



## **Annual Report 2014**

**Year ended 30 June 2014**



**SUNVEST CORPORATION LIMITED  
CORPORATE DIRECTORY**

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DIRECTORS:	Bruce Rowan Carole Christine Rowan Bruce David Burrell
COMPANY SECRETARY:	Bruce David Burrell MBA FCPA,
PRINCIPAL AND REGISTERED OFFICE:	Level 9 25 Bligh Street Sydney NSW 2000 Telephone: (02) 9376 6302 Facsimile: (02) 9376 6341
LONDON OFFICE:	34 Weymouth Street London W1G 6NH UK
SHARE REGISTRY:	Computershare Investor Services Pty Limited Level 5 115 Grenfell Street Adelaide SA 5000 GPO Box 1903 Adelaide SA 5001  Telephone: Within Australia 1300 556 161 Outside Australia 61 3 9615 400 Email enquiries : <a href="mailto:web.queries@computershare.com.au">web.queries@computershare.com.au</a>
AUDITORS:	Treston & Co 4 Creekwood Court Warner QLD 4500
BANKERS:	Commonwealth Bank of Australia
STOCK EXCHANGE LISTING:	Sunvest Corporation Limited shares are listed on the Australian Securities Exchange.

ABN 77 008 132 036

# TRESTON + CO

CHARTERED ACCOUNTANT

4 CREEKWOOD COURT

WARNER QLD 4500

PO BOX 245

ALBANY CREEK QLD 4035

MOBILE: 0419 022 118

EMAIL: [trestonco@bigpond.com](mailto:trestonco@bigpond.com)

ABN 40 512 060 761

*Liability limited by a scheme approved  
under Professional Standards Legislation*

The Directors  
Sunvest Corporation Limited  
Level 9  
25 Bligh Street  
Sydney NSW 2000

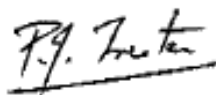
Dear Directors

## Auditor's Independence Declaration

As individual auditor for the audit of the financial report of Sunvest Corporation Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Treston & Co**



**Peter Treston**  
**Registered Company Auditor**  
Warner, Queensland  
29 September 2014

**SUNVEST CORPORATION LIMITED  
DIRECTORS' REPORT**

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Your directors present their report on the Company and its controlled entity (group or the consolidated entity) for the financial year ended 30 June 2014.

**1. Directors**

The following persons were directors of Sunvest Corporation Limited during the year and up to the date of this report:

Bruce Rowan  
Carole Rowan  
Bruce Burrell

**2. Principal Activities**

The principal activities of the consolidated entity during the financial year were investing in shares in other companies which are quoted or are intended to be quoted on a recognised exchange, in Australia and overseas.

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

**3. Dividends**

No dividends have been paid or declared for payment during the financial year or to the date of this report.

**4. Review of Operations**

The group result was a profit after tax of \$300,484 compared to a profit of \$990,613 in 2013.

Sales of shares resulted in a net profit of \$498,419 (2013 – profit of \$1,599,452) being recognised as a profit on sale of available-for-sale financial assets.

The fair value of the group share portfolio at 30 June 2014 was \$11,291,519 which compares to the June 2013 value of \$11,400,815.

The principal movements in the company's investment portfolio are as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Portfolio value at beginning of the year	11,400,815	17,145,429
Increase (decrease) to fair value – to equity	692,273	(3,798,359)
Disposals	(801,569)	(1,946,255)
Portfolio value at end of the year	<u>11,291,519</u>	<u>11,400,815</u>

The Company did not purchase any shares during the 2014 year. (2013 – nil purchases).

The Company had 1 share sale transaction with proceeds totalling \$801,569 (2013 – 2 transactions with proceeds of \$1,946,255) resulting in realised profits of \$498,419 (2013 – profit of \$1,599,452).

**SUNVEST CORPORATION LIMITED  
DIRECTORS' REPORT**

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**4. Review of Operations (continued)**

Details of the group investment portfolio are set out in Note 29 and in the 'ASX and Shareholder Additional Information' section at the rear of the annual report.

The directors believe that the group investment portfolio is satisfactory with an appropriate spread of investments in companies operating in different industries and in different geographical locations.

The Company has borrowings from a director but has no external borrowings. All debt, other than trade payables, is owed to directors and is unsecured.

From 1 January 2012 the Company commenced paying interest on the loan from a director. The interest rate payable is 7.5% and the interest expense incurred in the 30 June 2014 year was \$320,382 (2013 - \$293,307).

**5. Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs during the financial year other than the following:

Sales of shares resulted in a profit of \$498,419.

The fair value of Available-for-Sale financial assets has decreased by \$109,296 as detailed above (2013 – a decrease of \$5,744,614).

**6. Subsequent Events**

Details of subsequent events are described in note 23 in the accompanying financial report.

**7. Likely Developments**

The directors will continue to seek investment opportunities in shares in other companies where superior returns appear likely. Such investments will likely occur in smaller or start-up companies, particularly companies listed on the AIM and ISDX exchanges in the U.K.

**8. Environmental Regulation**

The directors are not aware of any particular and significant environmental regulation under a law of the Commonwealth, State or Territory relevant to the consolidated entity.

**9. Directors' Shareholdings**

The interests of current directors in securities of the company are as follows:

	<b>Ordinary Shares</b>	
Bruce Rowan	10,167,797	(1)
Carole Rowan	9,683,798	(1)
Bruce Burrell	223,500	(2)

(1) includes 9,667,797 shares owned by companies of which Bruce Rowan and Carole Rowan are directors and shareholders.

(2) includes shares owned by the Burrell Superannuation Fund of which Bruce Burrell is a member.

**SUNVEST CORPORATION LIMITED**  
**DIRECTORS' REPORT**

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**10. Information on Directors and Company Secretary**

<b>Bruce Rowan</b>	—	Chairman
Experience	—	Appointed Chairman in 1987. Board member since 1987
Other current directorships	—	Starvest plc Board member since March 2003 Tiger Resources Finance plc Board member since August 2003 both listed on the AIM exchange in London
Former directorships (last three years)	—	Nil
Special responsibilities	—	Bruce Rowan is the entity's chief executive
<b>Carole Christine Rowan</b>	—	Non Executive
Experience	—	Board member since 1990
Other current directorships	—	Nil
Former directorships (last three years)	—	Nil
Special responsibilities	—	Nil
<b>Bruce David Burrell</b>	—	Non Executive and Company Secretary
Experience	—	Board member since 1996 Extensive experience with ASX public companies in finance and governance.
Other current directorships	—	Chapmans Limited since 29 September 2011
Former directorships (last three years)	—	Southern Cross Exploration NL 26 February 2013 to 29 May 2013  Longreach Oil Limited 7 October 2011 to 30 September 2013
Special responsibilities	—	Company Secretary

**11. Share Options**

The Company had no options on issue at the end of the year. No options were granted during the year and no shares have been issued on the exercise of options at any time during the year.

**12. Remuneration Report (audited)**

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based payment compensation

The information provided under headings A-D in the remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

**12. Remuneration Report (audited) (continued)**

**A. Principles used to determine the nature and amount of remuneration (audited)**

The remuneration policy of Sunvest Corporation Limited is designed to align the interests of the directors and shareholders and the Company's business objectives.

The Board believes the remuneration policy to be appropriate and effective in its ability to retain directors to run and manage the group.

The Board's policy for determining the nature and amount of remuneration for directors is as follows:

The remuneration policy is determined by the Board. There is no Remuneration Committee as the board feels that the size and level of activities of the Company does not warrant a separate committee.

The remuneration of the directors is based on a number of factors, including length of service, particular experience of the individual director, performance of the individual director and the overall performance of the Company.

The Board reviews directors' remuneration annually by reference to the Company's performance, individual performances and comparable information from within similar industry sectors.

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration levels of non-executive directors are reviewed annually. Independent external advice would be sought if considered appropriate.

All remuneration paid to directors is valued at cost to the Company and expensed.

The maximum aggregate directors' fees which may be paid is approved by the shareholders at an annual general meeting. Fees for non-executive directors are not linked to the company's performance. Non-executive directors are not provided with retirement benefits. They do not receive options.

There are no Board retirement schemes or redundancy schemes.

Pursuant to the Company's constitution each director is entitled to receive the following:

- i) payment for the performance of extra services or special exertions at the request of the Board and for the purposes of the Company; and
- ii) payment for reimbursement of all reasonable expenses incurred by a director on the business of the Company.



