

ABERDEEN LEADERS LIMITED

ABN: 25 003 236 173

**RESULTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

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The Appendix 4D Accounts have been audited.



Gil Orski
Company Secretary

16 February 2015

Aberdeen Leaders Limited

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aberdeenasset.com.au

Aberdeen Leaders Limited

Appendix 4D

Preliminary Half-year Report

Half-year ended 31 December 2014

This half-year ended report is for the reporting period from 1 July 2014 to 31 December 2014. The previous corresponding half-year ended period was 1 July 2013 to 31 December 2013.

Results for announcement to the market

Revenue from ordinary activities	Down	4.3%	to	\$'000 2,104
Profit after tax attributable to members	Down	12.9%		649
Profit before tax attributable to members	Down	9.1%		904

Dividends

	Dividend Rate	Total Amount \$'000	Record Date	Date of Payment	Percentage Franked
Ordinary	1.00c	616	12/01/2015	05/02/2015	100%
Ordinary	1.00c	615	13/10/2014	31/10/2014	100%

Net tangible assets

	31 December 2014	31 December 2013
NTA (per share) after estimated tax on unrealised income & gains/losses (per share)	1.12	1.12
NTA (per share) before estimated tax on unrealised income & gains/losses	1.18	1.16
NTA (per share) before estimated tax on unrealised income & gains/losses and before all deferred taxes	1.12	1.11

Explanation of results

(1) The Company's net profit after tax for the half-year is \$904,000 (2013: net profit \$995,000), a decrease of 9.15% compared to the equivalent prior period.

For the 6 months to 31 December 2014 \$952,000 in gains were realised compared to \$71,000 in losses in the same period last year.

(2) Aberdeen Leaders Limited is a listed investment company. "Revenue" and "Profit" are incidental results of dividends and other income received, and ignore gains (or losses) both from top-slicing the portfolio, and in the (unrealised) value of the underlying investments. The Company's financial health is measured by its net tangible assets, not accounting profits.

For any queries please contact:

Gil Orski
Company Secretary

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CHAIRMAN'S STATEMENT

Dear Shareholder

Profit after tax for the half year ended 31 December 2014 was \$0.904 million, slightly down on 2013. This reflects the lower dividend income received this period as compared to the same period last year, due to a slight realignment of the portfolio to lower yielding shares, in particular the Health Care sector. This had a positive effect from a capital return point-of-view within the portfolio.

The Financials sector remains robust with all the major banks performing well, underpinned by their solid dividend yields. With interest rates remaining at all-time lows the search for yield within the Australian stock market has continued. There appears little prospect of an interest rate rise in the short term, with the majority of forecasters predicting either a flat or falling cash rate.

During the six months to 31 December 2014 the Reserve Bank of Australia (RBA) maintained interest rates at 2.5%, low by historical standards. Meanwhile in the US, with the ending of quantitative easing (QE), we would expect rates there to inch upwards within the next 12 months, especially if the run of positive data continues. The RBA has continued to talk down the Australian dollar versus the US dollar, and during the last six months it declined from 93.75 cents to finish at 81.98 cents at the end of December. This should help exporters. Australian property prices have continued to increase, especially in Sydney and Melbourne, but areas with significant exposure to the mining sector have started to see declines, particularly Queensland and Western Australia. To date we have not seen any uptick in mortgage defaults reported by the banks, although one must assume there are some areas of stress. Consumer sentiment remains subdued with retail sales figures not showing any significant growth in spending.

The Australian share market posted a small positive return over the period, with the S&P/ASX 200 Accumulation Index returning 2.50%. The Company's gross assets returned 4.36% over the same period, a slightly improved performance. As at 31 December 2014 the NTA per share was \$1.18, two cents up on the 30 June 2014 figure. Net of deferred tax on unrealised gains, the NTA was \$1.12 per share. The share price closed at \$1.095, representing a return of -10.2%*.

*After adding back dividends paid during the period.

As at 31 December 2014 the share price stood at a discount to both pre-tax NTA and post-tax NTA.

Interim Dividend

A fully franked dividend of 1.00 cent per share was declared on 22 December 2014, payable on 5 February 2015. The Board will continue to monitor the quantum of dividends received from the portfolio's investments and bear this in mind, together with other factors including our balance sheet, when determining the overall level of dividends paid in the future.

