

# **Lanyon Investment Company Limited**

ABN 75 608 411 347

## **Appendix 4E**

**For the year ended 30 June 2022**

## Final Report

This final report is for the reporting period from 1 July 2021 to 30 June 2022. The previous corresponding year ended period was from 1 July 2020 to 30 June 2021.

### Results for announcement to the market

				30 June 2022 \$		30 June 2021 \$
Investment loss from ordinary activities	Up	208%	to	(326,177)	from	(105,805)
Loss before tax for the year	Up	52%	to	(915,250)	from	(604,072)
Loss from ordinary activities after tax attributable to members	Up	52%	to	(915,250)	from	(604,072)

### Dividends

There were no dividends paid during the years ended 30 June 2022 and 30 June 2021.

### Net tangible assets ("NTA")

	30 June 2022 \$	30 June 2021 \$
Net tangible asset/(liability) backing (per share) before tax	<b>(0.4552)</b>	0.7462
Net tangible asset/(liability) backing (per share) after tax	<b>(0.4552)</b>	0.7462

### Brief explanation of results

Investment loss from ordinary activities of \$326,177 was up by 208% (2021: \$105,805 loss).

Operating loss of \$915,250 before tax was up by 52% (2021: \$604,072 loss), with operating loss after tax of \$915,250 up by 52% (2021: \$604,072 loss).

As at the beginning of the year, the Company had 1,127,148 outstanding fully paid ordinary shares on issue. From 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.

On 2 February 2022, the Company announced that the remaining investment of the Company, Fremantle Octopus Group Limited ("FOG") 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.

On 25 February 2022, the Company announced that it has received a number of proposals for the recapitalisation of the Company. On 10 May 2022, ARC Funds Limited (ASX: ARC) announced that it had entered into an agreement (the "Agreement") to acquire the investment management rights to Lanyon Investment Company Limited. In implementing the transaction with ARC, David Prescott, the Managing Director of LAN would be appointed Chairman of LAN, and Harley Grosser, the Managing Director of ARC would be appointed as the Managing Director of LAN. The board changes were announced on 11 May 2022. Also, as part of the Agreement, ARC Investment Management Pty Ltd (a subsidiary of ARC) ("ARC IM") replaced the existing investment manager, Lanyon Asset Management Pty Ltd, and became party to the existing investment management agreement of LAN. The Agreement provided for other transactions subject to the approval of LAN's shareholders.

Net liabilities (per share) after tax was (\$0.40) as at 30 June 2022 (30 June 2021: \$0.75 NTA). Lanyon Investment Company Limited's ("LAN") latest available share price of \$0.03 for the year ended 30 June 2022 was on a pre-consolidation basis, and as at the date of suspension of the Company from official quotation on 15 October 2020.

**Other information required by Listing Rule 4.3A**

The Company has the ability to hedge market risk and apply hedging strategy.

**Audit**

This report is based on the Annual Report which has been audited. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

# **Lanyon Investment Company Limited**

ABN 75 608 411 347

## **Annual Report**

**For the year ended 30 June 2022**

**Lanyon Investment Company Limited**  
**Corporate directory**

<b>Directors</b>	Ken Williams (Independent Non-Executive Chairman) (resigned 11 May 2022) Richard Willson (Independent Non-Executive Director) (resigned 11 May 2022) David Prescott (Chairman) (previously Non-Independent Non-Executive Director, appointed Chairman 11 May 2022) Harley Grosser (Non-Executive Director) (appointed 11 May 2022) Daniel Sims (Non-Executive Director) (appointed 11 May 2022)
<b>Secretary</b>	Natalie Climo
<b>Investment Manager</b>	ARC Investment Management Pty Ltd c/- Mertons Corporate Services Level 7, 330 Collins Street Melbourne VIC 3000  Telephone: (03) 8689 9997  Lanyon Asset Management Pty Limited Level 7/66 Hunter Street Sydney NSW 2000  Level 1/16 Vardon Avenue Adelaide SA 5000  Telephone: (02) 8203 3800
<b>Registered office</b>	c/o Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600
<b>Custodian and Administrator</b>	Link Fund Solutions Pty Limited Level 12, 680 George Street Sydney NSW 2000 Telephone: (02) 8280 7100
<b>Share registrar</b>	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760 Facsimile: (02) 9279 0664 Email: <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a>  For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.
<b>Auditors</b>	Grant Thornton Audit Pty Ltd Grant Thornton House Level 3, 170 Frome Street Adelaide SA 5000 Telephone: (02) 8372 6666
<b>Stock exchange</b>	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: LAN Ordinary shares
<b>Website</b>	<a href="http://www.lanyonam.com">www.lanyonam.com</a>

# **Lanyon Investment Company Limited** ABN 75 608 411 347 **Annual Report - For the year ended 30 June 2022**

## **Contents**

	Page
Chairman's Letter	1
Corporate Governance Statement	2
Directors' Report	3
Auditor's Independence Declaration	14
Financial Statements	
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19
Directors' Declaration	38
Independent Auditor's Report	39
Shareholder Information	42

## Chairman's Letter

Dear Shareholders,

This Annual Report sets out the state of affairs of the Company at 30 June 2022.

Key events for the Lanyon Investment Company limited (the company) included the appointment of ARC Investment Management Pty Ltd (ARC IM), a subsidiary of ARC Funds Limited (ASX:ARC), to replace Lanyon Asset Management Pty Limited as the investment manager. At that time of the appointment of ARC IM, Harley Grosser and Daniel Sims were appointed as directors of LAN and Ken Williams and Richard Willson resigned as directors.

The company intends to amend the investment strategy, change the name to ARC Emerging Managers Fund Limited (AEM) and undertake a capital raising by issuing shares in the capital of LAN.

Should this plan proceed, it is anticipated that it will breathe new life into the Company.

A handwritten signature in black ink, appearing to read 'D Prescott', with a long horizontal stroke extending to the right.

David Prescott  
Chairman

Adelaide  
31 August 2022

## **Corporate Governance Statement**

As an ASX-listed company, Lanyon Investment Company Limited and its Directors are committed to responsible and transparent financial and business practices to protect and advance Shareholders' interests. The Company's strong corporate governance practices are based on the ASX Corporate Governance Principles and Recommendations.

The Board has adopted these ASX principles and recommendations which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Company's Corporate Governance Statement ([www.lanyonam.com](http://www.lanyonam.com)).



## **Directors' Report**

The Directors present their report together with the financial report of Lanyon Investment Company Limited ("LAN" or the "Company") for the year ended 30 June 2022.

