

Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	Australian Rural Capital Limited
ABN	52 001 746 710
Financial Period Ended	31 DECEMBER 2014
Previous Corresponding Reporting Period	31 DECEMBER 2013

Results for Announcement to the Market

		\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities		55,763	+ 145%
Loss from ordinary activities after tax attributable to members		(245,846)	-62%
Loss for the period attributable to members		(245,846)	-62%
Dividends (distributions)	Amount per security	Franked amount per security	
Final Dividend	Nil	-	
Interim Dividend	Nil	-	
Previous corresponding period	Nil	Nil	
Record date for determining entitlements to the dividends (if any)			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			

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

+ See chapter 19 for defined terms.

Dividends

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

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	47.8c	45.0c

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Foundry Investment Partners Pty. Limited
Date control gained	23 December 2014
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	(\$20)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	n/a

Loss of Control Gained Over Entities Having Material Effect

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

Details of Associates and Joint Venture Entities


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

Audit/Review Status

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

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By (Director/Company Secretary) 	
Print Name	James A Jackson (Executive Chairman)
Date	4 February 2015

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2014.

Directors

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

James Andrew Jackson (appointed 25 July 2014)
Paul Antony Young
Stephen Murray Roberts (resigned 5 September 2014)
Andrew John Brown

Principal Activities

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

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

Review of Operations

Australian Rural Capital Limited posted a loss after provision for income tax of \$245,846 for the period compared to a loss of \$547,559 in the comparative period. Of this loss, \$113,073 arose from the marking to market of the Company's strategic 10% stake in the capital units of Namoi Cotton Co-operative Limited ("Namoi") to a level of 32c per capital unit.

The consolidated entity further streamlined its investments during the period and now only holds securities of Namoi, one minor unlisted equity investment and cash. In December 2014, the consolidated entity acquired Foundry Investments Partners Pty. Limited that holds Australian Financial Services License 302802. It is intended to rename this entity "Australian Rural Capital Management Pty. Limited" and seek to supplement the specialist investments of the consolidated entity with funds to be managed in the rural/agricultural area on behalf of third parties.

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

Significant Changes in the State of Affairs

On 25 July 2014 shareholders in the consolidated entity approved a 10-1 share consolidation, cash placements raising \$780,000, exchange of the consolidated entity's shares for 7,282,620 capital units of Namoi. The consolidated entity also acquired a further 1,756,727 capital units of Namoi during the period through on-market purchases. On 12 September 2014, shareholders approved a change of name from Tidewater Investments Limited to Australian Rural Capital Limited.

On 23 December 2014, the consolidated entity acquired 100% of the shares of Foundry Investment Partners Pty. Limited that holds Australian Financial Services License 302802.

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

Auditor's Declaration

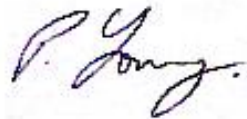
We have received a declaration from the auditors, BDO East Coast Partnership, of their independence, which is attached as the second page of this Directors' report. The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 6 for the half year ended 31 December 2014.

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

Signed on behalf of the Directors:

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

James A Jackson
Executive Chairman

A handwritten signature in black ink, appearing to read 'P. Young', with a stylized, cursive script.

Paul Young
Director

Dated: 4 February 2015



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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY CRAIG MAXWELL TO THE DIRECTORS OF AUSTRALIAN RURAL CAPITAL LIMITED

As lead auditor for the review of Australian Rural Capital Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Australian Rural Capital Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Craig Maxwell', is written over a light blue horizontal line.

Craig Maxwell
Partner

BDO East Coast Partnership

Sydney, 4 February 2015

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2014

Continuing Operations	Note	31 Dec 2014 \$	31 Dec 2013 \$
Revenue	<i>2</i>	55,763	27,740
Other expenses	<i>3</i>	(300,409)	(526,544)
Finance costs	<i>4</i>	(1,200)	(20,705)
Loss before income tax		(245,846)	(519,509)
Income tax (expense)/benefit		-	(28,050)
Loss after income tax for the half-year		(245,846)	(547,559)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income attributable to members of Tidewater Investments Limited		(245,846)	(547,559)
Basic loss per share (cents per share)		(3.2c)	(20.6c)
Diluted loss per share (cents per share)		(3.2c)	(20.6c)

