

Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	Australian Rural Capital Limited
ABN	52 001 746 710
Financial Period Ended	31 DECEMBER 2016
Previous Corresponding Reporting Period	31 DECEMBER 2015

Results for Announcement to the Market

		\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities		830,137	55%
Profit from ordinary activities after tax attributable to members		621,813	84%
Profit for the period attributable to members		621,813	84%
Dividends (distributions)	Amount per security	Franked amount per security	
Final Dividend	Nil	-	
Interim Dividend	Nil	-	
Previous corresponding period	Nil	Nil	
Record date for determining entitlements to the dividends (if any)			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			

The half-yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	NIL
Total dividend	NIL
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	57.0c	51.0c

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	-
Date control gained	-
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	-
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	-

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	-
Date control lost	-
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	-
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	-

Details of Associates and Joint Venture Entities


Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
	-	-	-	-

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	<input checked="" type="checkbox"/> X
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not applicable			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	James A Jackson (Executive Chairman)
Date	16 February 2017

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2016.

Directors

The names of directors who held office during or since the end of the half-year:

James Andrew Jackson
Darren Anderson
Wayne Massey
Andrew John Brown (resigned 19/8/2016)

Principal Activities

During the financial half-year, the principal activities of the consolidated entity consisted of:

- investment in selected agribusiness and related securities listed on the ASX; and
- the management of funds for outside parties.

Review of Operations

Australian Rural Capital Limited (**ARC**) posted a profit after provision for income tax of \$621,813 for the period compared to a profit of \$338,802 in the comparative period. Of this profit, \$830,137 arose from the marking to market of the Company's strategic 10.8 % stake in the capital units of Namoi Cotton Co-operative Limited ("Namoi") to a level of 42c per capital unit, as compared to 35c on 30 June 2016.

At the company's, AGM in October the following objectives were outlined for 2017;

1. Support the capital restructuring process at Namoi Cotton and consolidate our investment to maximise our value for ARC shareholders.
2. Seed fund and raise external equity capital into Australian Rural Capital Investor Ltd (ARCI), as our holding entity for agristructure assets and operations and commence investing.
3. Establish a Trust entity (ARCT) to be managed by Australian Rural Capital Management (ARCM) and to invest alongside ARCI in the appropriate real land assets when required.
4. Develop the ARC business model to be cash-flow neutral, sourcing revenue streams from the sourcing of assets and operations and managing these within the ARC group.

The consolidated entity has continued to expend significant effort in seeking opportunities for investments within the agribusiness area for the establishment of a managed fund, consistent with the objectives of 2017 outlined above.

The consolidated entity continues to be in a sound financial position with no liabilities other than trade creditors and accruals.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's Declaration

We have received a declaration from the auditors, Bentleys Brisbane (Audit) Pty Ltd, of their independence. The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2016.

The report is made in accordance with a resolution of the Board of Directors pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the Directors:

A handwritten signature in black ink, appearing to read 'J. A. Jackson', with a long horizontal flourish extending to the right.

James A Jackson
Chairman

Dated: 16 February 2017

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF AUSTRALIAN RURAL CAPITAL LIMITED**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

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



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas
Director
Brisbane

16 February 2017

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2016

		31 Dec 2016	31 Dec 2015
Continuing Operations	Note	\$	\$
Revenue	2	830,137	537,084
Other expenses	3	(208,324)	(192,562)
Finance costs	4	-	(1,202)
Profit/(loss) before income tax		621,813	343,320
Income tax expense		-	(4,518)
Profit/(loss) after income tax for the half-year		621,813	338,802
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income attributable to members of Australian Rural Capital Limited		621,813	338,802
Basic earnings/(loss) per share (cents per share)		6.8c	3.8c
Diluted earnings/(loss) per share (cents per share) *		3.6c	3.8c

* The total of the listed shares (refer to Note 9) and listed options (refer Note11) has been used to calculate the Diluted earnings per share. For the comparative period, the listed options were not included in the calculation as they were considered out of the money.