Dividend Reinvestment Plan

I would like to remind investors of the Company's Dividend Reinvestment Plan (DRP) which allows eligible shareholders to have their dividends automatically reinvested in the Company. If you would like to participate in the DRP or would like more information please phone 02 9290 9600 and we will mail you a DRP booklet containing the relevant information.

Outlook

January got the share market off to a good start and as we write this has continued into February with investors chasing high yield and we wait for the upcoming reporting season with interest, especially any commentary from management regarding outlook statements. Business confidence remains subdued, in part due to the inability of the Government to initiate its policies. The recent reduction in the cash rate could help to improve businesses outlook. Commodity prices remain under pressure, especially oil which (dramatically) almost halved within four months, although this should benefit consumers by way of cheaper fuel prices at the bowser. The fall in the iron ore price will impact both State and Federal tax revenues, despite the significant increases in volumes mined and exported by the major producers. European economies remain subdued with the effects of the situation in the Ukraine and Russia having an impact. China appears to be slowing, albeit off a higher base, and this will continue to affect the Australian economy as it is our largest trading partner. Growth in the Australian economy is forecast to be 2.6% over the next twelve months and this should underpin some growth in company profits and therefore the stock market. With the market trading on a P/E of 15 currently it is not expensive in historical terms, but it would be positive to see some growth in company bottom lines in the upcoming reporting season. Most Australian companies have maintained relatively low levels of debt and balance sheets are generally in good shape. We continue to monitor good-quality companies for reasonable buying opportunities.

Brian Sherman AM

February 2015

Chairman

ABERDEEN LEADERS LIMITED

MANAGER'S REVIEW

SIX MONTHS ENDED 31 DECEMBER 2014

The S&P/ASX 200 Accumulation Index increased by 2.50% in the six months ending 31 December 2014. It is interesting to look at the breakdown of returns and to compare index and gross portfolio returns over recent periods:

Period to 31 December 2014	Gross Portfolio	Index	Relative
Three months	3.33%	3.11%	+0.22%
Six months	4.36%	2.50%	+1.86%
Twelve months	7.27%	5.61%	+1.66%

As can be seen from the above table, we have managed to improve portfolio performance after a disappointing period last year. We increased exposure to the Health Care sector, which proved beneficial as the sector performed strongly over the last six months, and gained from exposure to the Energy sector, although this has subsequently reduced due to the decline in the oil price. Real Estate Investment Trusts (REITs) also performed well. Being slightly underweight to banks detracted, as did our underexposure to the Industrials sector.

During the past six months we removed Orica from the portfolio, as we felt it would continue to be impacted by the slowdown in the mining sector, specifically coal. We introduced Resmed, a leading provider of sleep apnoea apparatus, into the portfolio and, towards the end of the period, introduced Telstra at a small weighting. We also altered the model weights of some of our holdings, reducing exposure to QBE Insurance, Coca-Cola Amatil, AGL Energy, Woolworths, BHP Billiton, Rio Tinto, Worley Parsons and Computershare, while increasing our weightings in CSL, Caltex, ASX, Incitec Pivot, Westfield Corporation, Scentre, SingTel and AusNet. The table below identifies the major contributors to, and detractors from, performance relative to the benchmark in the six months to 31 December 2014:

Key contributors and detractors – six months to 31 December 2014

Top 5 Contributors		
Stock	Relative weight (%)	Contribution (%)
Caltex	1.6	0.75
Westfield Corporation	3.5	0.68
CSL	2.4	0.63
SingTel	5.7	0.63
Resmed	2.6	0.61
Top 5 Detractors		
Stock	Relative weight (%)	Contribution (%)
Telstra	-4.2	-0.71
BHP Billiton	2.5	-0.53
AGL Energy	3.0	-0.36
Woolworths	0.5	-0.30
Amcor	-1.2	-0.29

As can be seen above, the portfolio's health care stocks CSL and Resmed did well, as did the property sector where our long standing holding in Westfield Corporation contributed post its divestment of Australian and New Zealand assets. In the energy space, Caltex had a stellar run which benefited the portfolio, as did not holding either Santos or Origin Energy. Not holding Telstra until the last month of the year was a big detractor, and our holding BHP was impacted by the decline in the price of both iron ore and oil. The decline in the Australia dollar over the last six months should benefit companies with overseas earnings and exporters, and will likely be reflected in the forthcoming results announcements. We will also be looking carefully for any guidance given by management in their outlook statements.

