

**Lanyon Investment Company Limited (formerly  
known as 8IP Emerging Companies Limited)**

ABN 75 608 411 347

**Appendix 4D  
Half-year report  
for the half-year ended 31 December 2021**

## Half-year report

This half-year ended report is for the reporting period from 1 July 2021 to 31 December 2021. The previous corresponding half-year ended period was from 1 July 2020 to 31 December 2020.

### Results for announcement to the market

|   |      |      |      | 31 December<br>2020<br>\$ |    | 31 December<br>2021<br>\$ |
|---|------|------|------|---------------------------|----|---------------------------|
| Investment profit from ordinary activities                      | Down | 224% | from | (105,806)                 | to | (342,382)                 |
| Loss before tax for the half-year                               | Down | 122% | from | (352,803)                 | to | (782,820)                 |
| Loss from ordinary activities after tax attributable to members | Down | 112% | from | (369,019)                 | to | (782,820)                 |

### Dividends

There were no dividends paid during the half-year ended 31 December 2021.

### Net tangible assets ("NTA")

|   | 31 December<br>2021<br>\$ | 31 December<br>2020*<br>\$ |
|---|---------------------------|----------------------------|
| Net tangible asset backing (per share) after tax  | <b>0.3618</b>             | 0.9534                     |
| Net tangible asset backing (per share) before tax | <b>0.3618</b>             | 0.9689                     |

\*On 27 September 2021, the Company implemented a 7 to 1 share consolidation. If this occurred prior to 31 December 2020, the net tangible assets backing (per share) before tax and net tangible assets backing (per share) after tax would be \$6.6738 and \$6.7823, respectively.

### Brief explanation of results

Investment profit from ordinary activities of \$342,382 is down by 224% (31 December 2020: investment loss of \$0.1 million).

Loss before tax of \$0.78 million is down by 122% (31 December 2020: loss before tax of \$0.35 million), with loss after tax of \$0.78 million down by 112% (31 December 2020: loss after tax of \$0.36 million).

As at the beginning of the half-year, the Company had 1,127,148 outstanding fully paid ordinary shares on issue. On 1 October 2021, the Company has 161,173 fully paid shares on issue following the implementation of the 7 for 1 basis of share consolidation effective 27 September 2021.

NTA (per share) after tax was \$0.36 (post consolidation) as at 31 December 2021 (31 December 2020: \$0.95). LAN's latest available share price of \$0.03 for the half-year ended 31 December 2021 was on a pre-consolidation basis, and as at the date of suspension of the Company from official quotation on 15 October 2020.

### Further information

This report is based on the Interim Report which has been subject to independent review by the Auditors, Grant Thornton Audit Pty Ltd. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2021 Annual Financial Report.

**Lanyon Investment Company Limited (formerly  
known as 8IP Emerging Companies Limited)**

ABN 75 608 411 347

**Interim Report  
for the half-year ended 31 December 2021**

**Lanyon Investment Company Limited  
Corporate Directory**

|                                    |   |
|------------------------------------|---|
| <b>Directors</b>                   | Ken Williams (Independent Non-Executive Chairman)<br>Richard Willson (Independent Non-Executive Director)<br>David Prescott (Non-Independent Non-Executive Director)  |
| <b>Secretary</b>                   | Natalie Climo   |
| <b>Investment Manager</b>          | Lanyon Asset Management Pty Limited<br>Level 7/66 Hunter StreetSydney NSW 2000<br><br>Level 1/16 Vardon Avenue<br>Adelaide SA 5000<br><br>Telephone: (02) 8203 3800   |
| <b>Registered office</b>           | c/o Boardroom Pty Limited<br>Level 12, 225 George Street<br>Sydney NSW 2000<br>Telephone: (02) 9290 9600  |
| <b>Custodian and Administrator</b> | Link Fund Solutions Pty Limited<br>Level 12, 680 George Street<br>Sydney NSW 2000<br>Telephone: (02) 8280 7100  |
| <b>Share registrar</b>             | Boardroom Pty Limited<br>Level 12, 225 George Street<br>Sydney NSW 2000<br>Telephone: 1300 737 760<br>Facsimile: (02) 9279 0664<br>Email: <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a><br><br>For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar. |
| <b>Auditor</b>                     | Grant Thornton Audit Pty Ltd<br>Grant Thornton House<br>Level 3, 170 Frome Street<br>Adelaide SA 5000<br>Telephone: (02) 8372 6666  |
| <b>Securities exchange</b>         | Australian Securities Exchange (ASX)<br>The home exchange is Sydney<br>ASX code: LAN Ordinary Shares  |
| <b>Website</b>                     | <a href="http://www.8EC.com.au">www.8EC.com.au</a>  |