**SUNVEST CORPORATION LIMITED**  
**DIRECTORS' REPORT**

**12. Remuneration Report (audited) (continued)**

**B. Details of remuneration**

Details of the nature and amount of remuneration of the directors and the key management personnel of the Company and the consolidated entity are:

	<b>Short-term benefits</b>	<b>Post- employment benefits</b>	<b>Share-based payments</b>	
	<b>Cash salary and fees</b>	<b>Superannuation</b>		<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2014 Directors</b>				
Bruce Rowan	88,000	-	-	88,000
Carole Rowan	-	-	-	-
Bruce Burrell	48,000	-	-	48,000
	<u>136,000</u>	<u>-</u>	<u>-</u>	<u>136,000</u>
<b>2013 Directors</b>				
Bruce Rowan	88,000	-	-	88,000
Carole Rowan	-	-	-	-
Tiffany Rowan	-	-	-	-
Bruce Burrell	48,000	-	-	48,000
	<u>136,000</u>	<u>-</u>	<u>-</u>	<u>136,000</u>

There have been no other key management personnel during the last 2 financial years.

**C. Service Agreements**

The consolidated entity has no service agreements with its directors.

**D. Share-based payment compensation**

No share-based compensation was paid during the year (2012 – nil).

**Key Performance Indicators**

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Earnings per share (cents)	2.50	7.33	(4.49)	1.40	(0.24)
Growth in earnings per share (%)	(165)	263	(414)	632	95
Profit (loss) after tax	300,484	990,613	(655,312)	204,753	(38,475)
Net asset backing per share at 30 June (\$)	0.60	0.55	0.73	1.08	0.48
Growth in net asset backing per share (%)	9	(25)	(32)	125	14
Net assets at 30 June	7,290,558	6,871,639	10,620,750	15,751,025	6,955,520

**SUNVEST CORPORATION LIMITED**  
**DIRECTORS' REPORT**

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**13. Directors' Meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Meetings of Directors	
	Held	Attended
Bruce Rowan	7	7
Carole Rowan	7	7
Bruce Burrell	7	7

No separate board committees have been constituted by the directors given the size of the Company and its operations.

**14. Indemnifying Directors, Officers or Auditor**

The Company has not maintained a contract of insurance during the financial year which insures any person who is or has been an officer of the consolidated entity against certain liabilities in respect of their duties as an officer of the consolidated entity.

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 or any of its controlled entities.

**15. Auditor**

Treston & Co were first appointed as auditors at the extraordinary general meeting of shareholders held on 20 February 2008 and were re-appointed at the annual general meeting held on 26 November 2008.

Treston & Co continues in office in accordance with section 327 B(2) of the Corporations Act 2001.

**Non-audit services**

The Company may decide to employ Treston & Co on assignments additional to its statutory duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Treston & Co currently provide certain income tax services.

The Board of directors has considered the position and 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 by the auditor, as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 as none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is attached to this report.

**SUNVEST CORPORATION LIMITED  
DIRECTORS' REPORT**

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**15. Auditor (continued)**

During the year the following fees were paid or payable to the auditor for audit and non-audit services:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Audit</b>		
Audit and review of financial reports of the entity or any entity in the consolidated entity		
- Treston & Co.	29,959	29,100
<b>Other Services</b>		
Income tax	5,809	1,085
	<u>35,768</u>	<u>30,185</u>

This report is made in accordance with a resolution of the directors.

Signed on behalf of the directors of Sunvest Corporation Limited



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Bruce David Burrell  
Director

Dated this 29 day of September 2014  
Sydney, New South Wales

## **SUNVEST CORPORATION LIMITED CORPORATE GOVERNANCE STATEMENT**

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The board of the Company is committed to having the highest standards of ethical behavior together with an effective system of corporate governance for the Sunvest Group commensurate with the size of the Company and the scope of its business operations.

In accordance with ASX Listing Rule 4.10.3, set out below is the ASX Corporate Governance Council's eight principles of corporate governance (ASX Governance Principles) and described against each is how the board has applied each principle and the recommendations set out within them.

The Company is fully supportive of the 'if not, why not' disclosure based approach to governance adopted by the ASX Governance Principles because, inter alia, they recognize there is no single model of corporate governance and that good corporate governance practice is not restricted to adopting all the recommendations.

The board has adopted and complied with most of the recommendations but there are a number of recommendations that the board, after careful review, have not adopted. Full details of these, together with an explanation of why an alternate and more appropriate approach has been taken by the Board, are set out in the following statement.

### **Principle 1: Laying Solid Foundations for Management and Oversight**

Compliance with this Principle requires the Company to establish and disclose the respective roles and responsibilities of both the board and management.

#### **Role of the Board**

The Company's overall corporate objective, as determined by the board, is to provide shareholders with attractive investment returns principally through enhancement of capital.

In this regard, the Company's primary goals are:

- to be profitable and pay dividends which, over time, grow faster than the rate of inflation; and
- to provide attractive total returns over the medium to long term.

The role of the board supports the corporate objectives of the Company. The board generally sets objectives and goals for the operation of the Company, oversees the Company's management, reviews the Company's performance on a regular basis and monitors its affairs in the best interests of the Company. The board is accountable to its shareholders as owners of the Company.

The board operates under a board charter, which documents the role of the board outlined above and the matters that the board has reserved to itself. Those matters include:

- setting the corporate objectives of the Company and approving business strategies and plans of the Company set in place to meet those objectives;
- approving the expense budget at least annually;
- approving changes to the Company's capital structure and dividend policy;
- appointing and removing the CEO/Managing Director and carrying out succession planning for the CEO/Managing Director as applicable;
- reviewing the performance of the CEO/Managing Director and remuneration and contractual arrangements;
- appointing and removing senior executives on the recommendation of the CEO/Managing Director;
- reviewing the performance and remuneration of senior executives on the review and recommendation of the CEO/Managing Director;

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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- reviewing the composition of the board, the independence of Directors, the board's performance and for carrying out succession planning for the Chairman and other Non-Executive Directors;
- reviewing the performance of management and the Company, including the risk management, internal controls and compliance systems;
- dealing with any matters in excess of any specific delegations that the board may from time to time delegate to the CEO/Managing Director and senior executives;
- approving the communication to shareholders and to the public of the half-year and full-year results and monthly net tangible asset disclosures;
- setting designated authorities for management to implement (in consultation with the Chairman/Managing Director) the decisions of the board in respect to investments.

The Directors meet formally as a board as and when required and usually 6 to 12 times a year.

**Delegation to Board Committees**

The board has not established any Board Committees to assist the board in exercising its authority.

The Company does not have a separate Audit Committee, Remuneration Committee or Nominations Committee.

After careful consideration the board has decided that given the small size of the Company and its operations it was appropriate that the functions of audit, remuneration and nomination committees be reserved for the full board.

**Delegation to Management**

The Managing Director is responsible to the Company for the performance of management and the board acts in close consultation with the Managing Director.

The board is responsible for evaluating the performance of the Managing Director and the Company's senior executives in accordance with the Company's aims and objectives, and remunerating them appropriately. As part of its approach to encouraging enhanced performance, the board has adopted a remuneration structure for the Managing Director and other senior executives which includes a significant component of 'at risk' remuneration designed to encourage and reward high performance. Full details of the remuneration process and the benchmarks used for assessment are given in the Remuneration Report.

**Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 1 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

**Principle 2: Structuring the Board to Add Value**

Compliance with this Principle requires the Company to have a board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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The Directors' Report sets out the details of the skills, experience, and expertise of each Director. The roles of the Chairman and Managing Director are not separate. The role of the Managing Director is set out under Principle 1, above. The role of the Chairman is set out in the board charter, including being responsible for:

- the business of the board, taking into account the issues and the concerns of all Directors and the requirements of the board charter;
- the leadership and conduct of board and Company meetings to be in accordance with the agreed agenda, the Company's Corporate Objective and Principles of Conduct (described under Principle 3, below); and
- encouraging active engagement by Directors and an open and constructive relationship between the board and the Managing Director and senior executives.

The Chairman also has the authority to act and speak for the board between meetings, subject to any agreed consultation processes.

### **Appointment and Renewal**

The board consists of an Executive Chairman, Mr. Bruce Rowan, and Non-Executive Directors Carole Rowan and Bruce Burrell. Bruce Burrell is the only director considered by the Board to be independent.

Details of the term of office held by each Director in office as at the date of this report are as follows:

Name of Director	Date Appointed	Non-executive	Independent
Bruce Rowan	1987	No	No
Carole Rowan	1990	Yes	No
Bruce Burrell	1996	Yes	Yes

The Company's constitution provides that each Director, except for the Managing Director, must seek re-election by shareholders at least every three years if they wish to remain a Director. Any new Director appointed by the board must seek election by shareholders at the next Annual General Meeting of the Company. This complies with the ASX Listing Rules.

All of the Directors have entered into an Agreement with the Company covering the terms of their appointment, the Company's share trading policy, access to documents, Director's indemnity against liability, and Directors' and Officers' insurance.