We continue to believe that identifying good quality companies at reasonable values and holding them for the long term will provide superior returns.

Portfolio

31 December 2014

PHYSICAL	Quantity	Mkt Value	Portfolio Weighting
FINANCIALS EX PROPERTY TRUSTS			
ANZ Banking Group	201,800	6,471,726	6.51%
ASX Ltd	134,600	4,939,820	4.97%
AMP LTD	836,200	4,599,100	4.63%
Commonwealth Bank	80,700	6,899,850	6.94%
QBE Insurance Group	292,600	3,253,712	3.27%
Westpac Banking Corp	120,200	3,969,004	3.99%
Subtotal		30,133,212	30.31%
PROPERTY TRUSTS			
Westfield Corp Npv Stapled Units	532,500	4,797,825	4.83%
Scentre Grp Npv	825,900	2,882,391	2.90%
Subtotal		\$7,680,216	7.73%
CONSUMER DISCRETIONARY			
Tattersall's Limited	504,200	1,739,490	1.75%
Subtotal		\$1,739,490	1.75%
CONSUMER STAPLES			
Coca-Cola Amatil	322,200	2,996,460	3.01%
Woolworths Limited	110,800	3,398,236	3.42%
Subtotal		\$6,394,696	6.43%
HEALTH CARE			
Cochlear Limited	32,800	2,543,968	2.56%
CSL Limited	62,900	5,443,995	5.48%
Resmed Inc	426,100	2,952,873	2.97%
Subtotal		\$10,940,836	11.01%
ENERGY			
AGL Energy Limited	273,800	3,657,968	3.68%
Caltex Australia	57,500	1,966,500	1.98%
Worley Group	31,000	310,930	0.31%
Woodside Petroleum	110,800	4,199,320	4.22%
Subtotal		\$10,134,718	10.20%
MATERIALS			
BHP Billiton Limited	324,400	9,491,944	9.55%
Incitec Pivot Limited	674,300	2,137,531	2.15%
Rio Tinto	86,100	4,972,275	5.00%
Subtotal		\$16,601,750	16.70%
INFO TECH			
Computershare	167,400	1,960,254	1.97%
Subtotal		\$1,960,254	1.97%
TELECOMMUNICATION SERVICES			
Singapore Telecommunications Limited	1,577,000	5,677,200	5.71%
Telstra Corporation Limited	210,000	1,253,700	1.26%
Subtotal		\$6,930,900	6.97%
UTILITIES			
Ausnet Services	3,569,400	4,711,608	4.74%
Subtotal		\$4,711,608	4.74%
EQUITY TOTAL		\$97,227,680	97.81%
Net Liquidity including dtl		\$2,174,991	2.19%
Total Assets excluding Debt		\$99,402,671	100.00%
Loan Facility		(\$30,000,000)	-30.18%
Total Equity		\$69,402,671	69.82%

Aberdeen Leaders Limited

ABN 25 003 236 173

Interim Report for the half-year ended 31 December 2014

Directors' Report

Your Directors present their report together with the financial report of Aberdeen Leaders Limited ("the Company") for the half-year ended 31 December 2014.

Directors

The following persons held office as Directors of Aberdeen Leaders Limited during the financial period:

Brian Michael Sherman (AM, BComm, CTA SIA (Aff))
Neville John Miles (BComm (Hons), CA)
David Lindsay Elsum (AM, BEE (Hons), BComm, MSc, FCPA)
Augustine Mark Daniels (BSc Econ)
Barry Sechos (BComm, LLB)

Review of operations

The Company's net profit after tax for the half-year is \$904,000 (2013: net profit \$995,000), a decrease of 9.15% compared to the equivalent prior period.

For the 6 months to 31 December 2014 \$952,000 in gains were realised compared to \$71,000 in losses in the same period last year. These gains and losses are reflected in Other Comprehensive Income.

Earnings per share amounted to 1.47 cents per share for the half-year (2013: 1.63 cents per share).

Net tangible assets before tax on unrealised gains have increased to \$1.18 per share at 31 December 2014, while net tangible assets after tax on unrealised gains increased to \$1.12 per share.

For the six months ended 31 December 2014, the Company declared dividends totalling 2 cents per share fully franked (2013: 3.50 cents).

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

This report is made in accordance with a resolution of Directors.

