



19 February 2020

## Appendix 4D

### Half-year report

### Period ended 31 December 2019

**WESTOZ INVESTMENT COMPANY LIMITED**

**ABN 99 113 332 942**

**Results for announcement to the market**

*Extracts from this report for announcement to the market*

**\$AUD**

Extracts from this report for announcement to the market					\$AUD
	31 Dec 2019	31 Dec 2018	Change \$	Change %	
Revenue from ordinary activities	\$2,782,476	\$3,157,971	(\$375,495)	(12)%	
Profit/(loss) from ordinary activities after tax attributable to members	\$15,362,316	(\$14,206,440)	\$29,568,756	208%	
Net Profit/(loss) for the period attributable to members	\$15,362,316	(\$14,206,440)	\$29,568,756	208%	
<b>Net Tangible Assets per share</b>	\$1.223	\$1.085		13%	
<b>Dividends and Distributions</b>	Amount per security		Franked amount per security		
Interim Dividend	3 cents		3 cents		
Record date for determining entitlements to the interim dividend			4 Feb 2020		
DRP election date			5 Feb 2020		
Interim dividend payable date			21 Feb 2020		
<b>The Company's dividend reinvestment plan is applicable to the interim dividend.</b>					

For further information please contact:

**Anthony Hewett**  
Company Secretary  
P: 08 9488 1400  
E: [ahewett@euroz.com](mailto:ahewett@euroz.com)

*This announcement is authorised for release by the officer named above.*

**Reporting period**

*The financial information contained in this report is for the period ended 31 December 2019. This document should be read in conjunction with the Financial Report and any public announcements made in the period by Westoz Investment Company Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.*

Westoz Investment Company Limited  
ABN 99 113 332 942

**Half Year Financial Report**  
**For the half-year ended 31 December 2019**

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**CONTENTS**

Corporate Directory.....	2
Directors' Report.....	3
Auditor's Independence Declaration.....	4
Statement of Profit or Loss and Other Comprehensive Income.....	5
Statement of Financial Position.....	6
Statement of Cash Flows.....	7
Statement of Changes in Equity.....	8
Notes to the Financial Statements.....	9
Directors' Declaration.....	15
Independent Review Report.....	16

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**CORPORATE DIRECTORY**

**REGISTERED OFFICE**

Level 18, Alluvion  
58 Mounts Bay Road  
PERTH WA 6000

Telephone: (08) 9321 7877  
Facsimile: (08) 9321 8288  
Website: [www.westoz.com.au](http://www.westoz.com.au)

**AUDITORS**

Ernst & Young  
11 Mounts Bay Road  
PERTH WA 6000

**BANKERS**

Westpac Banking Corporation  
109 St George's Terrace  
PERTH WA 6000

**SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
PERTH WA 6000

Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

**BOARD OF DIRECTORS**

**Jay Hughes**

Non-Executive Chairman

**Terry Budge**

Independent Non-Executive Director

**Simon Joyner**

Independent Non-Executive Director

**Anthony Hewett**

Company Secretary

# **WESTOZ INVESTMENT COMPANY LIMITED**

## **FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

### **DIRECTORS' REPORT**

Your Directors submit their report for the half-year ended 31 December 2019.

#### **1. DIRECTORS**

The names of the Directors of the Company in office during the financial period and until the date of this report are as follows:

Jay Hughes  
Terry Budge  
Simon Joyner

#### **2. REVIEW AND RESULTS OF OPERATIONS**

Results of the Company's operations during the period ended 31 December 2019 are as follows:

- A net profit after tax of \$15,362,316 was recorded for the period. This included gains and losses on investments, interest income, dividend income and changes in the fair value of financial assets designated at fair value through profit and loss held as at 31 December 2019;
- An interim dividend of \$4,024,779 (3.0 cents per share) has been provided for at 31 December 2019; and
- Net assets per share was 122.3 cents per share at 31 December 2019. This figure is calculated by dividing the net assets as set out in the Statement of Financial Position by the number of ordinary shares on issue as at the reporting date and is after allowance for dividends and all costs.

After considering the above results following the completion of the half-year to 31 December 2019, the Directors remain confident that the Company's objectives will be met over its investment horizon.

#### **3. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

No material matters have occurred since 31 December 2019.

