked at 30% (2019: 30%) tax rate. During the period the Company changed its dividend policy from half-yearly payments to quarterly payments.

**(a) Dividend paid during the period**

	Dividend Rate	Total Amount	Date of Payment	% Franked
<b>2020</b>				
Ordinary shares - interim (September 2020 quarter)	1.1 cents	\$2,741,593	04/12/2020	100
Ordinary shares - final 2020	2.2 cents	\$5,689,883	18/09/2020	100
	Dividend Rate	Total Amount	Date of Payment	% Franked
<b>2019</b>				
Ordinary shares - final 2019	2.2 cents	\$6,079,577	20/09/2019	100

**(b) Dividend not recognised at the end of the reporting period**

	31 December 2020 \$	31 December 2019 \$
In addition to the above dividends, since half-year end the Directors have announced the payment of an interim dividend for the December 2020 quarter of 1.1 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividends expected to be paid on 5 March 2021 out of the profits of the Company at 31 December 2020, but not recognised as a liability at period end is:	<b>2,697,585</b>	5,967,766

## 8 Issued Capital

### (a) Share capital

	31 December 2020	31 December 2020	30 June 2020	30 June 2020
	Number of Shares	Total amount \$	Number of Shares	Total amount \$
Fully paid ordinary shares	245,727,737	256,022,795	264,818,778	272,103,428

### (b) Movements in ordinary share capital

2020 Date		Number of shares	Issue/ redemption price* \$	Total amount \$
01/07/2020	Opening balance	264,818,778		272,103,428
31/12/2020	Shares buyback – redemption*	(19,091,041)	0.84	(16,080,633)
31/12/2020	Closing balance	245,727,737		256,022,795

2019 Date		Number of shares	Issue/ redemption price* \$	Total amount \$
01/07/2019	Opening balance	276,344,417		282,529,624
20/09/2019	Ordinary shares issued under dividend reinvestment plan - final 2018	380,059	0.96	365,149
30/06/2020	Shares buyback – redemption	(11,905,698)	0.91	(10,791,345)
30/06/2020	Closing balance	264,818,778		272,103,428

\*Rounded to two decimal places.

\*Share buybacks during the period. The Company has an on market buyback facility, under this facility the Company can purchase up to 10% of its issued ordinary shares during a 12 month period.

### (c) Fully paid ordinary shares

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

## 9 Contingencies and commitments

The Company had no contingent liabilities or commitments as at 31 December 2020 (2019: nil).

## 10 Events occurring after the reporting period

Since the end of the financial period, the Directors declared a fully franked quarterly dividend of 1.1 cents per fully paid ordinary share payable on 5 March 2021. The Company bought back 669,265 shares for \$613,380 since 31 December 2020.

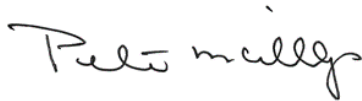
Subsequent to 31 December 2020 to the date of this report there has been no other events specific to the Company of which the Directors are aware which has had a material effect on the Company or its financial position.

## Directors' Declaration

In the Directors' opinion:

1. the financial statements and notes thereto, as set out on pages 4 to 15, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. there are reasonable grounds, at the date of this declaration, to believe that QV Equities Limited will be able to pay its debts as and when they become due and payable.

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



Peter McKillop  
Chairman

17 February 2021

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**Independent Auditor's Review Report  
To the Members of QV Equities Limited  
ABN 64 169 154 858**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of QV Equities Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of 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 and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of QV Equities Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the annual 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 review report.

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

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



C I Chandran  
Partner



Pitcher Partners  
Sydney

17 February 2021