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
Statement of Financial Position
As at 31 December 2016

		Economic Entity	
	Note	31 Dec 2016	30 June 2016
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	269,432	394,079
Trade and other receivables		6,441	14,025
Financial assets	7	4,980,045	4,150,022
TOTAL CURRENT ASSETS		5,255,918	4,558,126
NON-CURRENT ASSETS			
Deferred tax assets		15,061	15,061
Goodwill		7,709	7,709
TOTAL NON-CURRENT ASSETS		22,770	22,770
TOTAL ASSETS		5,278,688	4,580,896
CURRENT LIABILITIES			
Trade and Other payables		32,902	44,543
TOTAL CURRENT LIABILITIES		32,902	44,543
TOTAL LIABILITIES		32,902	44,543
NET ASSETS		5,245,786	4,536,353
EQUITY			
Issued capital	9	18,454,855	18,372,780
Reserves – share based payments	10	77,945	72,400
Reserves – options	11	388,118	388,118
Accumulated losses		(13,675,132)	(14,296,945)
Parent entity interest		5,245,786	4,536,353
Non-controlling interest			
TOTAL EQUITY		5,245,786	4,536,353

The Statement of Financial Position is to be read in conjunction with the attached notes.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
Statement of Cash Flows
For the half year ended 31 December 2016

	Note	Economic Entity 31 Dec 2016 \$	31 Dec 2015 \$
Cash flows from operating activities			
Payments to suppliers and employees		(206,837)	(190,860)
Purchases of investments		-	(48,535)
Interest received		115	525
Finance costs paid		-	(1,202)
Net cash used in operating activities		(206,722)	(240,072)
Cash flows from investing activities			
Repayment of loans to related entities		-	-
Payment for purchase of business, net of cash acquired		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Issuance of new equity		84,000	-
Cost of equity issuance		(1,925)	-
Issuance of options		-	401,543
Cost of options issuance		-	(14,289)
Net cash provided by financing activities		82,075	387,254
Net increase in cash		(124,647)	147,182
Cash at beginning of period		394,079	455,691
Cash at end of period	6	269,432	602,873

The Statement of Cash Flows is to be read in conjunction with the attached notes.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
Statement of Changes in Equity
For the half year ended 31 December 2016

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	Share based payments	Options		
	\$	\$	\$	\$
At 30 June 2015	18,322,780	54,820	- (14,559,931)	3,817,669
Total comprehensive income for the period	-	-	338,802	338,802
Share based payments	-	9,515	-	9,515
Issue of options	-	-	401,543	401,543
Cost of issue of options	-	-	(13,425)	(13,425)
At 31 December 2015	18,322,780	64,335	388,118 (14,221,129)	4,554,104
Total comprehensive income for the period	-	-	(75,816)	(75,816)
Issuance of options - reserve	-	-	-	-
Share based payments reserve	-	8,065	-	8,065
Contribution of equity (net)	50,000	-	-	50,000
At 30 June 2016	18,372,780	72,400	388,118 (14,296,945)	4,536,353
Total comprehensive income for the period	-	-	621,813	621,813
Share based payments reserve	-	5,545	-	5,545
Contribution of equity (net)	84,000	-	-	84,000
Cost of issue of options	(1,925)	-	-	(1,925)
At 31 December 2016	18,454,855	77,945	388,118 (13,675,132)	5,245,786

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial report was approved by the Board of Directors on 16 February 2017.

This interim consolidated financial report has been prepared in accordance with Accounting Standard AASB 134 and is to be read in conjunction with the annual financial report for the financial year ended 30 June 2016 ("**2016 Annual Report**"). The 2016 Annual Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The half yearly report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report. Accordingly, it is recommended that this financial report be read in conjunction with the 2016 Annual Report and any public announcements made by Australian Rural Capital Limited ("**ARC**") during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies have been followed as those applied and discussed in the 2016 Annual Report.