#### **4. AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is included on page 4 and forms part of the Westoz Investment Company Limited's Directors' Report for the half year ended 31 December 2019.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



**Jay Hughes**  
**Non-Executive Chairman**

**19 February 2020**

**WESTOZ INVESTMENT COMPANY LIMITED  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**



Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

**Auditor's independence declaration to the Directors of Westoz  
Investment Company Limited**

As lead auditor for the review of the half-year financial report of Westoz Investment Company Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young', with a horizontal line extending to the right.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Robert A Kirkby', with a horizontal line extending to the right.

Robert A Kirkby  
Partner  
19 February 2020

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	31/12/2019 \$	31/12/2018 \$
<b>Revenue</b>			
Interest revenue		91,955	169,785
Dividend revenue		<u>2,690,521</u>	<u>2,988,186</u>
<b>Total revenue</b>		<u>2,782,476</u>	<u>3,157,971</u>
Changes in the fair value of investments at fair value through profit or loss	4	<u>20,904,700</u>	<u>(23,395,970)</u>
		23,687,176	(20,237,999)
<b>Expenses</b>			
Manager's fees		2,623,107	892,201
Directors' fees		55,000	55,000
Professional fees		475	2,066
ASX fees		63,791	64,343
Other expenses		<u>59,805</u>	<u>80,573</u>
<b>Total expenses</b>		<u>2,802,178</u>	<u>1,094,183</u>
<b>Profit / (loss) before income tax</b>		20,884,998	(21,332,182)
Income tax (expense) / benefit		<u>(5,522,682)</u>	<u>7,125,742</u>
<b>Net profit / (loss) attributable to members of the company</b>		<u>15,362,316</u>	<u>(14,206,440)</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income / (Loss) for the Period</b>		<u>15,362,316</u>	<u>(14,206,440)</u>
<b>Earnings / (loss) per share (cents)</b>			
Basic and Diluted		11.5	(10.7)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**WESTOZ INVESTMENT COMPANY LIMITED**  
**AS AT 31 DECEMBER 2019**

**STATEMENT OF FINANCIAL POSITION**

	Note	31/12/2019 \$	30/06/2019 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		17,143,032	29,768,047
Due from broker in relation to short sales		-	11,303,542
Tax Receivable		794,823	-
Other Current Assets		238,519	51,914
<b>Total current assets</b>		<u>18,176,374</u>	<u>41,123,503</u>
<b>Non-Current Assets</b>			
Investments in financial assets designated at fair value through profit or loss:			
- Listed Equities	4	154,445,775	129,120,364
Deferred Tax Assets	7	-	2,048,676
<b>Total non-current assets</b>		<u>154,445,775</u>	<u>131,169,040</u>
<b>Total Assets</b>		<u>172,622,149</u>	<u>172,292,543</u>
<b>Current Liabilities</b>			
Trade and Other Payables		2,115,321	478,256
Tax Payable		-	1,783,787
Liabilities at fair value through profit or loss:			
- Equity securities sold short	4	-	14,190,000
Dividend Payable	10	4,024,779	3,997,309
<b>Total current liabilities</b>		<u>6,140,100</u>	<u>20,449,352</u>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	7	2,357,775	-
<b>Total non-current liabilities</b>		<u>2,357,775</u>	<u>-</u>
<b>Total Liabilities</b>		<u>8,497,875</u>	<u>20,449,352</u>
<b>Net Assets</b>		<u>164,124,274</u>	<u>151,843,191</u>
<b>Equity</b>			
Contributed Equity	5	143,764,920	142,794,312
Profit Reserve	6	47,504,162	39,606,065
Accumulated Losses		(27,144,808)	(30,557,186)
<b>Total Equity</b>		<u>164,124,274</u>	<u>151,843,191</u>

*The above statement of financial position should be read in conjunction with the accompanying notes.*



