

Interim Financial Statements

Fitzroy River Corporation Ltd
For the half-year ended 31 December 2015

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Directors' Report

The Directors of Fitzroy River Corporation Limited ('Fitzroy River Corporation') present their Report together with the financial statements of Fitzroy River Corporation ('the Company') for the half-year ended 31 December 2015.

Director details

The following persons were Directors of Fitzroy River Corporation during or since the end of the financial half-year:

- Mr Malcom McComas
- Ms Susan Thomas
- Mr Justin Clyne

Review of operations and financial results

The Company's operations during the half-year are reviewed as follows.

The Company's primary focus has been in Western Australia, specifically the Canning Basin where the Company holds royalty interests in several permits via two separate Royalty Deeds. During the half-year, the Company has also been active in pursuing investment opportunities in additional royalty interests, free carried interests and minor equity positions in oil and gas projects. During the half-year the Company's income has depended on the activities and quantum of oil production and sales by third parties.

As at the end of the half-year, the Company had cash and cash equivalent assets (\$6.5million) and cash on deposit (\$3.0million) totalling \$9.5million (30 June 2015: \$10.3million) and net assets of \$10.9 million. The Company's primary assets are its royalty interests which, for accounting purposes, are not recognised on the balance sheet.

The Company continues to hold 44,444 shares in Columbus Energy Ltd (Columbus), a Canadian listed company in the energy sector. The shares in Columbus were consolidated during the period on the basis of all Columbus shareholders receiving 1 post consolidation share for every 30 shares held pre consolidation. Pre consolidation Fitzroy held 1,333,333 shares in Columbus. Fitzroy River Corporation also continues to hold 7.10 million shares in High Peak Royalties Limited and acquired 3.30 million shares in Royalco Resources Limited.

Directors' Report

The Company holds royalty interests in several permits in the Canning Basin (via 2 separate Royalty Deeds). Royalty revenue is recognised on an accruals basis in accordance with the substance of the relevant Royalty Deeds.

Statement of profit or loss and other comprehensive income.

The company incurred a loss of \$0.52 million (31 December 2014: \$0.19m) for the half-year ended 31 December 2015. The following explains how this arose.

- Operating expenditure was \$0.33 million (31 December 2014: \$0.55m) in respect of the company's administrative expenses;
- The company incurred impairment loss of \$0.38 million on investments classified as available for sale. The decline in fair value investments of \$0.37 million was recognised in other comprehensive income in the company's financial statements for the year ended 30 June 2015 but reclassified to profit or loss in the current period;
- Revenue of \$0.19 million (31 December 2014: \$0.36m) mainly comprised of royalties and interest, reflecting a decrease in cash balances held during the half-year;

Loss per share has decreased during the period to \$0.57 (31 December 2014: \$0.20).

Statement of financial position

During the period, the company acquired 3,325,285 shares in Royalco Resources Limited totalling \$0.7 million.

Statement of changes in equity

The movement in equity during the half-year was the loss for the period and the movement in fair value of the shares held in other companies.

Directors' Report

Statement of cash flows

Overall there was a cash outflow from operations during the half-year as a result of the operating loss for the period and from investing activities. This was off-set by the inflow of funds from the royalties received during the period.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 6 of this financial report and forms part of this Directors Report.

Rounding of amounts

Fitzroy River Corporation is a type of Company referred to in ASIC Class Order 98/100 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the class order.

Signed in accordance with a resolution of the Directors.



Malcolm McComas
Director

10 March 2016

The Board of Directors
Fitzroy River Corporation Limited
GPO Box 4626
Sydney NSW 2001

10 March 2016

Dear Board Members

Fitzroy River Corporation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Fitzroy River Corporation Limited.

As lead audit partner for the review of the financial statements of Fitzroy River Corporation Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU


Weng W Ching
Partner
Chartered Accountants

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2015

	Notes	31-Dec-2015 \$'000	31-Dec-2014 \$'000
Revenue		194	364
Other income		-	6
Professional and consultancy fees		(75)	(351)
Impairment loss on investments	10	(378)	-
Other expenses		(263)	(203)
Loss before tax		(522)	(184)
Tax expense		-	-
Loss for the period		(522)	(184)
Other comprehensive (loss)/income for the period, net of tax		402	1
Total comprehensive loss for the period		(120)	(183)
Loss per share	5		
Basic (cents per share)		(0.57)	(0.20)
Diluted (cents per share)		(0.57)	(0.20)

The accompanying notes form part of these financial statements.

Condensed Statement of Financial Position

As at 31 December 2015

	Notes	31-Dec-2015 \$'000	30-Jun-2015 \$'000
Assets			
<i>Current</i>			
Cash and cash equivalents		6,525	7,357
Trade and other receivables		95	90
Other assets		5	10
Other financial assets		3,000	3,000
Current assets		9,625	10,457
<i>Non-current</i>			
Other financial assets		1,282	539
Non-current assets		1,282	539
TOTAL ASSETS		10,907	10,996
Liabilities			
<i>Current</i>			
Trade and other payables		38	7
Current liabilities		38	7
Non-current liabilities		-	-
TOTAL LIABILITIES		38	7
Net assets		10,869	10,989
Equity			
Issued capital	6	42,284	42,284
Reserves		34	(368)
Accumulated losses		(31,449)	(30,927)
Total Equity		10,869	10,989

The accompanying notes form part of these financial statements.