Augustine Mark Daniels
Director



Sydney
16 February 2015

The Board of Directors
Aberdeen Leaders Limited
Level 6, 201 Kent Street
SYDNEY NSW 2000

16 February 2015

Dear Board Members,

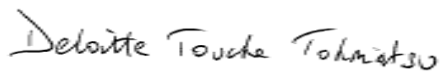
Aberdeen Leaders Limited

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

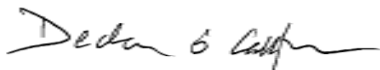
As lead audit partner for the review of the financial statements of Aberdeen Leaders Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan
Partner
Chartered Accountants

Aberdeen Leaders Limited
Statement of Comprehensive Income
For the half-year ended 31 December 2014

		Half-year ended	
	Notes	31 December 2014	31 December 2013
		\$'000	\$'000
Investment income from ordinary activities	4	2,104	2,198
Expenses			
Management fees		(464)	(540)
Share registry fees		(48)	(44)
Custody fees		(48)	(52)
Directors' fees		(104)	(88)
Directors' liability insurance fees		(20)	(21)
ASX fees		(48)	(48)
Audit fees		(41)	(37)
Other expenses		(12)	(11)
Interest expense		(670)	(612)
		(1,455)	(1,453)
Profit before income tax		649	745
Income tax benefit		255	250
Net profit for the period		904	995
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges		(256)	-
Income tax relating to changes in fair value of cash flow hedges		77	-
<i>Items that will not be reclassified to profit or loss</i>			
Net unrealised gains on investments taken to equity		1,083	5,716
Income tax relating to unrealised gains on investments taken to equity		(325)	(1,715)
Net realised gains/(losses) on investments taken to equity		952	(71)
Income tax (expense)/benefit relating to realised gains/(losses) on investments taken to equity		(286)	21
Other comprehensive income for the period, net of tax		1,245	3,951
Total comprehensive income for the period		2,149	4,946
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	9	1.47	1.63
Diluted earnings per share	9	1.47	1.63

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Aberdeen Leaders Limited
Statement of Financial Position
As at 31 December 2014

	Notes	At 31 December 2014 \$'000	30 June 2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,867	3,096
Trade and other receivables		1,401	1,425
Other current assets		13	34
Total current assets		3,281	4,555
Non-current assets			
Financial assets at fair value through other comprehensive income		97,228	94,991
Deferred tax assets		3,831	3,763
Total non-current assets		101,059	98,754
Total assets		104,340	103,309
LIABILITIES			
Current liabilities			
Trade and other payables		225	386
Dividends payable		616	1,227
Total current liabilities		841	1,613
Non-current liabilities			
Borrowings	6	30,000	30,000
Derivative financial instruments		521	265
Deferred tax liabilities		3,576	3,230
Total non-current liabilities		34,097	33,495
Total liabilities		34,938	35,108
Net assets		69,402	68,201
EQUITY			
Issued capital	7	59,092	58,809
Reserves		7,731	7,152
Retained earnings		2,579	2,240
Total equity		69,402	68,201

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Aberdeen Leaders Limited
Statement of Changes in Equity
For the half-year ended 31 December 2014

	Notes	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2013		58,009	1,058	6,322	65,389
Net profit for the period		-	-	995	995
Other comprehensive income for the period					
Net unrealised gains on investments taken to equity		-	5,716	-	5,716
Income tax on net unrealised gains/losses on investments taken to equity		-	(1,715)	-	(1,715)
Net realised gains/losses on investments taken to equity		-	(71)	-	(71)
Income tax on net realised gains/losses on investments taken to equity		-	21	-	21
Total other comprehensive income for the period, net of tax		-	3,951	-	3,951
Total comprehensive income for the period		-	3,951	995	4,946
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	7	500	-	-	500
Net realised gains/losses transferred to retained earnings (net of income tax)		-	50	(50)	-
Dividends provided for or paid	8	-	-	(2,135)	(2,135)
		500	50	(2,185)	(1,635)
Balance at 31 December 2013		58,509	5,059	5,132	68,700
Balance at 1 July 2014		58,809	7,152	2,240	68,201
Net profit for the period		-	-	904	904
Other comprehensive income for the period					
Changes in fair value of cash flow hedges		-	(256)	-	(256)
Income tax on changes in fair value of cash flow hedges		-	77	-	77
Net unrealised gains on investments taken to equity		-	1,083	-	1,083
Income tax on net unrealised gains/losses on investments taken to equity		-	(325)	-	(325)
Net realised gains/losses on investments taken to equity		-	952	-	952
Income tax on net realised gains/losses on investments taken to equity		-	(286)	-	(286)
Total other comprehensive income for the period, net of tax		-	1,245	-	1,245
Total comprehensive income for the period		-	1,245	904	2,149
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	7	283	-	-	283
Net realised gains/losses transferred to retained earnings (net of income tax)		-	(666)	666	-
Dividends provided for or paid	8	-	-	(1,231)	(1,231)
		283	(666)	(565)	(948)
Balance at 31 December 2014		59,092	7,731	2,579	69,402