Each Director of the Company is encouraged to have a financial interest in the Company.

### **Nomination Committee**

The Company does not have a Nomination Committee.

After careful consideration the board decided that the functions of a Nomination Committee were best reserved for the full board. The full board periodically reviews board composition, succession planning, and where applicable recommends suitable Directors for appointment by the Directors and approval by shareholders. In reviewing board composition, the Committee takes note of regulatory requirements and recommendations in this area and reviews the mix of skills, experience and diversity the board considers appropriate for the Company's particular circumstances.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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The board also reviews the process in place to assess the board's performance. In order to provide a specific opportunity for performance matters to be discussed with each Director, each year the Chairman conducts a formal Director review process. He meets with each Director individually to discuss issues including performance and discusses with each Director the effectiveness of the board as a whole, individual Directors and the Chairman with the intention of providing mutual feedback.

Performance is reviewed against both measurable and qualitative indicators. To assist the effectiveness of these meetings, the Chairman is provided with objective information about each Director (e.g. number of meetings attended, other current directorships etc.) and a guide for discussion to ensure consistency. The Chairman reports on the general outcome of these meetings to the board. Given the nature of the Company's activities, the Board believes that there is sufficient formality in the process of evaluation of the board, individual Directors and the Chairman.

### **Independence of Directors**

The board reviews the independence of each of the Non-Executive Directors on an annual basis, taking into account the factors set out in the ASX Governance Principles, including situations where an individual Director may be a partner in, controlling shareholder of, or executive of an entity which has a material commercial relationship with the Company.

It is considered that the Non-Executive Director, Carole Rowan, is not independent, however the Non-Executive Director, Bruce Burrell, is independent. Bruce Rowan, an executive director and major shareholder is not considered to be independent.

Any real or potential conflicts of interest are dealt with by procedures consistent with Corporations Act requirements which are designed to ensure that conflicted Directors do not take part in the decision-making on the relevant issue. On this basis, it is believed that their independence on all other issues is not compromised.

To assist Directors to fully meet their responsibilities to bring an independent view, the board has agreed a procedure in appropriate situations for Directors to take independent professional advice, at the expense of the Company, after advising the Chairman of their intention to do so. The results of the independent professional advice are made available to the Chairman.

### **Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 2 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

### **Principle 3: Promotion of Ethical and Responsible Decision-making**

Compliance with this Principle requires that the Company should actively promote ethical and responsible decision-making.

The Company, including its Directors and key executives, is committed to maintaining the highest standards of integrity and seeks to ensure all its activities are undertaken with efficiency, honesty and fairness, and in accordance with legal obligations. The Company also maintains a high level of transparency regarding its actions consistent with the need to maintain the confidentiality of commercial-in-confidence material and, where appropriate, to protect the shareholders' interests.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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The Company has approved and promulgated 2 codes, namely Corporate Principles of Conduct and a Trading Policy for Directors together with the Company's Trading Policy that the Company has for dealing in its own shares by its senior executives and employees. The Corporate Principles of Conduct include the code of conduct for Directors and senior executives and these documents are provided to management and new Directors as they join the Company and any updates are provided to all employees and Directors.

In addition to the consideration by the board of individual Directors' independence, the Corporate Principles of Conduct sets out details of how conflicts of interest should be avoided. The Company's Directors and employees must disclose to the Company any material personal interest that they or any associate may have in a matter that relates to the affairs of the Company. Directors must inform the Company Secretary immediately they become aware of any changes to their shareholdings or directorships. Where a conflict of interest may arise, full disclosure by all interested persons must be made and appropriate arrangements followed, such that interested persons are not included in making the relevant decisions and discussions.

### **Diversity**

The Company does not have a formal policy in relation to diversity regarding gender, age, ethnicity or cultural background. The board believes, after careful consideration, that in view of the small size and operations of the Company a meaningful diversity policy cannot be developed at this time.

There are currently only 3 people who contribute to the Company's affairs and each of those is a director of the Company.

At present the three people described comprise 2 males and 1 female.

Except for a departure regarding diversity policy, the board believes that the Company is fully compliant with Principle 3 and its recommendations.

### **Principle 4: Safeguarding Integrity in Financial Reporting**

Compliance with this Principle requires that the Company has a structure to verify and safeguard the integrity of the Company's financial reporting.

The Company has not established an Audit Committee. The functions of an Audit Committee have been reserved for the full board. These functions include overseeing the integrity of the financial reporting process and reports to the board.

The full board is responsible for reviewing:

- the Company's accounting policies;
- the content of financial statements;
- issues relating to the controls applied to the Company's activities;
- the conduct, effectiveness and independence of the external audit;
- risk management and related issues; and compliance issues.

The role of the full board in respect of its oversight of risk management issues is set out under Principle 7 below.

### **Written Affirmations**

Pursuant to section 295A of the Corporations Act the board receives from the Managing Director and the Chief Financial Officer written affirmations concerning the Company's financial statements as set out in the Directors' Declaration.



**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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**External Audit**

The Company reviews the independence and competence of the Company's external auditor including reviewing any non-audit work to ensure that it does not conflict with audit independence. The full board meets with the external auditor in the absence of management.

**Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 3 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

**Principle 5: Making Timely and Balanced Disclosure**

Compliance with this Principle requires that the Company promote timely and balanced disclosure of all material matters concerning the Company.

As a listed entity, the Company has an obligation under the ASX Listing Rules to maintain an informed market in its securities. Accordingly, the Company ensures that the market is advised of all information required to be disclosed under the Listing Rules which the Company believes would or may have a material effect on the price or value of the Company's securities.

The Company has developed policies and procedures designed to ensure compliance with ASX Listing Rules and Corporations Act disclosure requirements and to ensure accountability at a senior management level for that compliance. The policy is reviewed during the course of each year, taking into account best practice developments in this area.

The Company makes ASX releases on a monthly basis to meet ASX Listing Rule requirements for continuous disclosure. The board has nominated Bruce Burrell, a director, as the person responsible for communications with ASX including responsibility for ensuring compliance with ASX continuous disclosure requirements.

The board believes that the Company is fully compliant with Principle 5 and its recommendations.

**Principle 6: Respecting the Rights of Shareholders**

Compliance with this Principle requires that the Company respect the rights of shareholders and facilitate the effective exercise of those rights.

The Company is owned by its shareholders and the board's primary responsibility is to shareholders and to achieve the Company's Corporate Objectives and thus increase the Company's value.

The main communications with shareholders are the Annual and Half-Year Reports and the Annual General Meeting.

The Company's monthly announcements regarding net tangible asset backing are able to be viewed on the ASX platform but are not mailed to shareholders.

Shareholders are encouraged to attend the annual general meeting at which the external auditor is in attendance and available to answer shareholder questions on the audit and the preparation of the financial reports.

The Company does not at this stage maintain a website.

The board believes that the Company is fully compliant with Principle 6 and its recommendations.

**Principle 7: Recognising and Managing Risk**

Compliance with this Principle requires that the board establish a system of risk oversight and management and internal control.

The board considers that the Company has established and maintains an appropriate and sound system of risk oversight, management and internal control.

The board considers an internal audit function to be not necessary due to the nature and size of the Company's operations.

By its nature as an investment company, the Company will always carry risk because it must invest its capital in activities which are not risk free.

The Company's management is primarily responsible for recognising and managing operational risk issues such as legal and regulatory risk, systems and process risk, human resource risk.

The board receives from the Managing Director and the Chief Financial Officer written affirmation that, to the best of their knowledge and belief, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects insofar as they relate to financial reporting risks. The board has also received reports from management as to the effectiveness of the Company's management of its material business risks.

The board believes that the Company is fully compliant with Principle 7 and its recommendations.

**Principle 8: Remunerating Fairly and Responsibly**

Compliance with this Principle requires that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is defined.

The Company has not established a Remuneration Committee. After careful consideration the board has decided that the functions of a remuneration committee are best reserved for the full board. These functions include to look after remuneration issues relating to the Non-Executive Directors, the Managing Director and other executive directors and senior executives.

Full details regarding the remuneration amounts and policies are disclosed in the Remuneration Report.

The board seeks external advice from consultants to ensure that its policies and practices are in line with external market conditions.

Executives who have been awarded shares and previous Long Term Incentive Plans that have not yet vested are prohibited from entering into transactions in associated products which limit the risk of participation in such plans.

**Departure from ASX Recommended Governance Principles**

The board acknowledges that the Company is not fully compliant with Principle 8 and its recommendations.

As stated above the board has, after due consideration, decided that in view of the relative small size of the Company and its operations the functions of separate committees are best reserved for the full board.