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

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
Statement of Financial Position
As at 31 December 2014

	Note	Economic Entity	
		31 Dec 2014	30 June 2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	751,731	655,459
Trade and other receivables		4,052	2,782
Financial assets	7,12	3,524,509	656,301
TOTAL CURRENT ASSETS		4,280,292	1,314,542
NON-CURRENT ASSETS			
Financial assets	7,12	10,000	10,000
Deferred tax assets		14,010	11,520
Goodwill	8	7,709	-
TOTAL NON-CURRENT ASSETS		31,719	21,520
TOTAL ASSETS		4,312,011	1,336,062
CURRENT LIABILITIES			
Trade creditors		5,701	5,694
Accruals		29,535	38,401
Other payables		5,888	5,673
TOTAL CURRENT LIABILITIES		41,124	49,768
TOTAL LIABILITIES		41,124	49,768
NET ASSETS		4,270,887	1,286,294
EQUITY			
Issued capital	10	18,322,780	15,129,356
Reserves – share based payments	11	37,015	-
Accumulated losses		(14,088,908)	(13,843,062)
Parent entity interest		4,270,887	1,286,294
Non controlling interest		-	-
TOTAL EQUITY		4,270,887	1,286,294

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

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
Statement of Cash Flows
For the half year ended 31 December 2014

	Note	Economic Entity 31 Dec 2014 \$	31 Dec 2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(160,932)	(232,750)
Purchases of investments		(582,617)	(998,249)
Proceeds from sale of investments		6,548	1,634,852
Purchases of derivative instruments		-	(58,270)
Sale of derivative instruments		-	74,882
Dividends received		52,180	12,599
Interest received		1,667	33
Finance costs paid		(1,200)	(20,705)
Taxation refunded		421	-
Net cash (used in)/provided by operating activities		(683,933)	412,392
Cash flows from investing activities			
Repayment of loans to related entities		50,022	-
Payment for purchase of business, net of cash acquired	8	(59,996)	-
Net cash used in investing activities		(9,974)	-
Cash flows from financing activities			
Issuance of new equity		835,451	-
Cost of equity issuance		(45,272)	-
Net cash provided by financing activities		790,179	-
Net increase in cash		96,272	412,392
Cash at beginning of period		655,459	(55,852)
Cash at end of period	6	751,731	356,540

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

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
Statement of Changes in Equity
For the half year ended 31 December 2014

	Issued Capital	Reserves - Share based payments	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 30 June 2013	14,985,807	-	(13,231,870)	1,753,937
Total comprehensive income for the period	-	-	(547,559)	(547,559)
At 31 December 2013	14,985,807	-	(13,779,429)	1,206,378
Total comprehensive income for the period	-	-	(63,633)	(63,633)
Issuance of new equity (net of expenses)	143,549	-	-	143,549
At 30 June 2014	15,129,356	-	(13,843,062)	1,286,294
Total comprehensive income for the period	-	-	(245,846)	(245,846)
Share based payments	-	37,015	-	37,015
Issuance of new equity – cash (net of expenses)	790,179	-	-	790,179
Issuance of new equity – share swap	2,403,245	-	-	2,403,245
At 31 December 2014	18,322,780	37,015	(14,088,908)	4,270,887

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

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial report was approved by the Board of Directors on 4 February 2015. The company changed its name from Tidewater Investments Limited to Australian Rural Capital Limited on 12 September 2014.

This interim consolidated financial report has been prepared in accordance with Accounting Standard AASB 134 and is to be read in conjunction with the annual financial report for the financial year ended 30 June 2014 ("**2014 Annual Report**"). The 2014 Annual Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The half yearly report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report. Accordingly, it is recommended that this financial report be read in conjunction with the 2014 Annual Report and any public announcements made by Australian Rural Capital Limited ("**ARC**") during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies have been followed as those applied and discussed in the 2014 Annual Report.

Economic Entity	
31 Dec 2014	31 Dec 2013
\$	\$

NOTE 2: REVENUES

Revenues are comprised as follows:

Profit from sale of investments	1,913	-
Interest revenue	1,670	28
Dividend income	52,180	11,099
Gain on purchase and sale of derivative instruments	-	16,613
Total revenues	55,763	27,740

For the 2013 financial period, the net financial impact of investments sold was shown on a gross basis, including cash proceeds from sale, cash cost and fair value movement of investments sold.