### **Directors**

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

Ken Williams (Independent Non-Executive Chairman) (resigned 11 May 2022)  
Richard Willson (Independent Non-Executive Director) (resigned 11 May 2022)  
David Prescott (Chairman) (previously Non-Independent Non-Executive Director, appointed Chairman 11 May 2022)  
Harley Grosser (Non-Executive Director) (appointed 11 May 2022)  
Daniel Sims (Non-Executive Director) (appointed 11 May 2022)

### **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.

### **Dividends**

There were no dividends paid during the year ended 30 June 2022 and 30 June 2021.

### **Review of operations**

The net loss after tax was a loss of \$915,250 (2021: loss of \$604,072).

The net tangible asset/(liability) backing as at 30 June 2022 was (\$0.4552) per share (2021: \$0.7462 net tangible asset).

### **Financial Position**

The net liability value of the Company as at 30 June 2022 was \$73,361 (2021: \$841,889 net asset value).

### **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.

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.

On 1 October 2021, the Company announced it had completed the 7 for 1 basis of share consolidation effective 27 September 2021.

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.

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.

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

On 10 May 2022, the Company announced that it had entered into an agreement with ARC Funds Limited ("ARC") in relation to the future of LAN ("Agreement"). The Agreement provided for:

- (1) ARC Investment Management Pty Ltd ("ARC IM"), a subsidiary of ARC, to replace Lanyon Asset Management Pty Limited as the Investment Manager of LAN;
- (2) Harley Grosser and Daniel Sims to be appointed directors of LAN, and Ken Williams and Richard Willson to resign as directors of LAN;
- (3) the following to occur subject to approval of LAN's shareholders.
  - the investment management agreement be amended to provide for a 10-year term and to reflect ARC's investment strategy going forward;
  - the Company's name be changed to ARC Emerging Managers Fund Limited (AEM) and consequential amendments be made to the Company's constitution; and
  - LAN to undertake a capital raising which seeks to raise at least \$15,000,000 by issuing shares in the capital of LAN.
- (4) ARC IM has agreed to the following fee share agreement with Lanyon Asset Management Pty Limited:
  - 12.5% of management and performance fees paid to ARC IM during the period from the re-instatement of LAN's shares to quotation on the ASX until the day on which LAN has a NTA of at least \$50,000,000;
  - 15% of management and performance fees paid to ARC IM during the period from the day on which LAN has a NTA of at least \$50,000,000 until the day on which LAN has a NTA of at least \$75,000,000; and
  - 20% of management and performance fees paid to ARC IM during the period from the day on which LAN has a NTA of at least \$75,000,000.
- (5) LAN and ARC to enter into a convertible note agreement for the purpose of funding this transaction.

In relation to the Agreement with ARC, the Company had announced LAN board changes on 11 May 2022. Ken Williams and Richard Willson resigned as directors. David Prescott was appointed as Chairman, Harley Grosser was appointed as the Managing Director while Daniel Sims was appointed as Executive Director.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2022.

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

On 5 July 2022, the Company received the convertible note proceeds of \$25,000 as per agreement with ARC Funds Limited.

No other matter or circumstance has occurred subsequent to year 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 years.

**Likely developments and expected results of operations**

On 10 May 2022, the Company announced that it had entered into an Agreement with ARC Funds Limited (ARC) in relation of future of the Company ("Agreement"). As part of the Agreement (subject to approval of LAN's shareholders), the Company will be changing its name to ARC Emerging Managers Fund Limited ("AEM"), operating under ARC's Australian Financial Services Licence. The restructured AEM will endeavour to raise a minimum of \$15m of new equity and resume trading on ASX as ARC Emerging Managers Limited. It is ARC's intention to launch AEM capital raise in late 2022.

### **Environmental regulation**

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

### **Information on Directors**

**David Prescott** Chairman (previously Non-Independent Non-Executive Director, appointed Chairman 11 May 2022)

#### ***Experience and expertise***

David Prescott is the founder and Managing Director of Lanyon Asset Management Pty Limited. He has over 20 years' funds management experience working for firms in Australia and the UK. David was previously Head of Equities at institutional fund manager, CP2 (formerly Capital Partners). David has an Economics degree from the University of Adelaide, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA) and is a CFA charterholder.

#### ***Other current directorships***

David Prescott is a director of BSA Limited.

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

David Prescott has not held any other directorships of listed companies within the last three years.

#### ***Special responsibilities***

N/A

#### ***Interests in shares and options***

Details of David Prescott's interests in shares of the Company are included later in this report.

#### ***Interests in contracts***

Details of David Prescott's interests in contracts of the Company are included later in this report.

**Ken Williams** Independent Non-Executive Chairman (resigned 11 May 2022)

#### ***Experience and expertise***

Ken Williams has extensive Board experience and over 25 years' experience in corporate finance, specialising in treasury and financial risk management. His directorship experience has spanned both large and small listed and private companies, not-for-profit organisations and superannuation funds including employer appointed Director of the Qantas Superannuation Fund, employer appointed Director of the Normandy Mining Superannuation Fund and independent Director of Local Super.

#### ***Other current directorships***

Ken Williams is the independent Chairman of Statewide Super (appointed January 2017) and is a Non-Executive Director of Archer Materials Limited (ASX:AXE).

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

Ken Williams was previously Chairman of AWE Limited and Havilah Resources Limited.

#### ***Special responsibilities***

Chairman of the Board and Member of the Audit, Risk and Compliance Committee.

#### ***Interests in shares and options***

Details of Ken Williams' interests in shares of the Company are included later in this report.

#### ***Interests in contracts***

Details of Ken Williams' interests in contracts of the Company are included later in this report.

**Information on Directors (continued)**

**Richard Willson** Independent Non-Executive Director (resigned 11 May 2022)

***Experience and expertise***

Richard Willson is an experienced Non-Executive Director, Company Secretary and CFO with more than 20 years' experience with both publicly listed and private companies. Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

***Other current directorships***

Richard Willson is a Non-Executive Director of Titomic Limited (ASX:TTT), AusTin Mining Limited (ASX:ANW), Thomson Resources Limited (ASX:TMZ), PNX Metals Limited (ASX:PNX), Unity Housing Company Ltd and Variety SA.

***Former directorships in last 3 years***

Richard Willson resigned as a Director of 1414 Degrees Ltd in May 2021.

***Special responsibilities***

N/A

***Interests in shares and options***

Details of Richard Willson's interests in shares of the Company are included later in this report.

***Interests in contracts***

Details of Richard Willson's interests in contracts of the Company are included later in this report.

**Harley Grosser** Non-Executive Director (appointed 11 May 2022)

***Experience and expertise***

Harley Grosser is the Founder, Managing Director and Principal of Capital H Management, a Sydney based specialist small cap funds management company and manager of the Capital H Inception Fund and Capital H Active Fund. Mr Grosser holds a Bachelor of Commerce from the University of New South Wales.