## **Share Trading Policy**

### **Policy Introduction**

This policy deals primarily with the sale or purchase of securities in Sunvest Corporation Limited (SVS) by its employees, consultants, contractors, directors and officers (collectively referred to herein as Employees).

This policy is designed to:

- inform interested parties, such as shareholders of the SVS policy
- assist Employees to avoid conduct that is known as 'insider trading'
- ensure that when Employees do deal in securities of SVS, those dealings are fair and are seen as fair
- effect proper business controls
- comply with legal requirements

This policy applies to Employees and their nominees, agents or other associates, such as family members, family trusts and family companies.

This policy applies to-  
SVS shares

- other securities that may be issued by SVS such as options
- derivatives and other financial products that can be traded on a financial market including products created by third parties
- products which operate to limit economic risk in security holdings in SVS

This policy is intended to apply in addition to legal requirements.

### **Insider Trading provisions in the Corporations Act**

The Corporations Act 2001 prohibits a person from dealing in securities if that person-

- is in possession of information that is not generally available
- knows or should know that the information is not generally available

where that information if available may have a material effect on the SVS share price

Dealing in securities means acquiring, applying for, selling or entering into an agreement to do so.

A person need not be an Employee of SVS to be guilty of insider trading. The prohibition extends to dealings by Employees through nominees, agents or other associates including family, family trusts and family companies.

There may be severe criminal and civil liability and penalties including imprisonment, imposed for breach of insider trading laws.

### **Restrictions on Dealing in SVS Securities**

#### **3.1 General Rule**

Employees must not buy or sell securities in SVS while they are in possession of inside information, being information about securities in SVS which is not publicly available.

#### **3.2 Specific prohibited dealings**

In addition to the general restriction in 3.1 above there are certain periods during the year when Employees may not deal in SVS securities as set out below.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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Employees are prohibited from dealing in SVS securities during the 2 weeks prior to and the day following the release of the following:

Full year results to ASX

Half-year results to ASX

Monthly Net Tangible Asset Backing to ASX

These are referred to as the Closed Periods.

In addition the SVS board may impose other periods when Employees are prohibited from trading because price sensitive, non-public information may exist in relation to a matter.

Employees will be notified of these additional periods known as Prohibited Periods by memo or other correspondence from the Chairman or Managing Director.

### 3.3 Additional restrictions on Designated Personnel

Because the board, the Managing Director and direct reports, the company secretary or chief financial officer (collectively known as Designated Personnel) are likely to be exposed to confidential or non-public information, they are subject to additional restrictions.

Any Designated Personnel wishing to deal in SVS securities must give written notice to the Chairman or Managing Director of their intention prior to dealing in the SVS securities.

The Designated Personnel must not deal in SVS securities until written approval has been given by the Chairman or Managing Director. The Designated Personnel must complete the dealing as soon as possible and in any event, not later than 5 business days after the permission was given and, they must advise in writing the dealing and relevant details to the Chairman or Managing Director within 2 business days after the dealing.

The board may designate other parties as Employees for the purpose of this policy and will notify that person in writing accordingly.

### 3.4 Dealings in exceptional circumstances

An Employee who is not in possession of inside information may deal in SVS securities during a Prohibited Period if they have prior written approval of the Chairman or Managing Director. Such approval will only be given where:

- the Employee is in severe financial hardship, or
- an exceptional circumstance exists as determined by the Chairman or Managing Director.

### 3.5 Exceptions

This policy does not apply to:

Dealings in SVS securities already held by an Employee in a superannuation fund in which the Employee is a beneficiary where the transaction decision is made by the trustees or investment manager independently of the Employee.

Dealings by an investment fund or other scheme where the assets are invested at the discretion of a third party.

Acceptance of a takeover offer.

Participating in a pro rata rights issue, a security purchases plan, a dividend reinvestment plan and an equal access share buy-back approved by the board.

The exercise of an option (but not the subsequent sale of a share arising from the exercise) or a right under an employee share purchase scheme or conversion of a converting note in circumstances where SVS has been in an unusually long prohibited period or SVS has had a number of consecutive prohibited periods and the Employee could not reasonably be expected to have exercised at a time when free to do so.

### Total prohibition on "Short Term" trading

Employees must not engage in short-term trading of any SVS securities. Short-term is defined as a purchase and sale of the same securities within a six month period.

**SUNVEST CORPORATION LIMITED**  
**CORPORATE GOVERNANCE STATEMENT Cont'd**

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This prohibition may be excepted by the Chairman or Managing Director in very limited circumstances, for example, employee incentive schemes if exceptional circumstances exist and written approval is obtained.

**Margin Lending**

Designated Personnel must ensure that when arranging finance for themselves or for or through associated parties, where securities of SVS are provided as security collateral that such obligations do not conflict with this policy.

Designated Personnel should ensure that the terms of a margin loan do not require dealings in SVS securities at such times when they are prohibited from dealing in SVS securities.

Margin lending is also subject to the approval requirements set out in 3.3 above.

If a Designated Personnel enters into a margin loan agreement, within 10 days of so entering the following information must be given to the Chairman or Managing Director:

- Number of securities subject to the loan arrangements.
- Trigger events for disposal of those securities.
- Any other relevant information that may be required including the ability of the Designated Personnel to meet margin calls.

Subsequently, the Designated Personnel must advise any changes to the reported information above.

**Derivatives**

Designated Personnel may only enter into transactions involving derivatives (as defined by section 761D of the Corporations Act in respect to SVS securities if the following criteria are satisfied:

- The relevant securities are fully vested.
- The derivative has a maturity date that falls outside a Prohibited Period.
- SVS is not a counter-party to the derivative.

The derivative is used for the purpose of protection of an asset value supporting a loan taken out for the purpose of exercising an option or to protect the value of the security in respect to tax liabilities that may become due and payable.

The approval requirements in section 3.3 above also apply to the use of derivatives.

The Designated Personnel must also provide evidence that the criteria set out above have been satisfied.

The board reserves the right to publicly disclose Derivative positions over SVS securities including where such disclosure is not required under the law.

**Compliance with this Policy**

It is the responsibility of each Employee to comply with this policy.

Any Employee may be asked to confirm compliance with this policy or to provide confirmation of their dealings in SVS securities.

Any breach of this policy is serious and will be dealt with.

**SUNVEST CORPORATION LIMITED**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Note</b>	<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
<b>Revenues</b>			
Net gain on sale of shares		498,419	1,599,452
Dividends	5	379,231	-
Other income	6	23,213	16,447
Total revenues and other income		900,863	1,615,899
<b>Expenses</b>			
Audit fees		(29,959)	(29,100)
Management fees		(136,000)	(136,000)
Interest expense		(320,382)	(293,307)
Stock exchange fees		(13,416)	(14,171)
Other administration expenses		(33,070)	(23,708)
<b>Profit before income tax</b>		<b>368,036</b>	<b>1,119,613</b>
Income tax expense	8	(67,552)	(129,000)
<b>Profit for the year after income tax</b>		<b>300,484</b>	<b>990,613</b>
Profit attributable to equity holders of Sunvest Corporation Limited		<b>300,484</b>	<b>990,613</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26(a)	2.50	7.33
Diluted earnings per share	26(b)	2.50	7.33

The above consolidated income statement should be read in conjunction with the accompanying notes.

**SUNVEST CORPORATION LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Profit attributable to equity holders of Sunvest Corporation Limited	300,484	990,613
Changes in fair value of available-for-sale financial assets, net of tax	193,854	(4,079,583)
Other comprehensive income/(loss) net of tax	193,854	(4,079,583)
Total comprehensive income/(loss) attributable to shareholders of Sunvest Corporation Limited	494,338	(3,088,970)

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The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**SUNVEST CORPORATION LIMITED**

**CONSOLIDATED BALANCE SHEET**

**AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	2,056,622	1,201,752
Other receivables	10	194,056	33,282
<b>Total current assets</b>		<b>2,250,678</b>	<b>1,235,034</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-Sale financial assets	11	11,291,519	11,400,815
<b>Total non-current assets</b>		<b>11,291,519</b>	<b>11,400,815</b>
<b>Total assets</b>		<b>13,542,197</b>	<b>12,635,849</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,783,074	1,363,438
Provision for income tax		196,793	129,000
<b>Total current liabilities</b>		<b>1,979,867</b>	<b>1,492,438</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	4,271,772	4,271,772
Deferred tax liabilities	14	-	-
<b>Total non-current liabilities</b>		<b>4,271,772</b>	<b>4,271,772</b>
<b>Total liabilities</b>		<b>6,251,639</b>	<b>5,764,210</b>
<b>NET ASSETS</b>		<b>7,290,558</b>	<b>6,871,639</b>
<b>EQUITY</b>			
Contributed equity	15	8,854,966	8,930,385
Reserves	16(a)	(297,353)	(491,207)
Accumulated losses	16(b)	(1,267,055)	(1,567,539)
<b>TOTAL EQUITY</b>		<b>7,290,558</b>	<b>6,871,639</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