For the current reporting period the financial impact of the investments sold have been shown on a net basis to align with current Accounting Standards. The comparatives for the 2013 financial reporting period have been amended to align with this disclosure.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2014	31 Dec 2013
	\$	\$

NOTE 3: EXPENSES

Expenses excluding finance costs are comprised as follows:

Loss on sale of investments	-	14,823
Advisory expenses – share based	22,268	-
Change in fair value of investments retained	113,073	372,496
Directors fees and costs - cash	71,146	20,000
Directors fees and costs – share based	14,747	-
Employee benefits expense	-	58,333
Insurance	17,035	17,185
Office and occupancy expenses	1,508	1,410
Other expenses	60,632	42,297
Total expenses excluding finance costs	300,409	526,544

For the 2013 financial period, the net financial impact of investments sold was shown on a gross basis, including cash proceeds from sale, cash cost and fair value movement of investments sold.

For the current reporting period the financial impact of the investments sold have been shown on a net basis to align with current Accounting Standards. The comparatives for the 2013 financial reporting period have been amended to align with this disclosure.

NOTE 4: FINANCE COSTS

Cost of finance attributable to loans from other entities	1,200	20,705
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At 30 June 2014 and 31 December 2014, ARC had an undrawn overdraft facility of up to \$400,000 with a major bank ("Financier") with a floating charge against all the assets of the Company.

NOTE 5: DIVIDENDS PAID OR PROPOSED

Declared and paid during the period

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

Interim franked dividend for period to 31 December 2014: nil (30 June 2014: nil)	-	-
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The current balance of the franking account, prior to accounting for any taxation paid in relation to the result for the latest period or payment of the proposed interim dividend is \$5,906.

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity
31 Dec 2014 30 June 2014
\$ \$

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand and at bank	751,731	655,549
Net cash and cash equivalents as per statement of cash flows	751,731	655,549

NOTE 7: FINANCIAL ASSETS

CURRENT:

Fair value through profit and loss:

Listed investments at fair value – shares in listed corporations	3,524,509	656,301
TOTAL	3,524,509	656,301

NON CURRENT:

Fair value through profit and loss:

Unlisted investments at fair value		
– shares in unlisted corporations at fair value	10,000	10,000
TOTAL	10,000	10,000

NOTE 8. ACQUISITION OF CONTROLLED ENTITY

(I) DESCRIPTION

On 23 December 2014, ARC acquired 100% of the issued capital of Foundry Investment Partners Pty. Limited (“FIP”) from Andrew Brown, a Director of ARC for \$60,022. FIP is the owner of Australian Financial Services Licence 302802 which ARC intends to use to further its funds management activities.

(II) DETAILS OF ACQUISITION OF CONTROLLED ENTITY

The carrying amounts of assets and liabilities at the date of acquisition of FIP are as follows:

	Acquiree's carrying amount	Fair value
	\$	\$
Cash	26	26
Loans to related party (†)	50,022	50,022
Deferred tax assets	2,490	2,490
TOTAL ASSETS	52,538	52,538
Creditors	(225)	(225)
NET ASSETS	52,313	52,313
Goodwill		7,709
Total purchase consideration		60,022

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(II) DETAILS OF ACQUISITION OF CONTROLLED ENTITY (continued)

	\$
Cash component of consideration	(60,022)
Cash balances acquired	26
Total outflow of cash	<u>(59,996)</u>

† at the date of acquisition, the related party was Andrew Brown, a Director of the consolidated entity. Between 24 December 2014 and 29 December 2014, this loan was fully repaid. As at 31 December 2014, the same loan amount is outstanding from the parent entity to Foundry Investment Partners Pty. Limited and is eliminated on consolidation.

NOTE 9. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned 31 Dec 2014	30 June 2014
Parent Entity:			
Australian Rural Capital Limited	Australia	-	-
Controlled Entities of Tidewater Investments Limited:			
Loftus Lane Investments Pty. Limited	Australia	100%	100%
Foundry Investment Partners Pty. Limited	Australia	100%	-
Rowe Street Investments Pty. Limited (a)	Australia	100%	100%

(a) Controlled entity of Loftus Lane Investments Pty. Limited.