***Other current directorships***

Harley Grosser is currently a Non-Executive Director of Motio Limited (ASX: MXO) and also Managing Director of ARC Funds Limited (ASX: ARC)

***Former directorships in last 3 years***

Harley Grosser has not held any other directorships of listed companies within the last three years.

***Special responsibilities***

N/A

***Interests in shares and options***

Details of Harley Grosser's interests in shares of the Company are included later in this report.

***Interests in contracts***

Details of Harley Grosser's interests in contracts of the Company are included later in this report.

**Information on Directors (continued)**

**Daniel Sims** Non-Executive Director (appointed 11 May 2022)

***Experience and expertise***

Daniel Sims is the Managing Director of Whiley Close Investments Pty Ltd and Whiley Close Holdings Pty Ltd, two Newcastle based private investment companies. He has over ten years experience in public and private capital markets as a portfolio manager for hedge funds and family offices in Australia, New Zealand and Germany. Daniel has a Bachelor of Commerce Degree from the University of Newcastle.

***Other current directorships***

Daniel Sims has not held any current directorships of listed companies.

***Former directorships in last 3 years***

Daniel Sims has not held any directorships of listed companies within the last three years.

***Special responsibilities***

N/A

***Interests in shares and options***

Details of Daniel Sims' interests in shares of the Company are included later in this report.

***Interests in contracts***

Details of Daniel Sims' interests in contracts of the Company are included later in this report.

**Company Secretary**

**Natalie Climo** (Appointed 20 May 2021)

Natalie Climo has acted as Company Secretary for various ASX-listed companies. She holds Bachelor of Law and brings with her experience in corporate governance and board advisory in the listed company space.

**Meetings of Directors**

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2022, and the numbers of meetings attended by each Director were:

	Directors' Meetings	
	A	B
Ken Williams	6	6
Richard Willson	6	6
David Prescott	9	9
Harley Grosser	3	3
Daniel Sims	3	3

A = Number of meetings attended

B = Number of meetings held during the time the Director held office during the year

### **Remuneration report (Audited)**

This report details the nature and amount of remuneration for each Director of the Company in accordance with the *Corporations Act 2001*.

The Directors were entitled to receive the following benefits in 2021/22:

- Harley Grosser: Nil (appointed 11 May 2022)
- Daniel Sims: Nil (appointed 11 May 2022)
- Ken Williams: \$70,000 p.a. (resigned 11 May 2022)
- Richard Willson: \$49,500 p.a. (including superannuation) (resigned 11 May 2022)
- David Prescott: Nil

Each Director may be paid remuneration for ordinary services performed as a Director. Under the ASX Listing Rules the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

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

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre directors

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### ***Non-executive directors remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 21st November 2018, where the shareholders approved a maximum annual aggregate remuneration of \$200,000.

**Lanyon Investment Company Limited**  
**Directors' Report**  
**For the year ended 30 June 2022**  
**(continued)**

**Remuneration report (Audited) (continued)**

*Details of remuneration*

The following tables show details of the remuneration received by the Directors of the Company for the financial year.

<b>2022</b>	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees \$	Superannuation \$	Total \$
<b>Non-executive Directors</b>			
Ken Williams*	53,150	-	53,150
Richard Willson*	57,125	-	57,125
David Prescott**	-	-	-
Harley Grosser*	-	-	-
Daniel Sims*	-	-	-
Total key management personnel compensation	110,275	-	110,275

\*Ken Williams and Richard Willson resigned on 11 May 2022. Harley Grosser and Daniel Sims were appointed on 11 May 2022.

\*\*David Prescott is the Managing Director of the Company's Investment Manager. During the year, the Manager was entitled to receive a fee of \$22,046 net of reduced input tax credits.

<b>2021</b>	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees \$	Superannuation \$	Total \$
<b>Non-executive Directors</b>			
Ken Williams*	9,163	-	9,163
Richard Willson*	3,750	375	4,125
David Prescott**	-	-	-
Jonathan Sweeney*	17,123	1,627	18,750
Tony McDonald*	16,500	-	16,500
Robin Burns*	13,700	1,300	15,000
Geoff Wilson*	1,140	108	1,248
Sub-total non-executive directors	61,376	3,410	64,786
<b>Executive Director</b>			
Kerry Series***	-	-	-
Sub-total executive director	-	-	-
Total key management personnel compensation	61,376	3,410	64,786

\*Geoff Wilson resigned on 29 September 2020. Jonathan Sweeney, Tony McDonald and Robin Burns resigned on 1 April 2021. Ken Williams and Richard Willson were appointed on 1 April 2021.

\*\*David Prescott is the Managing Director of the Company's Investment Manager appointed on December 2020. During the prior year, the Manager was entitled to receive a fee of \$2,517 net of reduced input tax credits.

\*\*\*Kerry Series is a significant shareholder and officer of the previous Manager, Eight Investment Partners Pty Limited. Up to November 2020, the Manager was entitled to \$9,573 net of reduced input tax credits for the management of the assets of the Company. Kerry Series resigned on 25 November 2020.

**Lanyon Investment Company Limited**  
**Directors' Report**  
**For the year ended 30 June 2022**  
**(continued)**

**Remuneration report (Audited) (continued)**

*Details of remuneration (continued)*

The following table comprises the Company performance and Non-executive Directors' remuneration:

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating (loss)/profit after tax	(\$915,250)	(\$604,072)	(\$620,671)	(\$5,672,099)	\$1,011,127
Dividends paid (cents per share)	-	-	-	1.5	4.0
Net tangible asset backing (per share)*	(0.4552)	0.7462	0.0540	0.8565	1.0604
Total Directors' remuneration	\$110,275	\$64,786	\$102,000	\$140,000	\$90,000
Total Shareholder's Equity**	(\$73,361)	\$841,889	\$2,147,992	\$35,173,552	\$42,691,466

\*On 1 December 2020, the Company implemented a 41 to 1 share consolidation.

\*\*For the year ended 30 June 2022, the Company paid nil distributions (2021: \$820,363).

*Director Related Entity Remuneration*

All transactions with related entities were made on normal commercial terms and conditions.

David Prescott is the Managing Director of the Investment Manager of LAN. In its capacity as Manager, Lanyon Asset Management Pty Limited was entitled to a management fee of 1.25% p.a. (plus GST) of gross assets amounting to \$22,046 (2021: \$2,517) net of reduced input tax credits. As at 30 June 2022, the balance payable to Lanyon Asset Management Limited was nil (2021: nil). In the agreement with ARC Funds Management Limited ("ARC"), ARC Investment Management Pty Ltd (ARC IM), a subsidiary of ARC, replaced Lanyon Asset Management Limited as the Investment Manager of LAN. ARC IM was entitled to management fees in accordance with the terms of the Deed of Novation dated 9 May 2022. During the year ended 30 June 2022, no management fees were paid to ARC IM. As at 30 June 2022, the balance payable to ARC IM was nil.