**SUNVEST CORPORATION LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>Total equity at the beginning of the financial year</b>		<b>6,871,639</b>	<b>10,620,750</b>
Changes in fair value of Available-for-Sale financial assets, net of tax	16(a)	193,854	(4,079,583)
Net income (expense) recognised directly in equity		193,854	(4,079,583)
Profit for the year		300,484	990,613
<b>Total recognised income and equity for the year</b>		<b>494,338</b>	<b>(3,088,970)</b>
Shares acquired under buy-back	15	(75,419)	(660,141)
<b>Total equity at the end of the financial year</b>		<b>7,290,558</b>	<b>6,871,639</b>

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

**SUNVEST CORPORATION LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		23,213	16,447
Dividends received		379,231	-
Other income		-	-
Payments to suppliers and employees (inclusive of goods and services tax)		(273,724)	(113,661)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>128,720</b>	<b>(97,214)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of Available-for-Sale financial assets		801,569	1,946,255
<b>Net cash inflow/(outflow) from investing activities</b>		<b>801,569</b>	<b>1,946,255</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share buyback program		(75,419)	(660,141)
<b>Net cash outflow from financing activities</b>		<b>(75,419)</b>	<b>(660,141)</b>
<b>Net increase in cash and cash equivalents held</b>		<b>854,870</b>	<b>1,188,900</b>
Cash and cash equivalents at the beginning of the financial year		1,201,752	12,852
<b>Cash and cash equivalents at the end of the financial year</b>	9	<b>2,056,622</b>	<b>1,201,752</b>

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

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated entity consisting of Sunvest Corporation Limited and its subsidiary.

##### (a) Basis of preparation

This general purpose financial report for the financial year ended 30 June 2014 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

##### *Compliance with IFRSs*

Australian Accounting Standards include IFRSs. Compliance with IFRSs ensures that the consolidated financial statements and notes of Sunvest Corporation Limited comply with International Financial Reporting Standards (IFRSs).

##### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

##### (b) Principles of consolidation

Except as stated below, the consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sunvest Corporation Limited ("company" or "parent entity") as at 30 June 2014 and the results of all subsidiaries for the year then ended. Sunvest Corporation Limited and its subsidiaries together are referred to in the financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### (c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### **(d) Foreign currency translation**

##### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Sunvest Corporation Limited's functional and presentation currency.

##### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in other comprehensive income.

#### **(e) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

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

Interest revenue is recognised on a time proportional basis that takes into account the effective yield on the financial asset.

#### **(f) Income tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### *Tax consolidation legislation*

Sunvest Corporation Limited and its wholly owned Australian controlled entity have decided to implement the tax consolidation legislation as of 1 July 2003.

The head entity, Sunvest Corporation Limited, and the controlled entity in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Sunvest Corporation Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from the unused tax losses and unused tax credits assumed from the controlled entity in the tax consolidated group.

The amounts assumed are recognised as a contribution by (or a distribution to) equity participants between the parent entity and its subsidiaries.

#### **(g) Business combinations**

The purchase method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

#### **(h) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### **(i) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

#### **(j) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade and other receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

#### **(k) Investments and other financial assets**

The Group classifies its investments in the following categories: loans and receivables held for trading and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans to subsidiaries are classified as non-current assets when it is expected that the loans will not be repaid within 12 months from the balance sheet date.

##### *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Quoted equity securities are valued continuously at fair value, which is determined by the unadjusted last sale price quoted on stock exchanges (ASX, LSE, Plus, ICAP and TSX) at the measurement date. Use of unadjusted last sale price in active stock markets falls within Level 1 fair value hierarchy of measuring fair value under AASB 13.

Changes in the fair value and translation differences of non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Regular way purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

There are no held-for-trading financial assets and no held to maturity or at fair value through profit or loss financial assets.

#### **(l) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on the unadjusted last sale price at the balance sheet date. The quoted market price used for financial assets held by the Group is the unadjusted last sale price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Primarily, fair value is based on bid price, mid-price, last sale price or directors' price. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

#### **(m) 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. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *(i) Impairment of available-for-sale financial assets*

As part of the process of assessing whether available-for-sale financial assets have suffered any impairment, the Group first considers whether there is any objective evidence of impairment. The Group conducts a review for impairment in accordance with the accounting policy stated in note 1(k). At 30 June 2014 it has been assessed that no financial assets have been impaired. In the previous financial year, to 30 June 2013 it was assessed that no financial assets had been impaired. Refer to note 11 for the carrying value of available-for-sale financial assets.

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

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### **(o) Employee benefits**

##### *Share-based payments*

The Group may provide benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares ('equity-settled transactions'). The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by reference to the market price of the company's shares adjusted to take into account the terms and conditions upon which the shares were granted, except for vesting conditions that are excluded from the measurement of fair value.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

#### **(p) Contributed equity**

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.

#### **(q) Earnings per share**

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

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

##### *(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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **(r) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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



## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### **(s) New and amended standards adopted**

Sunvest adopted AASB-13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB-13* which is mandatory for annual reporting periods beginning on or after 1 January 2013. Although, there is no effect on the measurement of Fair Value of Sunvest assets and liabilities, Sunvest has enhanced its disclosure on fair value measurements of its quoted investments under note 1(k) as per the requirements of these two new standards.

#### **(t) Parent entity financial information**

The financial information for the parent entity, Sunvest Corporation Limited, disclosed in note 28 has been prepared on the same basis as the consolidated financial statements.

#### **(u) General**

This financial report covers the consolidated entity consisting of Sunvest Corporation Limited and its controlled entity.

Sunvest Corporation Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Sunvest Corporation Limited  
Level 9  
25 Bligh Street  
Sydney NSW 2000

## **2. Financial risk management**

The Group's activities expose it to a variety of financial risks; market risk (primarily currency risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on managing these risks and implementing and monitoring of controls around the cash management function. The Group's principal financial instruments consist of available-for-sale financial assets, cash and cash equivalents, receivables and payables.

The Group's management of treasury activities is centralised and governed by policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

## **3. Market risk – Currency risk**

Currency risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Certain of the Group's investing activities are undertaken internationally and accordingly the Group is exposed to foreign exchange risk, particularly with the Canadian dollar and the United Kingdom pound.

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### (a) Credit risk

The Group has treasury policies in place for deposit transactions and derivatives (if any) for such transactions to be conducted with financial institutions with a high credit rating.

The credit risk on financial assets which have been recognised on the balance sheets is generally the carrying amount, net of any provisions. At balance date, cash and deposits were held with Commonwealth Bank of Australia. For receivables refer to note 10.

#### (b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Group's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Group monitors its ongoing investing cash requirements and raises equity funding as and when appropriate to meet such planned requirements.

#### (c) Cash flow interest rate risk

The Group's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. Refer note 9 for further details.

Generally no interest is receivable or payable on the Group's trade and other receivables or payables.

At balance date the Group has borrowings as set out in note 13 being borrowings from a director.

Interest at 7.5% p.a. commenced to be paid on this borrowing on 1 January 2012.

#### (d) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as available-for-sale. The Group is not exposed to commodity price risk.

### 4. Segment information

The Group predominantly operates in one business segment. Its principal activities comprise investing in listed equities and other securities in Australia, United Kingdom and Canada.

The geographic segment distribution is set out below:

	Australia	United Kingdom	Canada	Unallocated	Consolidated
	\$	\$	\$	\$	\$
<b>2014</b>					
Total segment revenue	23,213	877,650	-	-	900,863
Segment result	(189,233)	557,269	-	-	368,036
Unallocated revenue less unallocated expenses					-
Profit before income tax					368,036
Income tax expense					(67,552)
Profit for the year					300,484
Segment assets	2,712,885	10,752,152	77,160	-	13,542,197
Segment liabilities	2,231,867	4,019,772	-	-	6,251,639
Impairment loss	-	-	-	-	-

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

	Australia	United Kingdom	Canada	Unallocated	Consolidated
	\$	\$	\$	\$	\$
<b>2013</b>					
Total segment revenue	16,447	1,599,452	-	-	1,615,899
Segment result	(186,532)	1,306,145	-	-	1,119,613
Unallocated revenue less unallocated expenses					-
Profit before income tax					1,119,613
Income tax expense					(129,000)
Profit for the year					990,613
Segment assets	2,327,091	10,269,628	39,130	-	12,635,849
Segment liabilities	1,744,438	4,019,772	-	-	5,764,210
Impairment loss	-	-	-	-	-

Segment revenues/other income and segment assets are allocated based on the country in which the available-for-sale financial asset is listed. There are no inter-segment transfers.