NOTE 10. EQUITY – ISSUED CAPITAL

	31 Dec 2014 \$	30 June 2014 \$
8,923,181 fully paid authorised ordinary shares (30 June 2014: 29,426,534)	18,322,780	15,129,356

MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE PERIOD

Date	Details	Number of shares	\$
30 June 2014	Opening balance	29,426,534	15,129,356
11 July 2014	Placement at 5c per share	1,109,015	55,451
25 July 2014	10-1 share consolidation	(27,481,904)	-
4 August 2014	Placement at 52c per share	1,500,000	780,000
4 August 2014	In exchange for capital units of Namoi Cotton Co-operative Limited	4,369,536	2,403,245
	Costs of equity issuance	-	(45,272)
31 December 2014	Closing balance	<u>8,923,181</u>	<u>18,322,780</u>

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. EQUITY – OPTIONS

The company issued two series of options as share based payments during the six months to 31 December 2014

Executive Remuneration

On 4 August 2014, the company issued 450,000 options each exercisable into one new share of ARC at a price of 70c per share before 31 December 2020 to the Executive Chairman, James Jackson. The options vest in three tranches of 150,000 on 25 July 2015, 25 July 2016 and 24 July 2017 providing James Jackson is still an employee of the company. These options had a fair value at the grant date of 12.75c per option. The cost of the options is amortised over the relevant period to full vesting and equated to \$14,747 in the period to 31 December 2014.

Advisory Services

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

NOTE 12. FAIR VALUE MEASUREMENT

Fair value hierarchy

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

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

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

31 December 2014	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	3,524,509	10,000	-	3,534,509
TOTAL	3,524,509	10,000	-	3,534,509
30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
Financial assets at fair value through profit or loss:				
Shares in other corporations	656,301	10,000	-	666,301
TOTAL	656,301	10,000	-	666,301

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12. FAIR VALUE MEASUREMENT (continued)

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

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

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

There are no financial liabilities outstanding at 30 June 2014 and 31 December 2014 necessitating comparison of similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The level 2 unlisted equity security has been valued using observable prices in private transactions.

NOTE 13. EVENTS AFTER THE REPORTING DATE

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

AUSTRALIAN RURAL CAPITAL LIMITED AND CONTROLLED ENTITIES
(formerly known as Tidewater Investments Limited)
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14: SEGMENT INFORMATION

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

Funds management: the management of investment vehicles and provision of other funds management services;
Investment: investment in listed and unlisted Australian companies and securities.

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

Six months to 31 December 2014	Funds M'ment \$	Investment \$	Unallocated \$	TOTAL \$
Revenue	-	54,093	-	54,093
Interest revenue	-	1,670	-	1,670
Expenses other than finance, depreciation & amortisation	20	113,073	187,316	300,409
SEGMENT RESULT	(20)	(57,310)	(187,316)	(244,646)
Finance costs	-	-	(1,200)	(1,200)
LOSS BEFORE INCOME TAX	(20)	(57,310)	(188,516)	(245,846)
Income tax expense	-	-	-	-
LOSS AFTER INCOME TAX	(20)	(57,310)	(188,516)	(245,846)
Segment Assets	7,709	4,290,292	14,010	4,312,011
Segment Liabilities	-	-	41,134	41,134
Six months to 31 December 2013	Funds M'ment \$	Investment \$	Unallocated \$	TOTAL \$
Revenue	-	22,712	-	22,712
Interest revenue	-	28	-	28
Expenses other than finance, depreciation & amortisation	-	387,319	139,225	526,544
SEGMENT RESULT	-	(359,579)	(139,225)	(498,804)
Finance costs	-	(9,264)	(11,441)	(20,705)
LOSS BEFORE INCOME TAX	-	(368,843)	(150,666)	(519,509)
Income tax expense	-	-	(28,050)	(28,050)
LOSS AFTER INCOME TAX	-	(368,843)	(178,716)	(547,559)
Segment Assets	-	1,251,345	14,400	1,265,745
Segment Liabilities	-	-	59,367	59,367

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

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

James A Jackson
Executive Chairman

4 February 2015



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Australian Rural Capital Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australian Rural Capital Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australian Rural Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership

BDO
A handwritten signature in black ink, appearing to read 'Craig Maxwell'.

Craig Maxwell
Partner

Sydney, 4 February 2015