Kerry Series is a significant shareholder and officer of the previous Manager, Eight Investment Partners Pty Limited. Up to November 2020, Eight Investment Partners Pty Limited was entitled to \$9,573 net of reduced input tax credits for the management of the assets of the Company.

For the year ended 30 June 2022 and 30 June 2021, the Manager was entitled to nil performance fee. As at 30 June 2022 and 30 June 2021, the balance payable to the Manager was nil.

No other Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

*Remuneration of Executives*

There are no executives that are directly paid by the Company.



**Remuneration report (Audited) (continued)**

*Equity Instrument Disclosures Relating to Directors*

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

*Ordinary Shares Held*

**2022**

Director	Position	Balance at 1 July 2021	Net movement**	Other changes	Balance at 30 June 2022
Ken Williams*	Independent Non-Executive Chairman	-	-	-	-
Richard Willson*	Independent Non-Executive Director	-	-	-	-
David Prescott	Chairman	6,152,716	(6,142,001)	-	10,715
Harley Grosser	Non-Executive Director	-	-	-	-
Daniel Sims	Non-Executive Director	-	-	-	-
		<b>6,152,716</b>	<b>(6,142,001)</b>	<b>-</b>	<b>10,715</b>

**2021**

Director	Position	Balance at 1 July 2020	Net movement**	Other changes***	Balance at 30 June 2021
Ken Williams*	Independent Non-Executive Chairman	-	-	-	-
Richard Willson*	Independent Non-Executive Director	-	-	-	-
David Prescott	Chairman) (previously Non-Independent Non-Executive Director, appointed Chairman 11 May 2022	-	6,152,716	-	6,152,716
Jonathan Sweeney*	Independent Chairman	350,000	(341,461)	(8,539)	-
Tony McDonalds*	Independent Director	80,000	(78,048)	(1,952)	-
Robin Burns*	Independent Director	-	-	-	-
Kerry Series*	Non-Independent Director	1,343,001	-	(1,343,001)	-
Geoff Wilson*	Non-Independent Director	1,721,629	-	(1,721,629)	-
		<b>3,494,630</b>	<b>5,733,207</b>	<b>(3,075,121)</b>	<b>6,152,716</b>

Directors and Director related entities acquired ordinary shares in the Company on the same terms and conditions available to other Shareholders.

\*Geoff Wilson resigned on 29 September 2020. Kerry Series resigned on 25 November 2020. Jonathan Sweeney, Tony McDonald and Robin Burns resigned on 1 April 2021. Ken Williams and Richard Willson were appointed on 1 April 2021 and resigned on 11 May 2022.

\*\*Net movement in David Prescott's shareholding pertains to the 6,152,716 placement shares issued by the Company at \$0.02289 per share on 18 November 2020. The net movement in Jonathan Sweeney's and Tony McDonalds' shareholdings relates to the 41 for 1 share consolidation which happened on 1 December 2020. The movement in David Prescott's shareholdings during the year was due to the 7 to 1 share consolidation implemented by the Company on 27 September 2021.

\*\*\*Other movements represent interests held as at resignation date.

**Remuneration report (Audited) (continued)**

*Equity Instrument Disclosures Relating to Directors (continued)*

There are no movements in interests between balance date and the date of this report.

*Options Held*

No options are on issue.

*Convertible Note Agreement*

ARC Funds Limited ("ARC"), the parent company of the new Investment Manager, signed a convertible loan agreement with LAN on 9 May 2022. Harley Grosser, the director of LAN, is currently the Managing Director of ARC. The Company has issued convertible notes with a face value of \$125,000 to ARC. Further details are outlined in Note 12 to the financial statements.

**End of Remuneration report.**

**Insurance and indemnification of officers and auditors**

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

**Proceedings on behalf of the Company**

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

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

**Non-audit services**

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services disclosed in Note 16 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit, risk and compliance committee to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**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 14.

This report is made in accordance with a resolution of Directors pursuant to section 298(2)(a) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'David Prescott', with a long horizontal line extending to the right.

David Prescott  
Chairman

Adelaide  
31 August 2022

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**Grant Thornton Audit Pty Ltd**  
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## Auditor's Independence Declaration

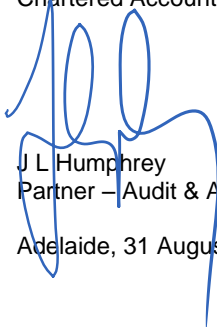
### To the Directors of Lanyon Investment Company Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Lanyon Investment Company Limited for the year ended 30 June 2022, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 31 August 2022

**Lanyon Investment Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2022**

		<b>Year ended</b>	
	<b>Notes</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Investment income from ordinary activities</b>			
Net loss on financial instruments at fair value through profit or loss		<b>(342,423)</b>	(115,819)
Interest income		<b>83</b>	14
Other income		<b>16,163</b>	10,000
		<b>(326,177)</b>	(105,805)
<b>Expenses</b>			
Management fees	18	<b>(22,046)</b>	(11,265)
Accounting fees		<b>(42,316)</b>	(37,587)
Company secretarial fees		<b>(38,121)</b>	(42,089)
Share registry fees		<b>(24,232)</b>	(66,345)
Custody fees		<b>(8,361)</b>	(5,494)
Tax fees	16	-	(12,540)
Directors' fees	15	<b>(110,275)</b>	(64,786)
ASX fees		<b>(32,699)</b>	(40,671)
Audit fees	16	<b>(56,000)</b>	(51,966)
Consultancy fees		<b>(22,834)</b>	(24,000)
Advisory fees		<b>(5,500)</b>	(16,500)
Legal fees		<b>(192,311)</b>	(33,000)
Insurance costs		<b>(27,753)</b>	(50,484)
Other expenses		<b>(6,625)</b>	(41,540)
		<b>(589,073)</b>	(498,267)
<b>Loss for the year</b>		<b>(915,250)</b>	(604,072)
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive loss for the year</b>		<b>(915,250)</b>	(604,072)
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share	21	<b>(230.71)</b>	<b>(3.35)</b>
Diluted loss per share	21	<b>(230.71)</b>	<b>(3.35)</b>