Condensed Statement of Changes in Equity

For the half-year ended 31 December 2015

	Issued Capital \$'000	Available for sale investment reserve \$'000	Accumulated losses \$'000	Total Equity \$'000
Balance at 1 July 2015	42,284	(368)	(30,927)	10,989
Loss for the period	-	-	(522)	(522)
Other comprehensive income		402	-	402
Total comprehensive income	-	402	(522)	(120)
Balance at 31 December 2015	42,284	34	(31,449)	10,869

The accompanying notes form part of these financial statements.

Condensed Statement of Changes in Equity (continued)

For the half-year ended 31 December 2014

	Issued Capital \$'000	Available for sale investment reserve \$'000	Accumulated losses \$'000	Total Equity \$'000
Balance at 1 July 2014	42,284	2	(30,143)	12,143
Loss for the period	-	-	(184)	(184)
Other comprehensive income	-	1	-	1
Total comprehensive income	-	1	(184)	(183)
Balance at 31 December 2014	42,284	3	(30,327)	11,960

The accompanying notes form part of these financial statements.

Condensed Statement of Cash Flows

For the half-year ended 31 December 2015

	Notes	31-Dec-2015 \$'000	31-Dec-2014 \$'000
Operating activities			
Payments to suppliers		(301)	(595)
Interest and royalties received		188	397
Income tax refunded		-	7
Net cash used in operating activities		(113)	(191)
Investing activities			
Purchase of available for sale investments		(719)	-
Net cash used in investing activities		(719)	-
Financing activities			
Net cash from financing activities		-	-
Net change in cash and cash equivalents		(832)	(191)
Cash and cash equivalents, beginning of period		7,357	8,930
Cash and cash equivalents, end of period		6,525	8,739

The accompanying notes form part of these financial statements.

Notes to the Condensed Interim Financial Statements

1 Corporate Information

These condensed financial statements represent those of Fitzroy River Corporation Limited ('Fitzroy River Corporation' or the 'Company') for the half-year ended 31 December 2015.

The principal activities of the Company are being an oil and gas investment holding company with a focus on non-operational assets such as royalties, free carried interests, and minority equity positions. The Company's primary focus is on Western Australia, specifically the 'Canning Superbasin' where the Company holds royalty interests via 2 separate Royalty Deeds.

2 Basis of preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2015 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

3 Significant accounting policies

The half-year financial report has been prepared in accordance with the same accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2015, except for the impact of the Standards and Interpretations described below.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period.

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

No new or revised Standards and Interpretations effective for the period under review are considered to materially impact the Company.

The principal accounting policies adopted are consistent with those of the previous financial year, unless stated otherwise.

The accounting policies have been applied consistently throughout the Company for the purposes of preparation of this half-year financial report.

4 Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2015.

5 Loss per share

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of Fitzroy River Corporation Ltd as the numerator, i.e. no adjustments to profits were necessary during the six (6) month period to 31 December 2015 and 2014.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-2015 \$'000s	6 months to 31-Dec-2014 \$'000s
Weighted average number of shares used in basic earnings per share	90,788,294	90,788,294
Weighted average number of shares used in diluted earnings per share	90,788,294	90,788,294

6 Issued capital

	31 December 2015 No.	31 December 2014 No.	31 December 2015 \$'000	31 December 2014 \$'000
At the beginning of the reporting period	90,788,294	90,788,294	42,284	42,284
Shares issued during the period	-	-	-	-
At reporting date	90,788,294	90,788,294	42,284	42,284

7 Contingent liabilities & assets

Possible joint and several liability under European contracts

There are no material changes in the contingent liabilities since the end of the last annual reporting period.

8 Fair value measurement of financial instruments

8.1 Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** 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:** Inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Company's financial assets and financial liabilities measured and recognised at fair value are as follows:

31 December 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Listed securities	1,282	-	-	1,282
Net fair value	1,282	-	-	1,282

30 June 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Listed securities	539	-	-	539
Net fair value	539	-	-	539

8.2 Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

9 Operating segments

The Board has determined that the Company presently has one reporting segment, being the investment in royalty interests in the Canning Superbasin in Western Australia. The Board monitors the Company based on actual versus budgeted revenue and expenditure incurred. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing activities.

10 Impairment Losses

	31 December 2015 \$'000	31 December 2014 \$'000
Cumulative loss reclassified from equity on impairment of available-for-sale investments	378	-
Total cumulative loss reclassified from equity on impairment of available-for-sale investments	378	-

11 Events after the reporting date

There are no matters or circumstances that have arisen since the end of the half-year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

- 1 In the opinion of the Directors of Fitzroy River Corporation Ltd ('Fitzroy River Corporation or the 'company'):
 - a The financial statements and notes of Fitzroy River Corporation Ltd are in accordance with the *Corporations Act 2001*, including:
 - i Giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
 - ii Complying with Accounting Standard AASB 134 *Interim Financial Reporting*; 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.

Signed in accordance with a resolution of the Directors:



Director
Malcolm McComas

Dated the 10th day of March 2016

Independent Auditor's Review Report to the Members of Fitzroy River Corporation Limited

We have reviewed the accompanying half-year financial report of Fitzroy River Corporation Limited, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on pages 7 to 15.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fitzroy River Corporation Limited's financial position as at 31 December 2015 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 Fitzroy River Corporation 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Fitzroy River Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's review report


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 Fitzroy River Corporation Limited 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 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Weng W Ching

Partner

Chartered Accountants

Sydney, 10 March 2016