The functional and presentation currency of ARC is Australian dollars.

Economic Entity	
31 Dec 2016	31 Dec 2015
\$	\$

NOTE 2: REVENUES

Revenues are comprised as follows:

Interest revenue	115	525
Change in fair value of investments retained	830,022	536,559
Total revenues	830,137	537,084

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2016	31 Dec 2015
	\$	\$
NOTE 3: EXPENSES		
Expenses excluding finance costs are comprised as follows:		
Directors fees and costs – cash	101,574	77,500
Directors fees and costs – share based	5,545	9,515
Insurance	17,195	17,235
Office and occupancy expenses	8,000	791
Other expenses	76,010	87,521
Total expenses excluding finance costs	208,324	192,562

NOTE 4: FINANCE COSTS

Cost of finance attributable to loans from other entities	-	1,202
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NOTE 5: DIVIDENDS PAID OR PROPOSED

Declared and paid during the period

Total dividends paid	-	-
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Proposed and not recognised as a liability (fully franked at 30%)

Interim franked dividend for period to 31 December 2016: nil (30 June 2016: nil)	-	-
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The current balance of the franking account, prior to accounting for any taxation paid in relation to the result for the latest period is \$21,682.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2016	30 June 2016
	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand and at bank	269,432	394,079
Net cash and cash equivalents as per statement of cash flows	269,432	394,079
NOTE 7: FINANCIAL ASSETS		
CURRENT:		
Fair value through profit and loss:		
Listed investments at fair value – shares in listed corporations	4,980,045	4,150,022
TOTAL	4,980,045	4,150,022

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		31 Dec 2016	30 June 2016
Parent Entity:			
Australian Rural Capital Limited	Australia		
Controlled Entities of Tidewater Investments Limited:			
Australian Rural Capital Investor Pty, Ltd (a)	Australia	100%	-
Australian Rural Capital Management Pty. Ltd (b)	Australia	100%	100%

(a) Registered 12 August 2016

(b) Formerly Foundry Investment Partners Pty. Limited

NOTE 9. EQUITY – ISSUED CAPITAL

	31 Dec 2016	30 June 2016
	\$	\$
9,173,181 fully paid authorised ordinary shares (30 June 2016: 9,023,181)	18,454,855	18,372,780

MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE PERIOD

Date	Details	Number of shares	\$
30 June 2016	Opening balance	9,023,181	18,372,780
14 October 2016	Additions	150,000	84,000
14 October 2016	Share issue transaction costs	-	(1,925)
31 December 2016	Closing balance	9,173,181	18,454,855

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10. EQUITY: RESERVES - SHARE BASED PAYMENTS

Executive Remuneration

On 4 August 2014, the company issued 450,000 unlisted options each exercisable into one new share of ARC at a price of 70c per share before 31 December 2020 to the Executive Chairman, James Jackson. The options vest in three tranches of 150,000 on 25 July 2015, 25 July 2016 and 24 July 2017 providing James Jackson is still an employee of the company. These options had a fair value at the grant date of 12.75c per option. The cost of the options is amortised over the relevant period to full vesting and equated to \$3,867 in the period to 31 December 2016 (2015: \$9,515).

On 14 October 2016, the company issued 400,000 unlisted options each exercisable into one new share of ARC as per the following table (300,000 to James Jackson and 100,000 to Wayne Massey);

Issue	Number of Options	Vesting Condition
Tranche 1	133,333	If ARC Share Price is \$0.80 by 31 October 2018 based on the VWAP for the month of October 2018
Tranche 2	133,333	If ARC Share Price is \$0.90 by 31 October 2019 based on the VWAP for the month of October 2019
Tranche 3	133,334	If ARC Share Price is \$1.00 by 31 October 2020 based on the VWAP for the month of October 2020

The options vest in three tranches of 133,333 on 31 October 2018, 31 October 2019 and 31 October 2020 providing James Jackson and Wayne Massey are still an employee of the company. These options had a fair value at the grant date of 12c per option. The cost of the options is amortised over the relevant period to full vesting and equated to \$1,678 in the period to 31 December 2016 (2015: \$0).