*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 30 June 2022**

		At		
	Notes	2022	2021	
		\$	\$	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	8	142,783	118,866	
Trade and other receivables	9	2,077	978	
Financial assets at fair value through profit or loss	10	-	842,423	
<b>Total current assets</b>		<b>144,860</b>	<b>962,267</b>	
<b>Total assets</b>		<b>144,860</b>	<b>962,267</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	11	93,221	120,378	
Convertible note	12	125,000	-	
<b>Total current liabilities</b>		<b>218,221</b>	<b>120,378</b>	
<b>Total liabilities</b>		<b>218,221</b>	<b>120,378</b>	
<b>Net assets/(liabilities)</b>		<b>(73,361)</b>	<b>841,889</b>	
<b>EQUITY</b>				
Issued capital	13	7,202,675	7,202,675	
Accumulated losses		<b>(7,276,036)</b>	<b>(6,360,786)</b>	
<b>Total equity/(deficiency in equity)</b>		<b>(73,361)</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 year ended 30 June 2022**

Notes	Issued capital \$	Accumulated losses \$	Total \$
<b>Balance at 1 July 2020</b>	7,904,706	(5,756,714)	2,147,992
Loss for the year	-	(604,072)	(604,072)
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	-	(604,072)	(604,072)
<b>Transactions with owners in their capacity as owners:</b>			
Capital distributions paid	(820,363)	-	(820,363)
Share buy back	(22,504)	-	(22,504)
Capital placement	140,836	-	140,836
	(702,031)	-	(702,031)
<b>Balance at 30 June 2021</b>	<b>7,202,675</b>	<b>(6,360,786)</b>	<b>841,889</b>
<b>Balance at 1 July 2021</b>	7,202,675	(6,360,786)	841,889
Loss for the year	-	(915,250)	(915,250)
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	-	<b>(915,250)</b>	<b>(915,250)</b>
<b>Transactions with owners in their capacity as owners</b>	-	-	-
<b>Balance at 30 June 2022</b>	<b>7,202,675</b>	<b>(7,276,036)</b>	<b>(73,361)</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 year ended 30 June 2022**

	Notes	Year ended	
		2022	2021
		\$	\$
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		500,000	455,074
Interest received		83	36
Other income received		-	10,000
Income taxes paid		-	(68,279)
Investment management fees paid		(22,046)	(12,917)
Payments for other expenses		(579,120)	(393,644)
<b>Net cash outflow from operating activities</b>	20	<b>(101,083)</b>	<b>(9,730)</b>
<b>Cash flows from financing activities</b>			
Payments for shares buy back		-	(22,504)
Proceeds from capital placement		-	140,836
Capital distributions paid		-	(820,363)
Proceeds from convertible note		125,000	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>125,000</b>	<b>(702,031)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>23,917</b>	<b>(711,761)</b>
Cash and cash equivalents at the beginning of the year		118,866	830,627
<b>Cash and cash equivalents at the end of the year</b>	8	<b>142,783</b>	<b>118,866</b>

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



## **1 General information**

Lanyon Investment Company Limited ("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 financial statements of Lanyon Investment Company Limited are for the year ended 30 June 2022.

The financial statements were authorised for issue by the Board of Directors on 31 August 2022.

## **2 Significant accounting policies**

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

As at the date of preparing these 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) Compliance with International Financial Reporting Standards (IFRS)*

The financial statements of the Company also comply with IFRS as issued by the International Accounting Standards Board.

#### *(ii) New and amended standards adopted by the Company*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods of the Company.

#### *(iii) Historical cost convention*

The financial statement has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

#### *(iv) Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

#### *(v) New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2022 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

## 2 Significant accounting policies (continued)

### (b) Revenue and other income

#### (i) Net realised and unrealised gains and losses

Profits and losses realised from the sale of investments and unrealised gains and losses on securities at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(g).

#### (ii) Dividends

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

#### (iii) Interest income

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

#### (iv) Other income

Other income is recognised when it is received or when the right to receive payment is established.

### (c) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### (d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 2 Significant accounting policies (continued)

### (e) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

### (f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

### (g) Financial assets and liabilities

The Company's investments are classified as at fair value through profit or loss. They comprise:

#### Classification

##### (i) Financial assets

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Company's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents and trade and other receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

##### (i) Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (management fees payable and other payables).

#### Recognition and derecognition

Purchases and sales of financial assets at fair value through profit or loss are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### Measurement

At initial recognition, the Company measures financial assets at fair value. Transaction costs of financial assets at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When an investment is disposed, the cumulative gain or loss is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

The Company's accounting policy on fair value measurements is discussed in Note 4.

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

### **(g) Financial assets and liabilities (continued)**

#### **Impairment**

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **(i) Expenses**

All expenses, including management fee, are recognised in the Statement of Comprehensive Income on an accruals basis.

#### **(j) Borrowings**

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

The convertible note is recorded as a liability on an amortised cost basis until extinguished on conversion or subject to the provisions of the convertible loan agreement. Refer to Note 12 for further details.

Loans and borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Comprehensive Income as other income or finance costs.

#### **(k) Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

### **(l) Dividends**

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

In accordance with the *Corporations Act 2001*, the Company may pay a dividend where the Company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the Company's Shareholders as a whole and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

The amount of any dividend will be at the discretion of the Board. Currently, it is the Board's intention that all dividends paid to Shareholders will be franked to 100% or to the maximum extent possible.

### **(m) Earnings per share**

#### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### **(n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

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

### **(o) Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## 2 Significant accounting policies (continued)

### (p) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

### (q) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

### (r) Going concern

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2022, the Company recognised a loss after tax of \$915,250 and cash flow forecasts indicate that the Company is reliant on raising 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.

The Company entered into a recapitalisation proposal from ARC Funds Limited on 10 May 2022, subject to shareholder approval. The directors are seeking shareholder approval to amend the investment management agreement for a 10-year term and to reflect ARC Funds Limited investment strategy, to change the Company's name to ARC Emerging Managers Fund Limited and consequentially amend the constitution, and to raise at least \$15,000,000 in new capital. The directors believe it is appropriate to prepare the financial statements on a going concern basis.

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 raise the additional capital or continue as a going concern.

## 3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

### (a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### (i) Price risk

##### *Exposure*

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through profit or loss.

As at 30 June 2022, the Company did not hold any investments (2021: held shares in Fremantle Octopus Group (ASX: FOG)).

##### *Sensitivity*

The following table illustrates the effect on the Company's net assets from possible changes in fair value of investments that were reasonably possible based on the risk the Company was exposed to at reporting date. The analysis is based on the assumption that the equity index had increased by 5% and 10% or decreased by 5% and 10% with all other variables held constant.

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

	Impact on post-tax profit/(loss) and net assets	
	2022	2021
	\$	\$
Decrease 5%	-	(30,538)
Increase 5%	-	30,538
Decrease 10%	-	(61,076)
Increase 10%	-	61,076

Post-tax profit/(loss) for the year would increase/decrease as a result of gains/(losses) on financial assets classified as at fair value through profit or loss. There is no additional impact on other components of equity.