**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**STATEMENT OF CASH FLOWS**

	Note	31/12/2019 \$	31/12/2018 \$
<b>Cash flows from operating activities</b>			
Interest received		91,955	169,785
Dividends received		2,690,521	2,988,186
Payments to suppliers and employees (inclusive of GST)		(1,351,717)	(565,425)
Tax paid		(3,694,841)	(2,094,815)
<b>Net cash flows (used in) / from operating activities</b>		<u>(2,264,082)</u>	<u>497,731</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments designated as at fair value through profit and loss		78,263,258	47,760,913
Payments for purchases of investments designated as at fair value through profit and loss		(85,570,427)	(67,051,509)
<b>Net cash flows used in investing activities</b>		<u>(7,307,169)</u>	<u>(19,290,596)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares, net of issue costs		970,608	2,543,491
Share buyback		-	(7,992)
Dividend paid		(4,024,372)	(3,997,259)
<b>Net cash flows used in financing activities</b>		<u>(3,053,764)</u>	<u>(1,461,760)</u>
<b>Net decrease in cash held</b>		(12,625,015)	(20,254,625)
Cash and cash equivalents at the beginning of the period		<u>29,768,047</u>	<u>44,689,356</u>
<b>Cash and cash equivalents at the end of the period</b>	9	<u><u>17,143,032</u></u>	<u><u>24,434,731</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Issued Capital</b>	<b>Profit Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	\$	\$	\$	\$
<b>At 1 July 2019</b>	142,794,312	39,606,065	(30,557,186)	151,843,191
Profit for the period	-	-	15,362,316	15,362,316
Total Comprehensive Income for the period	-	-	15,362,316	15,362,316
Transfer from Retained Earnings to Profit Reserve	-	11,949,938	(11,949,938)	-
Ordinary shares issued	970,608	-	-	970,608
Dividend for the period	-	(4,051,841)	-	(4,051,841)
<b>At 31 December 2019</b>	<u>143,764,920</u>	<u>47,504,162</u>	<u>(27,144,808)</u>	<u>164,124,274</u>

	<b>Issued Capital</b>	<b>Profit Reserve</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	\$	\$	\$	\$
<b>At 1 July 2018</b>	140,240,316	47,672,512	(27,619,663)	160,293,165
Loss for the period	-	-	(14,206,440)	(14,206,440)
Total Comprehensive Loss for the period	-	-	(14,206,440)	(14,206,440)
Ordinary shares issued	2,545,596	-	-	2,545,596
Share Issue Costs	(2,105)	-	-	(2,105)
Share Buyback	(7,992)	-	-	(7,992)
Dividend for the period	-	(4,069,092)	-	(4,069,092)
<b>At 31 December 2018</b>	<u>142,775,815</u>	<u>43,603,420</u>	<u>(41,826,103)</u>	<u>144,553,132</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

# WESTOZ INVESTMENT COMPANY LIMITED

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. Corporate information

The financial report of Westoz Investment Company Limited for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors on 19 February 2020.

Westoz Investment Company Limited is a company limited by shares that is incorporated and domiciled in Australia whose shares are listed on the Australian Stock Exchange. The registered office is located at Level 18, Alluvion 58 Mounts Bay Road Perth, Western Australia 6000.

Westoz Investment Company Limited does not control any entities at 31 December 2019 (2018: nil).

The company had no paid employees as at 31 December 2019 (2018: nil).

The nature of the operations and principal activities of the Company are as an investment company.

#### 2. Basis of preparation and accounting policies

##### Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2019 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the 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 Company as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2019 and considered together with any public announcements made by Westoz Investment Company Limited during the half-year ended 31 December 2019 in accordance with the continuous disclosure obligations of the ASX listing rules.

##### Changes in accounting policy

The accounting policies and methods of computation are consistent with those of the most recent annual financial report.

All accounting standards and interpretations that are applicable from 1 July 2019 have been adopted including:

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	<p>This Standard amends AASB 9 Financial Instruments to permit entities to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature. This is subject to meeting other conditions, such as the nature of the business model relevant to the financial asset. Otherwise, the financial assets would be measured at fair value through profit or loss.</p> <p>The Standard also clarifies in the Basis for Conclusion that, under AASB 9, gains and losses arising on modifications of financial liabilities that do not result in derecognition should be recognised in profit or loss.</p>	1 January 2019	1 July 2019
AASB 2018-1	Australian Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	<p>The amendments clarify certain requirements in:</p> <ul style="list-style-type: none"> <li>AASB 3 Business Combinations and AASB 11 Joint Arrangements - previously held interest in a joint operation</li> <li>AASB 112 Income Taxes - income tax consequences of payments on financial instruments classified as equity</li> <li>AASB 123 Borrowing Costs - borrowing costs eligible for capitalisation.</li> </ul>	1 January 2019	1 July 2019

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

AASB 2017-4	Uncertainty over Income Tax Treatments	<p>The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 <i>Income Taxes</i> when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:</p> <ul style="list-style-type: none"> <li>• Whether an entity considers uncertain tax treatments separately</li> <li>• The assumptions an entity makes about the examination of tax treatments by taxation authorities</li> <li>• How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates</li> <li>• How an entity considers changes in facts and circumstances.</li> </ul>	1 January 2019	1 July 2019
----------------	---	--	----------------	-------------