# **Lanyon Investment Company Limited** ABN 75 608 411 347

## **Interim Report - for the half-year ended 31 December 2021**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Lanyon Investment Company 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 Lanyon Investment Company Limited (formerly known as 8IP Emerging Companies Limited) ("LAN" or the "Company") for the half-year ended 31 December 2021. The prior comparative period is for the period from 1 July 2020 to 31 December 2020.

### **Directors**

The following persons held office as Directors during the half-year or since the end of the half-year and up to the date of this report:

Ken Williams (Independent Non-Executive Chairman)  
Richard Willson (Independent Non-Executive Director)  
David Prescott (Non-Independent Non-Executive Director)

### **Principal activities**

On 27 September 2021, the shareholders approved the change to the nature and scale of the Company's activities from realising the assets and distributing the proceeds to shareholders to a listed investment company. The Company has changed its investment strategy to investing in a concentrated portfolio of both Australian and global equities of small, mid and large capitalisation companies.

### **Review of operations**

The operating loss before tax was \$782,820 for the half-year ended 31 December 2021 (31 December 2020: operating loss of \$352,803). The net result after tax was a loss of \$782,820 (31 December 2020: loss of \$369,019).

The net tangible asset backing before tax as at 31 December 2021 was \$0.3618 (post consolidation) (31 December 2020: \$0.9689).

### **Significant changes in the state of affairs**

On 5 July 2021, Pitcher Partners Sydney resigned as auditors of the Company and Grant Thornton Audit Pty Ltd was appointed as auditors of the Company.

As part of the approved resolutions passed by the shareholders at the 27 September 2021 general meeting:

(1) The Company changed its name from 8IP Emerging Companies Limited to Lanyon Investment Company Limited effective 11 October 2021. Following the name change, the Company's ASX ticker also changed from 8EC to LAN.

(2) The Company amended its Constitution to reflect the name change, facilitate virtual general meetings and sending of notices electronically.

(3) On 1 October 2021, the Company announced it had 161,173 fully paid shares on issue following the implementation of the 7 for 1 basis of share consolidation effective 27 September 2021.

(4) On 26 August 2021, the Company announced 6,000,000 ordinary fully paid shares with an issue date of 4 October 2021 would be offered with primary purpose to raise funds for the implementation of the new investment strategy of the Company. On 6 October 2021, the Company announced on its decision not to proceed with the capital raising. The applications made were returned to investors. The proposal was subsequently withdrawn.

(5) The Investment Management Agreement between the Company and Lanyon Asset Management Pty Ltd was amended.

(6) On 13 November 2020, the Company obtained the approval of its shareholders to make a significant change to the nature and scale of its activities by ceasing to proceed with its scale and distribution proposal and instead re-adopt an investment strategy, as part of which the Company would undertake a capital raising and re-comply with the requirements of ASX Listing Rules as if the Company were applying for admission to the official list of ASX ("Initial Approval"). This Initial Approval had gone stale, thus the Company obtained a new shareholder approval for the change in nature and scale of activities. This resolution was approved on 27 September 2021.

**Significant changes in the state of affairs (continued)**

During the half-year, the Company had actively explored other options for the recapitalisation and re-listing of the Company. There was an indicative proposal from a fund manager to recapitalise, however the proposal was subsequently withdrawn.