#### *Cash flow and fair value interest rate risk*

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

At 30 June 2022	Floating interest rate \$	Non- interest bearing \$	Total \$
<b>Financial assets</b>			
Cash and cash equivalents	142,783	-	142,783
Trade and other receivables	-	2,077	2,077
	142,783	2,077	144,860
<b>Financial liabilities</b>			
Trade and other payables	-	(93,221)	(93,221)
Convertible note	-	(125,000)	(125,000)
	-	(218,221)	(218,221)
<b>Net exposure to interest rate risk</b>	142,783	(216,144)	(73,361)

### 3 Financial risk management (continued)

#### (a) Market risk (continued)

At 30 June 2021	Floating interest rate \$	Non- interest bearing \$	Total \$
<b>Financial assets</b>			
Cash and cash equivalents	118,866	-	118,866
Trade and other receivables	-	978	978
Financial assets at fair value through profit or loss	-	842,423	842,423
	118,866	843,401	962,267
<b>Financial liabilities</b>			
Trade and other payables	-	(120,378)	(120,378)
	-	(120,378)	(120,378)
Net exposure to interest rate risk	118,866	723,023	841,889

#### *Sensitivity*

At 30 June 2022, if interest rates had increased by 75 basis points or decreased by 75 basis points from the year end rates with all other variables held constant, post-tax loss for the year would have been \$776 higher/\$776 lower (2021 changes of +75 bps/-75 bps: \$646 higher/\$646 lower on post-tax loss), mainly as a result of lower interest income from cash and cash equivalents.

#### (b) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. The Company is also exposed to counterparty credit risk on derivatives financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

None of these assets are overdue or considered to be impaired.

The Company manages credit risk by only entering into agreements with creditworthy parties.

#### (c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Manager manages liquidity risk by monitoring the asset size of the Company as a whole on executing transactions.

#### *Maturities of financial liabilities*

All non-derivative financial liabilities of the Company have maturities of less than 1 month.



#### 4 Fair value measurements

The Company measures and recognises the following 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:

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

##### (i) Fair value in an inactive or unquoted market (level 2 and level 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.

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

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.

##### (ii) Recognised fair value measurements

The Company did not hold any financial assets or liabilities measured and recognised at fair value at 30 June 2022.

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2021.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 30 June 2021				
Financial assets				
Unlisted equity securities	-	-	842,423	842,423
Total financial assets	-	-	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 30 June 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.

#### 4 Fair value measurements (continued)

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

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

##### (iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in fair value of level 3 instruments for the year ended 30 June 2022 and 30 June 2021.

	30 June 2022	30 June 2021
Opening balance	\$ 842,423	\$ 999,999
Sales during the period	(500,000)	-
Losses recognised in the Statement of Comprehensive Income	(342,423)	(157,576)
Closing balance	-	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.

Fund Investment	Fair value	Unobservable inputs	Relationship of unobservable inputs to fair value
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.

##### (iv) 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.

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

The carrying values of cash and cash equivalents, trade and other receivables and payables approximate their fair values due to their short-term nature.

#### 5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

##### Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

##### (i) Income taxes

Shareholders approved the sale and distribution of the Company's assets at a meeting held on 1 August 2019. Accordingly, as at 30 June 2019 the Board formed the view that the prospects of the Company generating adequate future profits is sufficiently remote that the value of the deferred tax assets (with respect to carried forward tax losses) should be written down to nil. With continued uncertainty as to the utilisation of the Company's available tax losses of \$1,091,399 as at 30 June 2022 they continue to be recognised at nil value in these financial statements.

## 5 Critical accounting estimates and judgements (continued)

### Critical accounting estimates and assumptions (continued)

#### (ii) Financial instruments

Certain financial instruments are measured at fair value determined by the use of valuation models using Level 3 unobservable inputs, for example unlisted equity securities. This includes equity valuation models based on the net asset and revenue multiple method, they are validated and periodically review by an independent valuer.

## 6 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.

The Directors have considered the internal reports that are reviewed by the chief operating decision maker in allocating resources and have conclude that at this time there are no separately identifiable segments.

## 7 Income tax expense

### (a) Income tax expense through profit or loss

	Year ended	
	2022	2021
	\$	\$
Current tax expense	-	-
	-	-
<i>Income tax expense is attributable to:</i>		
Loss from continuing operations	-	-
Aggregate income tax expense	-	-

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	Year ended	
	2022	2021
	\$	\$
Loss from continuing operations before income tax expense	(915,250)	(604,072)
Tax at the Australian tax rate of 27.5% (2021 - 27.5%)	(251,694)	(166,120)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax losses and temporary differences not recognised	251,694	166,120
Income tax expense	-	-

The applicable weighted average effective tax rates are as follows: 0%                      0%

### (c) Tax losses

	Year ended	
	2022	2021
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	1,072,825	170,934
Potential tax benefit at 27.5%	295,027	47,007

## 7 Income tax expense (continued)

### (d) Unrecognised temporary differences

	Year ended	
	2022	2021
	\$	\$
Temporary difference relating to investments for which deferred tax liabilities have not been recognised:		
Unrealised losses on investments	-	433,138
Unrecognised deferred tax liabilities relating to the above temporary differences	-	119,113

## 8 Current assets - Cash and cash equivalents

	At	
	2022	2021
	\$	\$
<b>Current assets</b>		
Cash at bank	142,783	118,866
	142,783	118,866

### (a) Risk exposure

The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash investments are made with the following financial institutions:

	Standard & Poor's Rating
Australia and New Zealand Banking Group Ltd	AA-
J.P Morgan Chase Bank N.A (Sydney Branch)	A+

## 9 Current assets - Trade and other receivables

	At	
	2022	2021
	\$	\$
GST receivable	2,077	978
	2,077	978

Receivables are non-interest bearing and unsecured.

The maximum exposure to credit risk at the end of the period is the carrying amount of each class of receivables mentioned above. There are no past due or impaired receivables.

## 10 Current assets - Financial assets at fair value through profit or loss

	2022	At	2021
	\$		\$
Unlisted equity securities	-		842,423
<b>Total financial assets</b>	-		842,423

Changes in fair values of financial assets at fair value through profit or loss are recorded in investment income in the Statement of Comprehensive Income.

### (a) Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 1 (2021: 2). Each investment transaction may involve multiple contract notes.

The total brokerage paid on this contract notes was nil (2021: \$1,003).

### (b) Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in Note 3 and Note 4.

## 11 Current liabilities - Trade and other payables

	2022	At	2021
	\$		\$
Other payables	93,221		120,378
	93,221		120,378

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

## 12 Convertible note

	2022	At	2021
	\$		\$
Convertible note	125,000		-
	125,000		-

The convertible note is unsecured and non-interest bearing. This convertible note held by ARC Funds Limited ("ARC") was issued to provide financial support to the Company while it is in the process of carrying out a capital raising and applying for re-admission to the official list of the ASX and reinstatement of LAN's shares to quotation on the ASX. As the convertible note has several possible redemption timeline and options including cash settlement, the full face value has been recognised as a liability at 30 June 2022.