**5. Revenue**

	2014 \$	2013 \$
Dividends	379,231	-

**6. Other income**

	2014 \$	2013 \$
Interest received	23,213	16,447
	23,213	16,447

**7. Expenses**

	2014 \$	2013 \$
Profit before income tax includes the following specific expenses:		
Management fees	136,000	136,000
Interest on share purchase loan – finance costs	320,382	293,307

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**8. Income tax**

<b>(a) Income tax expense</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Current tax	67,552	129,000
Deferred tax	-	-
	<u>67,552</u>	<u>129,000</u>
<b>(b) Numerical reconciliation of income tax</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Expense to prima facie tax payable</b>		
Profit before income tax	368,036	1,119,613
Tax at the Australian tax rate of 30% (2012-30%)	110,410	335,884
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
-timing differences	642	-
- dividend received rebateable	(43,500)	-
Tax losses increased/(used)	-	(206,884)
Income tax expense	<u>67,552</u>	<u>129,000</u>

The Company has franking credits of \$163,091

**9. Current assets – cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<u>2,056,622</u>	<u>1,201,752</u>

The cash at bank which is held in an at call bank account bears an average floating interest rate of 1.8% (2012 - 4.5%).

**(a) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Balance as per statement of cash flows	<u>2,056,622</u>	<u>1,201,752</u>

**(b) Risk exposure**

The group exposure to interest rate risk is discussed in Note 2. 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.

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**10. Current assets – other receivables**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Other debtors	194,056	33,282

**(a) Other debtors**

These amounts generally arise from transactions outside the usual operating activities of the Group. Included in other debtors of the Group in 2014 is an amount of \$194,056 (2013 - \$33,282) relating to advances made to a director to meet certain operating expenses. See note 17(e).

**(b) Interest rate risk**

All other receivables are non-interest bearing.

**(c) Credit risk**

The Group has no material concentration of credit risk in relation to receivables.

**(d) Fair value**

For other receivables, fair value approximates the carrying amount.

**11. Non-current assets – available for sale financial assets**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
At the beginning of the year	11,400,815	17,145,429
Additions	-	-
Disposals	(801,569)	(1,946,255)
Revaluation transferred to equity	692,273	(3,798,359)
At the end of the year	11,291,519	11,400,815
Listed securities	11,291,519	11,400,815
Unlisted securities	-	-
	11,291,519	11,400,815

Included in the above Available-for-Sale financial assets are the following investments in which the Company holds 20% or more of the investee's issued capital.

<b>Name of Investee</b>	<b>2014 % Held</b>	<b>2014 Fair Value \$</b>
Hot Rocks Investments plc	28.4%	830,075
Lombard Capital plc	23.7%	41,713

Although Sunvest's ownership in the above companies is greater than 20%, Sunvest has not equity accounted for the above companies.

Sunvest is a supplier of venture and start-up capital to small companies.

None of the above investees are considered to be associates of the Company. Sunvest does not exert significant influence over the companies, does not have board representation, does not participate in policy making decisions, has no transactions with the investees and there is no interchange of personnel or provision of technical services.

Audited and recent financial statements may not be available.

The investees have been quoted on the U.K. exchanges for less than 7 years and are still in a formative stage of growth and the assets and liabilities and operating results are not material.

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**12. Current liabilities – trade and other payables**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Trade payables	15,119	13,865
Other payables	1,767,955	1,349,573
	<u>1,783,074</u>	<u>1,363,438</u>

Trade payables are non-interest bearing. Their fair value approximates their carrying amount. Other payables include amounts owing to a director as follows:

- i) \$957,000 (2013 - \$869,000) for management services provided during the 2004 to 2014 financial years which remain unpaid and are unsecured, payable in cash at call.
- ii) \$800,955 (2013 - \$480,573) in interest on cash advances to finance share purchases.

**13. Non-current liabilities – borrowings**

	<b>Note</b>	<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
Unsecured loan owing to a director	17(e)	<u>4,271,772</u>	<u>4,271,772</u>

**14. Non-current liabilities – deferred tax liabilities**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Movement in deferred tax liability		
Opening balance at 1 July	-	1,318,228
(Debited)/Credited to equity	-	(676,018)
Change on sale of investments	-	(642,210)
Closing balance at 30 June	<u>-</u>	<u>-</u>

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**15. Contributed equity**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Share capital</b>		
12,159,024 ordinary shares fully paid (2013 – 12,407,929)	8,854,966	8,930,385

Movements in contributed equity during the 2014 year were as follows:

	<b>2014</b>	<b>2014</b>
	<b>No. of shares</b>	<b>\$</b>
Balance at the beginning of the year	12,407,929	8,930,385
Less -		
Shares acquired under buy-back program	(248,905)	(75,419)
Balance at the end of the year	12,159,024	8,854,966

Movements in contributed equity during the 2013 year were as follows:

	<b>2013</b>	<b>2013</b>
	<b>No. of shares</b>	<b>\$</b>
Balance at the beginning of the year	14,595,929	9,590,526
Less -		
Shares acquired under buy-back program	(2,188,000)	(660,141)
Balance at the end of the year	12,407,929	8,930,385

The Company has conducted on-market buy-back programs during the June 2014 and June 2013 years.

The Company currently has in place a buy-back program which expires on 27 October 2014 under which a total of 1,860,000 shares may be bought back of which 248,905 have been bought back to date.

All shares acquired under buy-back programs have been cancelled.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly the parent does not have authorised capital or par value in respect of its issued shares.

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**16. Reserves and accumulated losses**

<b>(a) Reserves – available-for-sale investment revaluation reserve</b>	<b>2014 \$</b>	<b>2013 \$</b>
Balance 1 July	(491,207)	3,588,376
Revaluation to fair value– gross	550,976	(3,999,132)
Deferred tax	(165,293)	1,199,740
Disposals transferred to profit and loss	(357,122)	(979,075)
Transferred from deferred tax liability	165,293	(301,116)
Balance 30 June	<u>(297,353)</u>	<u>(491,207)</u>
 <b>(b) Accumulated losses</b>	 <b>2014 \$</b>	 <b>2013 \$</b>
Movements in accumulated losses were as follows:		
Balance 1 July	(1,567,539)	(2,558,152)
Net profit for the year	300,484	990,613
Balance 30 June	<u>(1,267,055)</u>	<u>(1,567,539)</u>

**(c) Nature and purpose of reserve**

*(i) Available-for-sale investments revaluation reserve*

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the investments revaluation reserve, as described in note 1(k). Amounts are recognised in profit and loss when the associated assets are sold or impaired.



## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### 17. Key management personnel disclosures

##### (a) Directors

The following persons were Directors of Sunvest Corporation Limited during the financial year:

- (i) *Chairman – executive*  
Bruce Rowan
- (ii) *Non-executive directors*  
Carole Christine Rowan  
Bruce David Burrell

##### (b) Other key management personnel

The Group had no other key management personnel during the current or previous financial year.

##### (c) Key management personnel compensation

	2014	2013
	\$	\$
Short-term employee benefits	136,000	136,000
Post-employment benefits	-	-
Share-based payments	-	-
<b>Total</b>	<b>136,000</b>	<b>136,000</b>

The company has taken advantage of the relief provided and has transferred the detailed remuneration disclosures to the directors' report. The relevant information can be found in the remuneration report and includes:

- Remuneration policy
- Details of remuneration
- Employment contracts of directors
- Share-based compensation

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**(d) Equity instrument disclosures relating to key management personnel**

*(i) Shares issued as remuneration*

There were no shares issued as remuneration during the year.

*(ii) Option holdings*

The company has not issued any options.

*(iii) Share holdings*

The numbers of ordinary shares in the company held during the financial year by each Director of Sunvest Corporation Limited, including their personally related parties, are set out below.

<b>2014</b>	<b>Balance at the start of the year</b>	<b>Granted during the year as compensation</b>	<b>Purchases on- market during the year</b>	<b>Balance at the end of the year</b>
<b>Directors</b>				
Bruce Rowan	10,167,797 *	-	-	10,167,797 *
Carole Rowan	9,683,798 *	-	-	9,683,798 *
Bruce Burrell	191,000	-	32,500	223,500

\*includes a total of 9,667,797 shares owned by companies of which Bruce Rowan and Carole Rowan are directors and shareholders.

<b>2013</b>	<b>Balance at the start of the year</b>	<b>Granted during the year as compensation</b>	<b>Purchases on- market during the year</b>	<b>Balance at the end of the year</b>
<b>Directors</b>				
Bruce Rowan	10,167,797 *	-	-	10,167,797*
Carole Rowan	9,683,798 *	-	-	9,683,798 *
Bruce Burrell	174,000	-	17,000	191,000

\*includes a total of 9,667,797 shares owned by companies of which Bruce Rowan and Carole Rowan are directors and shareholders.