There were no other significant changes in the state of affairs of the Company during the half-year ended 31 December 2021, other than already disclosed above.

**Matters subsequent to the end of the financial period**

On 2 February 2022, the Company announced that the Fremantle Octopus Group Limited ("FOG") investment was sold for \$500,000. In addition to this, the Company announced it would put the Company into a position to allow for an orderly wind up in absence of an alternative proposal. After any capital return is completed, the board would commence an orderly wind up of the Company. As at the date of this report, the board has not committed to any decision to wind up the Company and is still seeking alternative proposals.

No other matter or circumstance has occurred subsequent to period end and 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 subsequent financial periods.

**Rounding of amounts**

The Company is of a kind referred to *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest dollar in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

**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.

This report is made in accordance with a resolution of Directors.



Ken Williams  
Independent Non-Executive Chairman

Adelaide  
28 February 2022

## Auditor's Independence Declaration

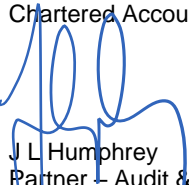
### To the Directors of Lanyon Investment Company Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Lanyon Investment Company Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 28 February 2022



**Lanyon Investment Company Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2021**

|  | <b>Half-year ended</b>  |                         |
|--|-------------------------|-------------------------|
|  | <b>31 December 2021</b> | <b>31 December 2020</b> |
| Notes  | \$                      | \$                      |
| <b>Investment income from ordinary activities</b>  |                         |                         |
| Net realised gains on financial instruments at fair value through profit or loss             | -                       | 317,301                 |
| Net unrealised losses on financial instruments at fair value through profit or loss          | (342,423)               | (433,120)               |
| Interest income  | 41                      | 13                      |
| Other income   | -                       | 10,000                  |
|  | <b>(342,382)</b>        | <b>(105,806)</b>        |
| <b>Expenses</b>  |                         |                         |
| Management fees  | (19,523)                | (10,138)                |
| Accounting fees  | (25,660)                | (27,079)                |
| Company secretarial fees   | (21,476)                | (26,194)                |
| Share registry fees  | (5,438)                 | (20,783)                |
| Custody fees   | (4,299)                 | (1,245)                 |
| Tax fees   | (9,653)                 | (20,625)                |
| Legal fees   | (192,311)               | -                       |
| Directors' fees  | (63,246)                | (34,749)                |
| ASX fees   | (17,936)                | (22,131)                |
| Audit fees   | (30,194)                | (14,082)                |
| Consultancy fees   | (5,500)                 | (21,000)                |
| Advisory fees  | (18,017)                | (16,500)                |
| Insurance expense  | (24,086)                | (24,197)                |
| Other expenses   | (3,099)                 | (8,274)                 |
|  | <b>(440,438)</b>        | <b>(246,997)</b>        |
| <b>Loss before income tax</b>  | <b>(782,820)</b>        | <b>(352,803)</b>        |
| Income tax expense   | -                       | (16,216)                |
| <b>Loss for the half-year</b>  | <b>(782,820)</b>        | <b>(369,019)</b>        |
| <b>Other comprehensive income for the half-year, net of tax</b>                              | <b>-</b>                | <b>-</b>                |
| <b>Total comprehensive loss for the half-year</b>  | <b>(782,820)</b>        | <b>(369,019)</b>        |
|  | <b>Cents</b>            | <b>Cents</b>            |
| <b>Losses per share for loss attributable to the ordinary equity holders of the Company:</b> |                         |                         |
| Basic losses per share   | 9 (239.12)              | (1.06)                  |
| Diluted losses per share   | 9 (239.12)              | (1.06)                  |