*Convertible note amount:* \$100,000 upon execution of the loan agreement; \$25,000 paid on 1 June 2022; \$25,000 payable on 1 July 2022; and when required, the ASX listing fee in relation to LAN's application for re-admission to the official list of the ASX. The face value of the convertible notes is \$150,000.

## 12 Convertible note (continued)

*Repayment date:* The date that LAN issues shares in the capital of LAN in accordance with the Capital Raising, or such other date as may be agreed between ARC and LAN in writing.

*Repayment terms and conditions:* LAN must apply to ASX a waiver of ASX Listing Rule 7.1 to issue the Approval Shares; or obtain the approval of its shareholders for the purposes of ASX Listing Rule 7.1 to issue the approval shares, and upon receiving approval a variable number of shares will be issued. If these conditions are not met and the Capital raising is completed prior to 30 June 2023, the convertible note must be repaid in cash within 10 business days. If repayment date does not occur before 30 June 2023, the convertible note will be repaid immediately after 30 June 2023 by way of issue of 24,175 Shares and upon the issue of such shares to ARC.

## 13 Issued capital

### (a) Share capital

	Notes	30 June 2022 Shares	30 June 2021 Shares	30 June 2022 \$	30 June 2021 \$
Ordinary shares	13(b), 13(c)	161,173	1,127,148	7,202,675	7,202,675

### (b) Movements in ordinary share capital

Details		Number of shares	\$
Opening balance 1 July 2021		1,127,148	7,202,675
Share consolidation	13(d)	(965,975)	-
<b>Closing balance 30 June 2022</b>		<u>161,173</u>	<u>7,202,675</u>

Details		Number of 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>		<u>1,127,148</u>	<u>7,202,675</u>

### (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.

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.

### (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.

### **13 Issued capital (continued)**

#### **(e) Capital risk management**

The Board of Directors will actively manage the capital of the Company. The overriding intention is to deliver value to Shareholders.

To achieve this the Board monitors the monthly NTA results, investment performance, the Company's Indirect Cost Ratio and share price movements.

The Company is not subject to any externally imposed capital requirements.

### **14 Dividends**

#### **(a) Ordinary shares**

There were no dividends paid on Ordinary shares for the years ended 30 June 2022 and 30 June 2021.

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

Since the financial year ended 30 June 2022, the Directors have not recommended any dividends.

#### **(c) Dividend franking account**

The franked portions of any final dividends recommended after 30 June 2022 will be franked out of existing franking credits or out of franking credits arising from the payment, if any, of income tax in the year ended 30 June 2023.

	<b>Year ended</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Opening balance of franking account	-	(68,279)
Tax paid during the year	-	68,279
Closing balance of franking account	-	-

### **15 Key management personnel disclosures**

#### **(a) Key management personnel compensation**

	<b>Year ended</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>110,275</b>	61,376
Post-employment benefits	-	3,410
	<b>110,275</b>	64,786

As at 30 June 2022, \$24,806 remains payable in aggregate to former Directors Ken Williams and Richard Willson.

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 12.

## 15 Key management personnel disclosures (continued)

### (b) Equity instrument disclosures relating to key management personnel

#### (i) Share holdings

The numbers of shares in the Company held during the financial year by each Director of the Company and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2022	Balance at the start of the year	Net movement**	Other changes	Balance at end of the year
<b>Directors of Lanyon Investment Company Limited</b>				
<b>Ordinary shares</b>				
David Prescott	6,152,716	(6,142,001)	-	10,715
Harley Grosser*	-	-	-	-
Daniel Sims*	-	-	-	-
	<b>6,152,716</b>	<b>(6,142,001)</b>	<b>-</b>	<b>10,715</b>
2021	Balance at the start of the year	Net movement**	Other changes***	Balance at end of the year
<b>Directors of Lanyon Investment Company Limited</b>				
<b>Ordinary shares</b>				
David Prescott**	-	6,152,716	-	6,152,716
Jonathan Sweeney*	350,000	(341,461)	(8,539)	-
Tony McDonald*	80,000	(78,048)	(1,952)	-
Kerry Series*	1,343,001	-	(1,343,001)	-
Geoff Wilson*	1,721,629	-	(1,721,629)	-
	<b>3,494,630</b>	<b>5,733,207</b>	<b>(3,075,121)</b>	<b>6,152,716</b>

\*Geoff Wilson resigned on 29 September 2020. Kerry Series resigned on 25 November 2020. Jonathan Sweeney and Tony McDonald resigned on 1 April 2021. Harley Grosser and Daniel Sims were appointed 11 May 2022.

\*\*Net movement in David Prescott's shareholding pertains to the 6,152,716 placement shares issued by the Company at \$0.02289 per share on 18 November 2020. The net movement in Jonathan Sweeney's and Tony McDonald's shareholdings relates to the 41 for 1 share consolidation which happened on 1 December 2020. The movement in David Prescott's shareholdings during the year was due to the 7 to 1 share consolidation implemented by the Company on 27 September 2021.

\*\*\*Other movements represent interests held as at resignation date.

#### (ii) Option holdings

No options are on issue during the year ended 30 June 2022 (2021: nil).

#### (iii) Convertible note

ARC Funds Limited ("ARC"), the parent company of the Investment Manager, signed a convertible loan agreement with LAN on 9 May 2022. Harley Grosser, the director of LAN, is currently the Managing Director of ARC. The Company has issued convertible notes with a face value of \$125,000 to ARC. Further details are outlined in Note 12 to the financial statements.



## 16 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Company and its related practices:

	Year ended	
	2022	2021
	\$	\$
<b>Grant Thornton</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	51,000	30,000
Total auditor remuneration and other assurance services	51,000	30,000
<i>Other services</i>		
Limited scope review - capital raising	5,000	-
Total remuneration for other services	5,000	-
<b>Total remuneration of Grant Thornton</b>	<b>56,000</b>	<b>30,000</b>
<b>Pitcher Partners</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	-	21,966
Total auditor remuneration and other assurance services	-	21,966
<i>Taxation services</i>		
Tax compliance services	-	12,540
Total remuneration for taxation services	-	12,540
<b>Total remuneration of Pitcher Partners</b>	-	<b>34,506</b>

The Company's Audit, Risk and Compliance Committee (the "Committee") oversees the relationship with the Company's External Auditors. The Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.

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.

## 17 Contingent assets and liabilities and commitments

The Company had no contingent assets, contingent liabilities or commitments as at 30 June 2022 (2021: nil).

## 18 Related party transactions

### (a) Key management personnel

Disclosures relating to key management personnel are set out in Note 15.