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Aberdeen Leaders Limited
Statement of Cash Flows
For the half-year ended 31 December 2014

	Half-year ended	
	31 December	31 December
	2014	2013
	\$'000	\$'000
Cash flows from operating activities		
Dividends and trust distributions received	2,418	2,466
Interest received	42	26
Management fees paid	(574)	(529)
Finance costs paid	(664)	(513)
Payments for other expenses	(344)	(244)
Net cash inflow from operating activities	878	1,206
Cash flows from investing activities		
Payments for purchase of investments	(9,991)	(5,490)
Proceeds from sale of investments	9,443	9,381
Net cash (outflow)/inflow from investing activities	(548)	3,891
Cash flows from financing activities		
Dividends paid	(1,559)	(2,843)
Net cash (outflow) from financing activities	(1,559)	(2,843)
Net (decrease)/increase in cash and cash equivalents	(1,229)	2,254
Cash and cash equivalents at the beginning of the half-year	3,096	1,083
Cash and cash equivalents at end of period	1,867	3,337

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity Aberdeen Leaders Limited.

(a) Basis of preparation of half-year report

These interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Aberdeen Leaders Limited is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Aberdeen Leaders Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared on an accrual basis, and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(i) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(ii) Impact of standards issued but not yet applied by the entity

There are no standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(b) Investments and other financial assets

Classification

(i) Financial assets at fair value through other comprehensive income

The Company has designated long-term investments as "fair value through other comprehensive income". All gains and losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

1 Summary of significant accounting policies (continued)

(b) Investments and other financial assets (continued)

Measurement

At initial recognition, the Company measures financial assets and liabilities at fair value.

Transactions costs of financial assets carried at fair value through other comprehensive income are directly attributable to the acquisition of the financial asset.

Subsequent changes in fair value are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holding of equity investments.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio revaluation reserve to retained earnings.

Determination of Fair Value

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Under AASB 13, if an investment has a bid price and an ask price, the price within the bid-ask spread that is more representative of fair value in the circumstances shall be used to measure fair value. Accordingly, the Company uses the last bid price as a basis of measuring fair value.

(c) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is based upon temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as:

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

1 Summary of significant accounting policies (continued)

(d) Derivatives and hedging activities (continued)

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

2 Fair value measurements

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income (FVTOCI)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2014 and 30 June 2014 on a recurring basis.

At 31 December 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets at FVTOCI				
Equity securities	97,228	-	-	97,228
Total financial assets	97,228	-	-	97,228
Financial liabilities				
Derivatives used for hedging	-	(521)	-	(521)
Total financial liabilities	-	(521)	-	(521)

2 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

At 30 June 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Financial assets at FVTOCI				
Equity securities	94,991	-	-	94,991
Total financial assets	94,991	-	-	94,991
Financial liabilities				
Derivatives used for hedging	-	(265)	-	(265)
Total financial liabilities	-	(265)	-	(265)

There were no transfers between levels for recurring fair value measurements during the period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

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

The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant.

3 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income, interest income and from the sale of its investments.

4 Revenue

	Half-year ended	
	31 December 2014	31 December 2013
	\$'000	\$'000
Dividends on long term investments held at the end of the period	2,003	2,017
Dividends on long term investments sold during the period	60	24
Distributions on long term investments held at the end of the period	-	127
Distributions on long term investments sold during the period	-	-
Interest	41	30
	2,104	2,198

5 Income tax benefit

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 December 2014 is -39%, compared to -34% for the six months ended 31 December 2013.

6 Borrowings

	At 31 December 2014			At 30 June 2014		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Secured						
Bank loans	-	30,000	30,000	-	30,000	30,000
Total secured borrowings	-	30,000	30,000	-	30,000	30,000

The Directors have entered into a \$30 million revolving cash advance facility with Westpac Banking Corporation. In 2014, the term of the debt facility was extended to 10 April 2017.