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

**Lanyon Investment Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2021**

|   |                    | <b>At</b>      |  |
|---|--------------------|----------------|--|
|   | <b>31 December</b> | <b>30 June</b> |  |
|   | <b>2021</b>        | <b>2021</b>    |  |
| Notes   | \$                 | \$             |  |
| <b>ASSETS</b>   |                    |                |  |
| <b>Current assets</b>                                 |                    |                |  |
| Cash and cash equivalents                             | 186                | 118,866        |  |
| Trade and other receivables                           | 5,303              | 978            |  |
| Financial assets at fair value through profit or loss | 3 500,000          | 842,423        |  |
| Other current assets                                  | 13,750             | -              |  |
| <b>Total current assets</b>                           | <b>519,239</b>     | <b>962,267</b> |  |
| <b>Total assets</b>                                   | <b>519,239</b>     | <b>962,267</b> |  |
| <b>LIABILITIES</b>                                    |                    |                |  |
| <b>Current liabilities</b>                            |                    |                |  |
| Trade and other payables                              | 460,170            | 120,378        |  |
| <b>Total current liabilities</b>                      | <b>460,170</b>     | <b>120,378</b> |  |
| <b>Total liabilities</b>                              | <b>460,170</b>     | <b>120,378</b> |  |
| <b>Net assets</b>                                     | <b>59,069</b>      | <b>841,889</b> |  |
| <b>EQUITY</b>   |                    |                |  |
| Issued capital  | 6 7,202,675        | 7,202,675      |  |
| Accumulated losses                                    | (7,143,606)        | (6,360,786)    |  |
| <b>Total equity</b>                                   | <b>59,069</b>      | <b>841,889</b> |  |

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

**Lanyon Investment Company Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2021**

|  | Notes | Issued<br>capital<br>\$ | Accumulated<br>losses<br>\$ | Total<br>\$      |
|--|-------|-------------------------|-----------------------------|------------------|
| <b>Balance at 1 July 2020</b>                                |       | 7,904,706               | (5,756,714)                 | 2,147,992        |
| Loss for the half-year                                       |       | -                       | (369,019)                   | (369,019)        |
| <b>Total comprehensive loss for the half-year</b>            |       | -                       | (369,019)                   | (369,019)        |
| <b>Transactions with owners in their capacity as owners:</b> |       |                         |                             |                  |
| Capital placement  |       | 140,836                 |                             | 140,836          |
| Capital distributions paid                                   |       | (822,000)               | -                           | (822,000)        |
|  |       | (681,164)               | -                           | (681,164)        |
| <b>Balance at 31 December 2020</b>                           |       | <b>7,223,542</b>        | <b>(6,125,733)</b>          | <b>1,097,809</b> |
| <b>Balance at 1 July 2021</b>                                |       | 7,202,675               | (6,360,786)                 | 841,889          |
| Loss for the half-year                                       |       | -                       | (782,820)                   | (782,820)        |
| <b>Total comprehensive loss for the half-year</b>            |       | -                       | (782,820)                   | (782,820)        |
| <b>Transactions with owners in their capacity as owners:</b> |       |                         |                             |                  |
|  |       | -                       | -                           | -                |
| <b>Balance at 31 December 2021</b>                           |       | <b>7,202,675</b>        | <b>(7,143,606)</b>          | <b>59,069</b>    |

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

**Lanyon Investment Company Limited**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2021**

|  | <b>Half-year ended</b>  |                         |
|--|-------------------------|-------------------------|
|  | <b>31 December 2021</b> | <b>31 December 2020</b> |
|  | <b>\$</b>               | <b>\$</b>               |
| Proceeds from sale of financial instruments at fair value through profit or loss | -                       | 455,074                 |
| Interest received  | 41                      | 35                      |
| Other income received  | -                       | 10,000                  |
| Income taxes paid  | -                       | (66,643)                |
| Investment management fees paid  | -                       | (10,850)                |
| Payments for other expenses  | (118,721)               | (242,103)               |
| <b>Net cash inflow/(outflow) from operating activities</b>                       | <b>(118,680)</b>        | <b>145,513</b>          |
| <b>Cash flows from financing activities</b>                                      |                         |                         |
| Proceeds from capital placement  | -                       | 140,836                 |
| Capital distributions paid   | -                       | (822,000)               |
| <b>Net cash outflow from financing activities</b>                                | <b>-</b>                | <b>(681,164)</b>        |
| <b>Net decrease in cash and cash equivalents</b>                                 | <b>(118,680)</b>        | <b>(535,651)</b>        |
| Cash and cash equivalents at the beginning of the half-year                      | 118,866                 | 830,627                 |
| <b>Cash and cash equivalents at the end of the half-year</b>                     | <b>186</b>              | <b>294,976</b>          |