Advisory Services

On 4 August 2014, the company issued 240,000 unlisted options each exercisable into one new share of ARC at a price of 70c per share before 31 December 2018 to Baron Partners Limited. The options fully vested upon issue. These options had a fair value at the grant date of 9.28c per option. The cost of the options of \$22,268 was fully expensed in the period to 31 December 2014.

NOTE 11. EQUITY: RESERVES – LISTED OPTIONS

Date	Details	Number of listed options	\$
30 June 2016	Opening balance	7,930,863	388,118
31 December 2016	Closing balance	7,930,863	388,118

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the fair value measurement being:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

31 December 2016	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	4,980,045	-	-	4,098,045
TOTAL	4,980,045	-	-	4,098,045
30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	4,150,022	-	-	4,150,022
TOTAL	4,150,022	-	-	4,150,022

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

There are no financial liabilities outstanding at 30 June 2016 and 31 December 2016 necessitating comparison of similar financial liabilities.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: SEGMENT INFORMATION

The Economic Entity's activities have been divided into two specific segmental groups, operating in one geographical region, being Australia:

Funds management: the management of investment vehicles and provision of other funds management services;

Investment: investment in listed and unlisted Australian companies and securities.

Unallocated expenses include all financing costs except those directly attributable to investment, and personnel costs associated with the Economic Entity except the use of outside personnel as Directors of partly owned subsidiaries and compliance committees which are capable of allocation to a specific business segment; interest and dividend income is allocated to "Investment".

Six months to 31 December 2016	Funds M'ment	Investment	Unallocated	TOTAL
	\$	\$	\$	\$
Revenue	-	830,022	-	830,022
Interest revenue	-	115	-	115
Expenses other than finance, depreciation & amortisation	(4,595)	-	(203,729)	(208,324)
SEGMENT RESULT	(4,595)	830,137	(203,729)	621,813
Finance costs	-	-	-	-
PROFIT BEFORE INCOME TAX	(4,595)	830,137	(203,729)	621,813
Income tax expense	-	-	-	-
PROFIT AFTER INCOME TAX	(4,595)	830,137	(203,729)	621,813
Segment Assets	2,490	5,249,476	26,722	5,278,688
Segment Liabilities	240	-	32,662	32,902
Six months to 31 December 2015	Funds M'ment	Investment	Unallocated	TOTAL
	\$	\$	\$	\$
Revenue	-	536,559	-	536,559
Interest revenue	-	525	-	525
Expenses other than finance, depreciation & amortisation	(1,009)	-	(191,553)	(192,562)
SEGMENT RESULT	(1,009)	537,084	(193,571)	344,522
Finance costs	-	-	(1,202)	(1,202)
LOSS BEFORE INCOME TAX	(1,009)	537,084	(192,755)	343,320
Income tax expense	-	-	(4,518)	(4,518)
LOSS AFTER INCOME TAX	(1,009)	537,084	(197,273)	338,802
Segment Assets	3,042	4,574,484	32,138	4,609,664
Segment Liabilities	240	-	55,320	55,560

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14. EVENTS AFTER THE REPORTING DATE

No matter or circumstance has arisen since the end of the period which, in the opinion of the directors, has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'J. A. Jackson', with a long horizontal flourish extending to the right.

James A Jackson
Executive Chairman

16 February 2017

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUSTRALIAN RURAL CAPITAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australian Rural Capital Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australian Rural Capital Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

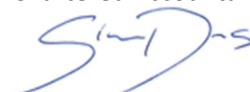
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian Rural Capital Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Stewart Douglas
Director
Brisbane

16 February 2017