The facility is secured by a fixed and floating charge over the Company's assets. The carrying amount of the assets pledged as security at 31 December 2014 is \$100,509,000 (30 June 2014: \$99,546,000). The facility is fully drawn to \$30 million at balance date.

7 Issued capital

(a) Share capital

	31 December 2014 Shares	30 June 2014 Shares	31 December 2014 \$'000	30 June 2014 \$'000
Ordinary shares	61,575,093	61,339,314	59,092	58,809

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	\$'000
1 July 2013	Opening balance	60,691,871		58,009
	Dividend reinvestment plan issues	647,443	\$1.24	800
30 June 2014	Balance	61,339,314		58,809
1 July 2014	Opening balance	61,339,314		58,809
	Dividend reinvestment plan issues	235,779	\$1.20	283
31 December 2014	Balance	61,575,093		59,092

(c) Share buy-back

The Company renewed the share buy-back program for 12 months from 27 February 2014 but has not bought any shares (2013: nil).

7 Issued capital (continued)

(d) Dividend reinvestment plan

A Dividend Reinvestment Plan has been in operation for the period ended 31 December 2014.

Company has a Dividend Reinvestment Plan (DRP) which is in operation for this dividend. Securities received as part of participation in the DRP rank equally with other ordinary shares and their price is calculated in accordance with the DRP documentation. A DRP form must be received before 5.00pm on the business day after the Record Date to be effective in respect of those dividends.

The financial effect of these dividends has been brought to account in the financial statements for the half-year ended 31 December 2014.

8 Dividends

(a) Ordinary shares

	Half-year ended	
	31 December 2014	31 December 2013
	\$'000	\$'000
Dividends provided for or paid in respect of the half-year ended	1,231	2,135

(b) Dividend rate

Dividends paid fully franked at 30% tax rate

	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2014				
Ordinary shares - interim	1.00cps	\$616	05/02/2015	100%
Ordinary shares - interim	1.00cps	\$615	31/10/2014	100%
2013				
Ordinary shares - interim	1.75cps	\$1,069	31/01/2014	100%
Ordinary shares - interim	1.75cps	\$1,067	01/11/2013	100%

9 Earnings per share

(a) Basic earnings per share

	Half-year ended	
	31 December 2014	31 December 2013
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the Company	1.47	1.63
Total basic earnings per share attributable to the ordinary equity holders of the Company	1.47	1.63

9 Earnings per share (continued)

(b) Diluted earnings per share

	Half-year ended	
	31 December 2014	31 December 2013
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the Company	<u>1.47</u>	1.63
Total diluted earnings per share attributable to the ordinary equity holders of the Company	<u>1.47</u>	1.63

(c) Weighted average number of shares used as denominator

	Half-year ended	
	31 December 2014	31 December 2013
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>61,492,623</u>	60,979,691
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>61,492,623</u>	60,979,691

10 Contingencies

The Investment Management Agreement entered into by the Company with Aberdeen Asset Management Limited may be terminated by either party giving to the other no less than three-months written notice of its intention to do so.

The Company had no contingent liabilities at 31 December 2014 (2013: nil).

11 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that 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 subsequent financial periods.

Aberdeen Leaders Limited
Directors' Declaration
For the half-year ended 31 December 2014

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 3 to 13 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the half-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.

This declaration is made in accordance with a resolution of Directors.

Augustine Mark Daniels
Director

A handwritten signature in black ink, appearing to be 'Augustine Mark Daniels', written over a faint, larger signature.

Sydney
16 February 2015

Independent Auditor's Review Report to the members of Aberdeen Leaders Limited

We have reviewed the accompanying half-year financial report of Aberdeen Leaders Limited, which comprises the condensed statement of financial position as at 31 December 2014, and the condensed statement of profit or loss, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration as set out on page 2.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Aberdeen Leaders Limited'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 Aberdeen Leaders Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

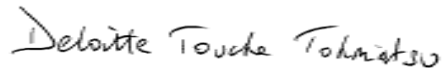
Auditor's Independence Declaration

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

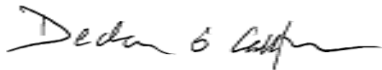
Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 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 the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan
Partner
Chartered Accountants
Sydney, 16 February 2015