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

## **1 General information**

Lanyon Investment Company Limited (formerly known as 8IP Emerging Companies) ("LAN" or the "Company") is a listed public company domiciled in Australia. The address of LAN's registered office is Level 12, 225 George Street, Sydney, NSW, 2000. On 27 September 2021, the shareholders approved the change to the nature and scale of the Company's activities from realising the assets and distributing the proceeds to shareholders to a listed investment company. The Company has changed its investment strategy to investing in a concentrated portfolio of both Australian and global equities of small, mid and large capitalisation companies.

The Company changed its name from 8IP Emerging Companies Limited to Lanyon Investment Company Limited effective 11 October 2021. Following the name change, the Company's ASX ticker also changed from 8EC to LAN.

The interim financial statements were authorised for issue by the Directors on 28 February 2022.

## **2 Significant accounting policies**

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity Lanyon Investment Company Limited.

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

These interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The Company is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by LAN during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

As at the date of preparing these interim financial statements, and in the context of a potential recapitalisation of the Company or a realisation of assets, these financial statements have been prepared on a going concern basis of accounting.

#### **(i) Adoption of new and revised accounting standards**

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting half-year period.

### **(b) Rounding of amounts**

The Company is of a kind referred to ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the interim financial statements. Amounts in the interim financial statements have been rounded off to the nearest dollar in accordance with that ASIC *Corporations Instrument*, unless otherwise indicated.

### **(c) Going concern**

The financial report has been prepared on the basis of a going concern. During the half-year ended 31 December 2021, the Company recognised a loss after tax of \$782,820 and cash flow forecasts indicate that the Company will need to either realise its financial asset and/or raise additional capital within the next 12 months. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

## **2 Significant accounting policies (continued)**

### **(c) Going concern (continued)**

On the 26th of August 2021, the Company issued a Notice to convene an Extraordinary General Meeting of shareholders at which the Directors were seeking shareholder approval to issue up to 6 million new shares (on a post consolidation basis 7:1) under a prospectus to raise up to \$30,000,000 in new capital. On 6 October 2021, the Company announced on its decision not to proceed with the capital raising. The applications made were returned to investors and the proposal was subsequently withdrawn.

On 2 February 2022, the Company announced that the Fremantle Octopus Group Limited ("FOG") investment was sold for \$500,000. In addition to this, the Company announced it would put the Company into a position to allow for an orderly wind up in absence of an alternative proposal. After any capital return is completed, the board would commence an orderly wind up of the Company. As at the date of this report, the board has not committed to any decision to wind up the Company and is still seeking alternative proposals.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

## **3 Fair value measurements**

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

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

- Financial assets at fair value through profit or loss (FVTPL)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

### **(a) Fair value hierarchy**

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

#### *(i) Fair value in an active market (level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial instruments held by the Company is the last sale price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

### 3 Fair value measurements (continued)

#### (a) Fair value hierarchy (continued)

##### (ii) Fair value in an inactive or unquoted market (level 2 and 3)

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.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds.

##### (iii) Recognised fair value measurements

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2021 and 30 June 2021 on a recurring basis.

|                               | Level 1<br>\$ | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$ |
|-------------------------------|---------------|---------------|---------------|-------------|
| <b>At 31 December 2021</b>    |               |               |               |             |
| <b>Financial assets</b>       |               |               |               |             |
| Unlisted equity securities    | -             | -             | 500,000       | 500,000     |
| <b>Total financial assets</b> | -             | -             | 500,000       | 500,000     |
|                               | Level 1<br>\$ | Level 2<br>\$ | Level 3<br>\$ | Total<br>\$ |
| <b>At 30 June 2021</b>        |               |               |               |             |
| <b>Financial assets</b>       |               |               |               |             |
| Unlisted equity securities    | -             | -             | 842,423       | 842,423     |
| <b>Total financial assets</b> | -             | -             | 842,423       | 842,423     |

The investments included in Level 3 of the hierarchy include investments that have not listed on the Australian Securities Exchange as at 31 December 2021 and therefore represent investments in an inactive market.