## 18 Related party transactions (continued)

### (b) Transactions with other related parties

All transactions with related entities were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

David Prescott is the Managing Director of the Investment Manager of LAN. In its capacity as Manager, Lanyon Asset Management Pty Limited was entitled to a management fee of 1.25% p.a. (plus GST) of gross assets amounting to \$22,046 (2021: \$2,517) net of reduced input tax credits. As at 30 June 2022, the balance payable to Lanyon Asset Management Limited was nil (2021: nil). In the agreement with ARC Funds Management Limited ("ARC"), ARC Investment Management Pty Ltd (ARC IM), a subsidiary of ARC, replaced Lanyon Asset Management Limited as the Investment Manager of LAN. ARC IM was entitled to management fees in accordance with the terms of the Deed of Novation dated 9 May 2022. During the year ended 30 June 2022, no management fees were paid to ARC IM. As at 30 June 2022, the balance payable to ARC IM was nil.

For the year ended 30 June 2022 and 30 June 2021, the Manager was entitled to nil performance fee. As at 30 June 2022 and 30 June 2021, the balance payable to the Manager was nil.

No other Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

## 19 Events occurring after the reporting period

On 5 July 2022, the Company received the convertible note proceeds of \$25,000 as per agreement with ARC Funds Limited.

No other matter or circumstance has occurred subsequent to year 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 years.

## 20 Reconciliation of loss after income tax to net cash inflow/(outflow) from operating activities

	Year ended	
	2022	2021
	\$	\$
Loss for the year	(915,250)	(604,072)
Proceeds from sale of financial assets at fair value through profit or loss	500,000	455,074
Net losses on investments	342,423	115,819
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,099)	3,057
Decrease in other current tax assets	-	36,033
(Decrease)/increase in trade and other payables	(27,157)	52,638
Decrease in provision for income taxes	-	(68,279)
Net cash outflow from operating activities	<u>(101,083)</u>	<u>(9,730)</u>

## 21 Loss per share

### (a) Basic loss per share

	Year ended	
	2022 Cents	2021* Cents
Basic loss per share attributable to the ordinary equity holders of the Company	(230.71)	(3.35)

### (b) Diluted loss per share

	Year ended	
	2022 Cents	2021* Cents
Diluted loss per share attributable to the ordinary equity holders of the Company	(230.71)	(3.35)

Diluted loss per share is the same as basic loss per share. As at 30 June 2022 and 30 June 2021, 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

	Year ended	
	2022 Number	2021* Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	396,712	18,053,357
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted loss per share	396,712	18,053,357

\*On 27 September 2021, the Company implemented a 7 to 1 share consolidation. If this occurred prior to 30 June 2021, the basic loss per share and diluted loss per share would be (23.42) cents.

**Lanyon Investment Company Limited**  
**Directors' Declaration**  
**For the year ended 30 June 2022**

In the opinion of the Directors of the Company:

- (a) the financial statements and notes set out on pages 15 to 37 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
  - (ii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and
  - (iii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the 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.
- (c) The Directors have been provided with the declarations required by section 295A of the *Corporations Act 2001* by Link Fund Solutions, the Company's Administrator, declaring that:
  - (i) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - (ii) the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
  - (iii) the financial statements and notes for the financial year give a true and fair view.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 295 (5)(a) of the *Corporations Act 2001*.



David Prescott  
Chairman

Adelaide  
31 August 2022

## Independent Auditor's Report

### To the Members of Lanyon Investment Company Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Lanyon Investment Company Limited (the Company) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

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

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

### **Material uncertainty related to going concern**

We draw attention to Note 2(r) in the financial statements, which indicates that the Company incurred a net loss after tax of \$915,250 during the year ended 30 June 2022 and as of that date, the Company had net liabilities of \$73,361. As stated in Note 2(r), these events or conditions, along with other matters as set forth in Note 2(r), indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material Uncertainty Related to Going Concern section, we have determined that there are no key audit matters to communicate in our report.

### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial report**

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

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

## Report on the remuneration report

### Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2022.


In our opinion, the Remuneration Report of Lanyon Investment Company Limited, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The logo for Grant Thornton, featuring the company name in a blue, cursive script font.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A blue ink signature of J L Humphrey, written in a cursive style.

J L Humphrey  
Partner – Audit & Assurance

Adelaide, 31 August 2022

**Lanyon Investment Company Limited**  
**Shareholder information**

The Shareholder information set out below was applicable as at 31 July 2022.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

**A. Distribution of equity securities**

Analysis of numbers of equity security holders by size of holding:

Holding	Class of equity security Ordinary shares		
	No. of Shareholders	Shares	Percentage
1 - 1000	330	42,487	26.36
1,001 - 5,000	9	19,573	12.14
5,001 - 10,000	2	11,943	7.41
10,001 - 100,000	4	87,170	54.09
	345	161,173	100.00

There were 345 holders of less than a marketable parcel of ordinary shares.

**B. Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	33,448	20.75
CITICORP NOMINEES PTY LIMITED	26,539	16.47
NATIONAL NOMINEES LIMITED	16,468	10.22
LANYON ASSET MANAGEMENT PTY LTD	10,715	6.65
MS KRISTEN FRAGNITO	6,409	3.98
DMX CAPITAL PARTNERS LIMITED	5,534	3.43
MARENNE PTY LTD	4,356	2.70
BNP PARIBAS NOMS PTY LTD <DRP>	3,332	2.07
BOND STREET CUSTODIANS LIMITED <WILLIM - V21664 A/C>	2,614	1.62
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	2,198	1.36
DAVID HUGH CAMPBELL ABBOTT	2,081	1.29
BUZZ MONTY PTY LTD <THE SAVAGE A/C>	1,555	0.96
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,305	0.81
MR ROBERT ROUX	1,072	0.67
GREEN ACTIVIST RETIREMENT FUND PTY LTD <GREEN ACTIVIST RET FUND A/C>	1,060	0.66
MR STEVE GREEN	928	0.58
STRATAGEMS PTY LTD <THE GRANT PERSONAL SUPER A/C>	889	0.55
MR GERARDO BARRANQUERO <THE REDCOMP SUPER A/C>	872	0.54
MR STEVE ANDREW GREEN	812	0.50
SERRANO INVESTMENTS PTY LTD <THE ES & JS FAMILY A/C>	697	0.43
	122,884	76.24



**C. Substantial holders**

There are currently 4 substantial Shareholders of Lanyon Investment Company Limited.

**D. Voting rights**

The voting rights attaching to each class of equity securities are set out below:

Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**E. Stock Exchange Listing**

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

**F. Unquoted Securities**

There are no unquoted shares.

**G. Securities Subject to Voluntary Escrow**

There are no securities subject to voluntary escrow.