# SUNVEST CORPORATION LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

### (e) Loans and other transactions with key management personnel

Bruce Burrell, a director, incurs certain operating and other costs on behalf of the Company and seeks reimbursement thereof. Depending upon the timing of incurring the expense and reimbursements, certain amounts may be payable to or receivable from Bruce Burrell. Refer note 10(a).

Bruce Rowan, a director, provided various loans to the Company in the 2012 year and in prior years to assist in funding the acquisition of various financial assets -see note 13.

The amount owing to Bruce Rowan at 30 June 2014 for share purchase loans is \$4,271,772 (June 2013 - \$4,271,772).

In addition, fees for management services provided by Bruce Rowan have been accrued over a number of years but not paid- see note 12 – Other payables.

During the 2014 year an amount of \$10,000 was paid to Bruce Rowan for the provision of an office in London (June 2013 - \$10,000). The payment was based on normal commercial terms and conditions.

On 1 January 2012 the Company commenced payment of interest on the share purchase loans described above.

The interest rate is 7.5% p.a. resulting in an interest charge in the 30 June 2013 year of \$320,382. (June 2013 - \$293,307)

Aggregate amounts of each of the above types of other transactions with key management personnel of Sunvest Corporation Limited:

	2014 \$	2013 \$
<b>Amounts recognised as expense</b>		
Interest paid	320,382	293,307
Office costs – UK	10,000	10,000
<b>Total remuneration</b>	<u>330,382</u>	<u>303,307</u>

Aggregate amounts payable to key management personnel of the group at the end of the reporting period relating to the above types of other transactions:

	2014 \$	2013 \$
<b>Current liabilities</b>		
Other payables	<u>1,767,956</u>	<u>1,349,573</u>
<b>Non-current liabilities</b>		
Borrowings	<u>4,271,772</u>	<u>4,271,772</u>

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### 18. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity.

	2014 \$	2013 \$
<i>Audit services</i>		
Audit and review of financial reports of the entity or any entity in the consolidated entity	29,959	29,100
<i>Other services</i>		
Taxation advisory services	5,809	1,085
Total remuneration	<u>35,768</u>	<u>30,185</u>

All of the above fees were paid to Treston & Co.

No amounts were paid or payable to a related practice of the auditor. There were no other auditors of subsidiaries in the Group.

#### 19. Contingencies

The Group does not have any contingent liabilities or contingent assets at 30 June 2014 (2013 - nil).

#### 20. Commitments

The Group did not have any commitments for expenditure at 30 June 2014 (2013 - nil).

#### 21. Related party transactions

##### (a) Parent entity

The ultimate parent entity within the Group is Sunvest Corporation Limited.

##### (b) Subsidiary

Interest in the subsidiary is set out in note 22.

##### (c) Key management personnel

Disclosures relating to key management personnel are set out in note 17.

##### (d) Loan to subsidiary

There was no movement in the loan in 2014 or 2013

##### (e) Other transactions with subsidiaries

The parent entity and its wholly-owned Australian controlled entity have implemented the tax consolidation legislation as of 1 July 2003 – refer note 1(f).

## SUNVEST CORPORATION LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2014

#### 22. Subsidiary

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Carrying value of investment	
		2014	2013
		\$	\$
Adelaide Securities Pty Ltd	Australia	-	-
		-	-

The subsidiary is 100% (2013 - 100%) owned directly by Sunvest Corporation Limited. All share capital consists of ordinary shares.

#### 23. Events occurring after the balance sheet date

No event has occurred since balance date which has had a material effect on the Group's financial position.

#### 24. Returns to shareholders

- (i) Dividends – nil (2013 – nil)
- (ii) Buy Back – \$75,419 (2013 - \$660,141)
- (iii) Other returns – nil (2013 – nil)

#### 25. Finance facilities

At 30 June 2014, the consolidated entity had no external finance facilities (2013 – nil).

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**26. Earnings per share**

	<b>2014</b>	<b>2013</b>
	<b>Cents</b>	<b>Cents</b>
<b>(a) Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the company	2.50	7.33
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share is the same as basic earnings per share as disclosed above, as there have been no potential ordinary shares outstanding.	2.50	7.33
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<i>Basic and diluted earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	300,484	990,613
<b>(d) Weighted average number of shares used as the denominator</b>	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share</i>	12,249,357	13,522,344

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**27. Cash flow information**

<b>Reconciliation of net profit (loss) to net cash outflow from operating activities</b>	<b>2014 \$</b>	<b>2013 \$</b>
Profit for the year before income tax	368,036	1,119,613
Net loss/(gain) on disposal of available-for-sale financial assets	(498,419)	(1,599,452)
Changes in operating assets and liabilities		
(Increase)/decrease in:		
- Other receivables	(160,774)	(11,545)
Increase/(decrease) in:		
- Trade and other payables	1,254	2,863
- Other payables	418,623	391,307
Net cash in(out) flow from operating activities	<u>128,720</u>	<u>(97,214)</u>

There were no non-cash investment and financing or investing activities during the 2014 year: (2013 – nil)

**Finance facilities**

At 30 June 2014, the consolidated entity had no external finance facilities (2013 - nil).

**SUNVEST CORPORATION LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014**

**28. Parent entity financial information**

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Balance sheet</b>		
Current assets	2,250,678	1,235,034
Total assets	13,542,197	12,635,849
Current liabilities	1,979,117	1,491,688
Total liabilities	6,250,889	5,763,460
<b>Shareholders equity</b>		
Issued capital	8,854,966	8,930,385
Reserves	(297,353)	(491,207)
(Accumulated losses)/retained earnings	(1,266,305)	(1,566,789)
	<u>7,291,308</u>	<u>6,872,389</u>
 Profit for the year	 <u>300,484</u>	 <u>990,613</u>
 Total comprehensive income	 <u>494,338</u>	 <u>(3,088,970)</u>

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2014 or 30 June 2013.

(c) Contractual commitments

The parent entity did not have any contractual commitments as at 30 June 2014 or 30 June 2013.



**SUNVEST CORPORATION LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2014****29. Holdings at Fair Value**

<b>Name of Company</b>	<b>Fair Value as at 30 June 2014 \$</b>	<b>Fair Value as at 30 June 2013 \$</b>
Adriatic Oil plc	143,014	225,904
All Star Minerals plc	15,493	9,016
Austex Oil Ltd	1,600	960
Bell IXL Investments Ltd	123,200	123,200
Beowulf Gold plc	721,947	1,248,415
BKM Management Limited	420	840
Chapmans Limited	66,000	363,000
Diatreme Resources Ltd	400	600
Gippsland Limited	4,800	11,200
Gledhow Investments plc	192,519	83,228
Greatland Gold plc	93,509	60,875
Great Panther Limited	58,753	39,130
Hillcrest Litigation Ltd	1,899	3,482
Hot Rocks Investments plc	830,075	809,168
International Mining & Infrastructure plc	16,525	17,478
Kibo Mining plc	65,811	105,674
Kiska Metals Corp	18,407	14,063
Lombard Capital plc	41,713	129,835
Longreach Oil Ltd	102,888	205,775
Magnolia Petroleum plc	168,684	970,989
Marachane Capital plc	31,628	2,972
Norseman Gold plc	13,751	11,890
North River Resources plc	28,420	18,675
Oracle Coalfields plc	550,055	475,587
Pan African Resources plc	6,950,403	5,092,739
Red Rock Resources plc	85,987	117,238
Regency Mines plc	77,577	103,192
Southern Cross Exploration NL	113,000	113,000
Sunrise Diamonds plc	23,102	23,082
Titan Energy Limited	48,000	270,000
Titania Investments plc	1,964	2,038
TXO plc	57,412	138,990
Uranium Resources plc	319,032	269,499
U308 Holdings plc	24,120	41,708
Valiant Investments plc	288,779	285,352
Vatukoula Gold plc	169	412
Xenetic Biosciences plc	10,462	11,609
	<b>11,291,519</b>	<b>11,400,815</b>

**SUNVEST CORPORATION LIMITED**  
**DIRECTORS' DECLARATION**

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In the directors' opinion:

- (a) the attached financial statements and notes (including the remuneration disclosures that are contained in sections A to D of the remuneration report in the directors' report) are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the financial 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; and
- (c) the remuneration disclosures contained in sections A to D of the remuneration report in the directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures* and the *Corporations Regulations 2001*.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2014 required by section 295A of the *Corporations Act 2001*.