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

There were no transfers between levels of the fair value hierarchy as at the end of the current reporting period.

### 3 Fair value measurements (continued)

#### (a) Fair value hierarchy (continued)

(iv) *Fair value measurements using significant unobservable inputs (level 3)*

The following table presents the movement in fair value of level 3 instruments for the half-year ended 31 December 2021 and year ended 30 June 2021.

|  | <b>31 December<br/>2021</b> | <b>30 June<br/>2021</b> |
|--|-----------------------------|-------------------------|
|  | <b>\$</b>                   | <b>\$</b>               |
| Opening balance  | <b>842,423</b>              | 999,999                 |
| Losses recognised in the Statement of Comprehensive Income | <b>(342,423)</b>            | (157,576)               |
| <b>Closing balance</b>                                     | <b>500,000</b>              | 842,423                 |

#### *Valuation inputs and relationships to fair value*

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

| <b>Description</b>                                     | <b>Fair value</b> | <b>Unobservable inputs</b> | <b>Relationship of unobservable inputs to fair value</b>      |
|--|-------------------|----------------------------|---|
| Fremantle Octopus Group Limited as at 31 December 2021 | \$500,000         | Expected sale price        | 25% change would increase/decrease fair value by \$90,625.    |
| Fremantle Octopus Group Limited as at 30 June 2021     | \$842,423         | Revenue Multiple           | 12.5% change would increase/decrease fair value by \$115,151. |
|  |                   | Net Assets of Investment   | 10% change would increase/decrease fair value by \$94,226.    |

#### (v) *Disclosed fair values*

The basis of valuation of the unlisted equity securities in FOG is fair value. As at 30 June 2021, the Directors obtained an independent equity valuation based on the net asset and revenue multiple methods. The Company held 606,060 ordinary shares in FOG, the independent valuer determined a range of valuation and the Directors selected \$1.39. On 2 February 2022, the Company sold the FOG investment for \$500,000 at a fair value of \$0.83 per share. The Directors used the expected sale price as basis for the fair value of the FOG investment as at 31 December 2021.

For all financial instruments other than those measured at fair value their carrying amounts approximate their fair values.

The carrying values of cash and cash equivalents, trade and other receivables and payables approximate 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 from the sale of its investments.

### 5 Contingencies and commitments

The Company had no contingent assets, contingent liabilities or commitments as at 31 December 2021 (31 December 2020: nil).



## 6 Issued capital

### (a) Share capital

|                 | 31 December<br>2021<br>Shares | 30 June<br>2021<br>Shares | 31 December<br>2021<br>\$ | 30 June<br>2021<br>\$ |
|-----------------|-------------------------------|---------------------------|---------------------------|-----------------------|
| Ordinary shares | <b>161,173</b>                | 1,127,148                 | <b>7,202,675</b>          | 7,202,675             |

### (b) Movements in ordinary share capital

| Details                             | Number of<br>shares | \$               |
|-------------------------------------|---------------------|------------------|
| Opening balance 1 July 2020         | 41,018,108          | 7,904,706        |
| Capital placement                   | 6,152,716           | 140,836          |
| Share consolidation                 | (46,020,168)        | -                |
| Share buy- back                     | (23,508)            | (22,504)         |
| Capital distributions paid          | -                   | (820,363)        |
| <b>Closing balance 30 June 2021</b> | <b>1,127,148</b>    | <b>7,202,675</b> |

| Details                                 | Number of<br>shares | \$               |
|---|---------------------|------------------|
| Opening balance 1 July 2021             | 1,127,148           | 7,202,675        |
| Share consolidation                     | (965,975)           | -                |
| <b>Closing balance 31 December 2021</b> | <b>161,173</b>      | <b>7,202,675</b> |

### (c) 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.

### (d) Share consolidation

On 1 October 2021, the Company announced it had 161,173 fully paid ordinary shares on issue, following the implementation of the 7 for 1 basis share consolidation on 27 September 2021.