These amendments are effective for annual periods beginning on or after 1 July 2019. The adoption of these amendments had no material impact on the financial position or performance of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**3. Segment information**

For management purposes, the Company is organised into one segment, which invests in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. Changes in fair value of investments at fair value through profit or loss**

	31/12/2019	31/12/2018
	\$	\$
Net realised gain in the current period on disposal of investments		
- listed equities	6,216,531	3,489,075
Net unrealised gain / (loss) on investments		
- listed equities	14,688,169	(26,885,045)
	<u>20,904,700</u>	<u>(23,395,970)</u>

The primary reason for the change in fair values was movement in market prices for listed investments held in the investment portfolio. The fair values of the Company's financial assets have been affected by changes in the broad economic and fiscal environment as well as specific matters that impact the value of individual investments. Specific factors that have impacted the portfolio are changes in outlook for interest rates, commodity prices and economic growth. Individual stock positions have been impacted by changes in earnings expectations, balance sheet structures and ability to generate cash flow. Managing the investment portfolio in the face of these and other changes is inherent in the Company's activities and they are managed in accordance with the financial risk management objectives and policies as disclosed in the most recent annual financial report of the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices, those involving valuation techniques where model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs. The fair value of all other financial instruments approximates their carrying value.

	31 December 2019			
	Valued at Quoted market price (Level 1)	Valuation Technique market observable inputs (Level 2)	Valuation Technique non – market observable inputs (Level 3)	Total
<b>Financial assets and liabilities at fair value through profit or loss</b>				
<i>Listed equities – long</i>	154,445,775	-	-	154,445,775
	<b>154,445,775</b>	<b>-</b>	<b>-</b>	<b>154,445,775</b>

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. Changes in fair value of investments at fair value through profit or loss (cont'd)**

	<b>30 June 2019</b>			
	<b>Valued at Quoted market price (Level 1)</b>	<b>Valuation Technique market observable inputs (Level 2)</b>	<b>Valuation Technique non – market observable inputs (Level 3)</b>	<b>Total</b>
<b>Financial assets and liabilities at fair value through profit or loss</b>				
<i>Listed equities - long</i>	129,120,364	-	-	129,120,364
<i>Listed equities - short</i>	(14,190,000)	-	-	(14,190,000)
	<b>114,930,364</b>	<b>-</b>	<b>-</b>	<b>114,930,364</b>

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

The fair value of listed equity is based on quoted market prices at the reporting date (bid price for long positions), without any deduction for transaction costs.

For instruments for which there is currently no active market the Company uses valuation methods generally accepted in the industry. Some of the inputs to those methods may not be market observable and are therefore estimated based on assumptions. In the case of unlisted equities, recent transactional evidence has been obtained that supported the current valuation. If, in the future, similar transactions occur at significantly different values, the fair value of unlisted equities will be revised appropriately.

**5. Contributed equity**

		31/12/2019	30/06/2019
		\$	\$
<b>Ordinary Shares</b>			
(a)	134,159,287 (June 2019: 133,243,619) fully paid ordinary shares	<u>143,764,920</u>	<u>142,794,312</u>
(b)	<b>Movements in ordinary shares on issue</b>		
		<b>Number of Shares</b>	<b>\$</b>
			<b>Number of Shares</b>
			<b>\$</b>
	Beginning of the financial period	133,243,619	142,794,312
	Issued during the period		
-	Option exercise	915,668	970,608
-	Share buyback	-	-
		<u>134,159,287</u>	<u>143,764,920</u>
			<u>133,243,619</u>
			<u>142,794,312</u>

**(c) Terms and conditions of contributed equity**

The company does not have authorised capital nor par value in respect of its issued capital. Ordinary fully paid shares have the right to receive dividends as declared and in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. Reserves**

	<b>31/12/2019</b>	<b>30/06/2019</b>
	<b>\$</b>	<b>\$</b>
Profit Reserve	<u>47,504,162</u>	<u>39,606,065</u>
	<u>47,504,162</u>	<u>39,606,065</u>
The profit reserve is made up of amounts allocated from retained earnings that are preserved for future dividend payments.		
Movement in Profits Reserve		
Balance at beginning of the year	39,606,065	47,672,512
Transferred from retained earnings (a)	11,949,938	-
Provision for / payment of dividend	<u>(4,051,841)</u>	<u>(8,066,447)</u>
	<u>47,504,162</u>	<u>39,606,065</u>

(a) The amount transferred to profit reserve is the profit for the period 1 July 2019 to 30 September 2019 in accordance with resolutions of the Board of Directors dated 30 October 2019.