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



Bruce David Burrell  
Director

Dated this 29 day of September 2014  
Sydney New South Wales

# TRESTON + CO

CHARTERED ACCOUNTANT

4 CREEKWOOD COURT

WARNER QLD 4500

PO BOX 245

ALBANY CREEK QLD 4035

MOBILE: 0419 022 118

EMAIL: [trestonco@bigpond.com](mailto:trestonco@bigpond.com)

ABN 40 512 060 761

*Liability limited by a scheme approved  
under Professional Standards Legislation*

## Independent auditor's report to the members of Sunvest Corporation Limited

### *Report on the financial report*

I have audited the accompanying financial report of Sunvest Corporation Limited and its controlled entity, (the consolidated entity), which comprises the consolidated balance sheet as at 30 June 2014, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the entity. The consolidated entity comprises the company and the entity it controlled at the year's end or from time to time during the financial year.

### *Directors' responsibility 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

### *Auditor's responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### *Independence*

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*.

*Basis for qualified audit opinion*

As disclosed in note 11 some of the available-for-sale financial assets include shareholdings of more than 20% in the issued capital of two investee companies. The actual percentages are 28.4% and 23.7%. These investments have not been accounted for under AASB 128 *Investments in Associates* using the equity method of accounting. I have not been able to satisfy myself that the accounting treatment adopted is appropriate given the insufficient supporting financial information available and I am therefore unable to quantify the possible effects of adopting the equity method of accounting on the financial report.

*Qualified auditor's opinion on the financial report*

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to satisfy myself as to the above matters, the financial report of Sunvest Corporation Limited and its controlled entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

*Report on the remuneration report*

I have audited the remuneration report included in pages 6 to 8 of the directors' report for the year ended 30 June 2014. The directors of Sunvest Corporation Limited are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. My responsibility is to express an opinion on the remuneration report, based on my audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In my opinion, the remuneration report of Sunvest Corporation Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

**TRESTON & CO**

Chartered Accountant



**Peter Treston**

Registered Company Auditor

Warner Queensland

Date: 29 September 2014

**SUNVEST CORPORATION LIMITED**  
**ASX AND SHAREHOLDER ADDITIONAL INFORMATION**  
**AS AT 5 SEPTEMBER 2014**

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Additional information required by the ASX Limited Listing Rules and not disclosed anywhere else in this report is set out below:

**1. CORPORATE GOVERNANCE**

Details in respect of the Company's Corporate Governance practices are set out in the accompanying Corporate Governance Statement.

**2. SUBSTANTIAL SHAREHOLDERS**

The following substantial shareholders have been disclosed in relevant notices received by the Company.

	<b>Number and Percentage of Shares in which interest held</b>	
	Number	%
Bruce Rowan and Carole Rowan	10,183,798	83.76

**3. NUMBER OF SHAREHOLDERS**

There are 323 shareholders holding a total of 12,159,024 shares.

**4. VOTING RIGHTS**

Article 90 of the Company's Constitution details the voting rights of the members.

The Constitution indicates that on a show of hands, every member present in person or by attorney or by proxy or in the case of a member being a Corporation by representative duly authorized under the Corporations Law shall have one vote and upon a poll every member present in person or by attorney or proxy or representative duly authorised shall have one vote for every share held by him.

**5. DISTRIBUTION OF HOLDINGS**

	No. of Shareholders	No. of Shares
1 — 1000	128	92,896
1001 — 5000	145	369,336
5001 — 10000	15	109,957
10001 — 100,000	24	745,538
100,001 and over	11	11,090,202
	<b>323</b>	<b>12,407,929</b>

**6. NON-MARKETABLE PARCELS OF SHARES**

211 shareholders held less than a marketable parcel of shares.

**SUNVEST CORPORATION LIMITED  
ASX AND SHAREHOLDER ADDITIONAL INFORMATION  
AS AT 5 SEPTEMBER 2014**

**7. TWENTY LARGEST SHAREHOLDERS**

	<b>Name</b>	<b>Shares Held</b>	<b>% of Capital</b>
1	Nyde Pty Ltd	5,074,663	40.9
2	Sun Nominees Pty Ltd	2,000,000	16.1
3	Sea Securities Pty Ltd	1,050,934	8.4
4	Sun Securities Pty Ltd	896,600	7.2
5	Palm Holdings Pty Ltd	645,600	5.2
6	Mr. Bruce Rowan	500,000	4.0
7	Greatland Pty Ltd	284,905	2.3
8	Marbru Superannuation Pty Ltd (Burrell Super Fund)	191,000	1.5
9	Ascent Capital Pty Ltd	163,500	1.3
10	Elliott Holdings Pty Ltd (CBM Family account)	150,000	1.2
11	Hugh & Dianne Warner (CBM Super Fund)	150,000	1.2
12	Leisure West Consulting Pty Ltd	85,750	0.6
13	Beowulf Mining plc	67,000	0.5
14	Maria Marciniak	60,218	0.4
15	O. V. MacGregor	60,000	0.4
16	Nefco Nominees Pty Ltd	54,167	0.4
17	Citicorp Nominees Pty Ltd	43,750	0.3
18	Royal Sunset Pty Ltd	38,860	0.3
19	Dr. S. Rodwell	37,618	0.3
20	D.J. Liggins & B.F.Mellor (Awatea-Liggins account)	37,080	0.3
		<b>11,591,645</b>	<b>93.4</b>

**8. TAXATION STATUS**

Sunvest Corporation Limited is a public company for taxation purposes.

**9. COMPANY SECRETARY**

Bruce David Burrell MBA, FCPA

**10. REGISTERED OFFICE AND PRINCIPAL ADMINISTRATION OFFICE**

The Company's Registered Office and Administration Office details are:

Level 9	Telephone: (02) 9376 6302
25 Bligh Street	Facsimile: (02) 9376 6341
Sydney NSW 2000	

Correspondence to P.O. Box 3002, Bundeena NSW 2230

**11. SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

GPO Box 1903  
Adelaide SA 5001  
Telephone:  
Within Australia 1300 556 161 Outside Australia 61 3 9615 400  
Email enquiries : web.queries@computershare.com.au

**SUNVEST CORPORATION LIMITED**  
**ASX AND SHAREHOLDER ADDITIONAL INFORMATION**  
**AS AT 5 SEPTEMBER 2014**

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**12. LIST OF INVESTMENTS HELD**

Name of Company	Fair Value as at 31 August 2014 \$
Adriatic Oil plc	134,808
All Star Minerals plc	15,728
Austex Oil Ltd	2,240
Bell IXL Investments Ltd	123,200
Beowulf Gold plc	577,471
BKM Management Limited	840
Chapmans Limited	66,000
Diatreme Resources Ltd	450
Gippsland Limited	4,800
Gledhow Investments plc	181,473
Greatland Gold plc	61,182
Great Panther Limited	52,877
Hillcrest Litigation Ltd	1,899
Hot Rocks Investments plc	790,116
International Mining & Infrastructure plc	15,425
Kibo Mining plc	64,517
Kiska Metals Corp	17,324
Lombard Capital plc	31,455
Longreach Oil Ltd	102,888
Magnolia Petroleum plc	212,928
Marachane Capital plc	19,443
Norseman Gold plc	12,962
North River Resources plc	46,077
Oracle Coalfields plc	511,580
Pan African Resources plc	6,218,458
Red Rock Resources plc	71,701
Regency Mines plc	87,189
Southern Cross Exploration NL	113,000
Sunrise Diamonds plc	19,357
Titan Energy Limited	51,000
Titania Investments plc	1,852
TXO plc	43,294
Uranium Resources plc	269,616
U308 Holdings plc	22,736
Valiant Investments plc	318,873
Vatukoula Gold plc	
Xenetic Biosciences plc	9,862
	10,274,622

**SUNVEST CORPORATION LIMITED  
ASX AND SHAREHOLDER ADDITIONAL INFORMATION  
AS AT 5 SEPTEMBER 2014**

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**13. STOCK EXCHANGE QUOTATION**

The Company's shares are traded only on the Australian Securities Exchange. The Home Exchange is Sydney.

**14. RESTRICTED SECURITIES**

The Company has no restricted securities on issue.

**15. BUY BACK OF SHARES**

During the year ended 30 June 2014 the Company conducted an on-market buy-back of shares which was approved by shareholders at the annual general meeting held on 27 October 2013. Under the buy-back the Company was authorised to buy back up to 1,860,000 shares being 15% of the issued capital.

The Company, to date, has bought back the 248,905 shares at a total cost of \$75,419 and the shares were cancelled.

**16. TRANSACTIONS and brokerage**

During the year ended 30 June 2014, the Company had the following transactions in shares:

	<b>No. of transactions</b>	<b>Brokerage Paid</b>
		<b>\$</b>
Purchases	0	0
Sales	2	2,095





## **Annual Report 2014**

**Year ended 30 June 2014**

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## **Annual Report 2014**

**Year ended 30 June 2014**