## 7 Dividends

### (a) Dividends paid during the reporting period

There were no dividends paid during the half-year ended 31 December 2021.

### (b) Dividends not recognised at the end of the reporting period

Since the half-year ended 31 December 2021, the Directors have not recommended any dividends.

## **8 Events occurring after the reporting period**

On 2 February 2022, the Company announced that the Fremantle Octopus Group Limited ("FOG") investment was sold for \$500,000. In addition to this, the Company announced it would put the Company into a position to allow for an orderly wind up in absence of an alternative proposal. After any capital return is completed, the board would commence an orderly wind up of the Company. As at the date of this report, the board has not committed to any decision to wind up the Company and is still seeking alternative proposals.

No other matter or circumstance has occurred subsequent to period end 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 subsequent financial periods.

## **9 Loss per share**

### **(a) Basic loss per share**

|   | <b>Half-year ended</b>  |                          |
|---|-------------------------|--------------------------|
|   | <b>31 December 2021</b> | <b>31 December 2020*</b> |
|   | <b>Cents</b>            | <b>Cents</b>             |
| Basic loss per share attributable to the ordinary equity holders of the Company | <u><b>(239.12)</b></u>  | <u><b>(1.06)</b></u>     |

### **(b) Diluted loss per share**

|   | <b>Half-year ended</b>  |                          |
|---|-------------------------|--------------------------|
|   | <b>31 December 2021</b> | <b>31 December 2020*</b> |
|   | <b>Cents</b>            | <b>Cents</b>             |
| Diluted loss per share attributable to the ordinary equity holders of the Company | <u><b>(239.12)</b></u>  | <u><b>(1.06)</b></u>     |

Diluted loss per share is the same as basic loss per share. As at 31 December 2021 and 31 December 2020, the Company had no securities outstanding which have the potential to convert to ordinary shares and dilute the basic loss per share.

### **(c) Weighted average number of shares used as denominator**

|   | <b>Half-year ended</b>  |                          |
|---|-------------------------|--------------------------|
|   | <b>31 December 2021</b> | <b>31 December 2020*</b> |
|   | <b>Number</b>           | <b>Number</b>            |
| Weighted average number of ordinary shares used as the denominator in calculating basic loss per share                          | <u><b>327,374</b></u>   | <u><b>34,830,662</b></u> |
| Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted loss per share | <u><b>327,374</b></u>   | <u><b>34,830,662</b></u> |

\*On 27 September 2021, the Company implemented a 7 to 1 share consolidation. If this occurred prior to 31 December 2020, the basic loss per share and diluted loss per share would be (7.42) cents.

**Lanyon Investment Company Limited**  
**Directors' Declaration**  
**For the half-year ended 31 December 2021**

In the opinion of the Directors of the Company:

- (a) the interim financial statements and notes set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (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.

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



Ken Williams  
Independent Non-Executive Chairman

Adelaide  
28 February 2022

# Independent Auditor's Review Report

## To the Members of Lanyon Investment Company Limited

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Lanyon Investment Company Limited (the Company), which comprises the statement of financial position as at 31 December 2021, and the 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 description of accounting policies, other selected explanatory notes, 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 Lanyon Investment Company Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Lanyon Investment Company Limited financial position as at 31 December 2021 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.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Company incurred a net loss of \$782,820 during the half year ended 31 December 2021 and cash flow forecast indicate that the Company will need to either realise its financial asset and/or raise additional capital within the next 12 months. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

### Directors' responsibility for the half-year financial report

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

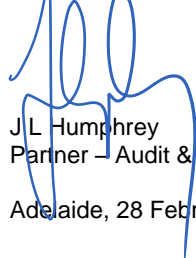
### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J.L. Humphrey  
Partner – Audit & Assurance

Adelaide, 28 February 2022