**7. Deferred income tax**

**Deferred Income tax**

Deferred income tax at 31 December 2019 relates to the following:

	<b>Statement of financial position</b>		<b>Statement of comprehensive income</b>	
	<b>31/12/2019</b>	<b>30/06/2019</b>	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Deferred Tax Assets</i>				
Accruals and provisions	26,048	-	(26,048)	-
Unrealised loss on investments in financial assets	-	2,048,676	2,048,676	2,775,134
<i>Total DTA</i>	<u>26,048</u>	<u>2,048,676</u>	<u>2,022,628</u>	<u>2,775,134</u>
<i>Deferred Tax Liabilities</i>				
Unrealised gain on investments in financial assets	(2,383,823)	-	2,383,823	5,290,379
<i>Total DTL</i>	<u>(2,383,823)</u>	<u>-</u>	<u>2,383,823</u>	<u>5,290,379</u>
<i>Net DTA/(DTL)</i>	<u>(2,357,775)</u>	<u>2,048,676</u>	<u>4,406,451</u>	<u>8,065,513</u>

Deferred tax assets in the prior year relate to unrealised losses on investments in financial assets and recognised tax losses. The recognition of these assets was based on an assessment that it is probable that future taxable profits would be generated against which these assets can be utilised.

The company believed that such future taxable profits would be generated based on the following:

- The manager has in the past demonstrated an ability to generate taxable profits requiring cash tax payments to be made;
- The manager has a medium to long term investment strategy so future profitability should be judged over an extended period; and
- Return expectations for the market and the portfolio remain consistent with historical results over a reasonable time horizon.

**8. Events subsequent to balance date**

No matters or events have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent financial periods.

**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**NOTES TO THE FINANCIAL STATEMENTS**

**9. Notes to the cash flow statement**

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>\$</b>	
Cash at bank and in hand	<u>17,143,032</u>	<u>24,434,731</u>

**10. Dividends paid or provided for on ordinary shares**

**Ordinary Shares**

Final dividend of 3.0 cents per share paid on 30 August 2019 (2018: 3.0 cents per share).	4,024,372	3,997,259
Interim dividend of 3.0 cents per share declared and provided for at 31 December 2019 (2018: 3.0 cents per share per fully paid ordinary share). Fully franked based on tax paid or payable at 30%)	4,024,779	3,997,144
Total dividend paid or payable	<u>8,049,151</u>	<u>7,994,403</u>

**11. Related party disclosures**

The Directors of Westoz Investment Company Limited during the period were Mr Jay Hughes, Mr Terry Budge and Mr Simon Joyner. During the half-year ended 31 December 2019, directors' fees of \$55,000 (2018: \$55,000) were paid.

Westoz Funds Management Pty Ltd, a company of which Mr Hughes is a Director, provides Key Management Personnel ("KMP") services to Westoz Investment Company Limited as it has the authority for the management of the investment portfolio of Westoz Investment Company Limited. Westoz Funds Management Pty Ltd received management fees from the Company for the management of its assets. A fee of \$855,338 (2018: \$892,201) was charged in the period for these services. A \$1,767,769 accrual was made for payment of a performance fee in the current period (2018: nil).

These fees were charged in accordance with a management agreement, the terms of which have been disclosed.

Euroz Securities Limited, a company of which Mr Hughes is a Director, received brokerage fees for transactions undertaken by the Company in respect of its investments. An amount of \$550,483 (2018: \$359,516) was paid in the period as brokerage to Euroz Securities Limited.

The above transactions were entered into on normal commercial terms.



**WESTOZ INVESTMENT COMPANY LIMITED**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Westoz Investment Company Limited, the Directors declare that:

In the opinion of the Directors:

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

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Jay Hughes', with a stylized flourish extending to the right.

**Jay Hughes**  
**Non-Executive Chairman**

**19 February 2020**



Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Independent auditor's review report to the Members of Westoz Investment Company Limited

### Report on the half-year financial report

#### Conclusion

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

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

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

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

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2019 and its financial 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 the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

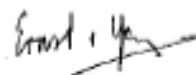
**WESTOZ INVESTMENT COMPANY LIMITED  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**



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*.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is positioned above the company name.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Robert A Kirkby', is positioned above the name.

Robert A Kirkby  
Partner  
Perth  
19 February 2020