

SANDON CAPITAL

Sandon Capital Investments Limited

ABN 31 107 772 467

Appendix 4D
For the half-year financial report
31 December 2014

SANDON CAPITAL INVESTMENTS LIMITED
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25 February 2014

ASX RELEASE

ASX CODE: SNC

Appendix 4D

SANDON CAPITAL INVESTMENTS LIMITED
Half-Year Financial Report
Period ended 31 December 2014

1. Details of the reporting period

The report details the results of Sandon Capital Investments Limited for the period ended 31 December 2014 and the previous corresponding period 31 December 2013.

2. Results for announcement to the market	Period to 31 December 2014	Period to 31 December 2013	Movement up/(down)	Movement up/(down)
	\$	\$	\$	%
2.1 Revenue from ordinary activities	1,861,491	66,917	1,794,574	2,681
2.2 Profit/(loss) from operating activities after tax attributable to members	1,181,314	(423,662)	1,604,976	379
2.3 Total comprehensive income/(loss) income after tax for the period attributable to members	1,181,314	(423,662)	1,604,976	379
2.4 The amount per security and franked amount per security of interim dividends or a statement that it is not proposed to pay dividends.	2.0 cps	No dividend was proposed	-	-
2.5 The record date for determining entitlements to the dividends (if any).	3 June 2015	No dividend was proposed	-	-

A brief explanation of any of the figures in 2.1 to 2.5 necessary to enhance the understanding of the figures disclosed.

The Company reported a net profit after tax for the period of \$1,181,314 (2013: loss of \$423,662).

The Company is a listed investment company. As at 31 December 2014 approximately 53.8% of the portfolio has been invested in listed securities, 0.6% in unlisted securities, and 37.5% in cash and term deposits.

The Company seeks out investment opportunities with high levels of tangible assets, marketable securities or cash, whose values are somewhat independent of market and economic conditions and which the Manager considers have good prospects for change. It also seeks, from time to time, to take advantage of other opportunities where the Manager considers there are reasonable projects for a satisfactory return.

Earnings per share for the period is 3.34 cents per share (2013: loss of 15.71 cents per share).

This report is based on the financial statements for the period ended 31 December 2014 which have been reviewed by the Company's auditor.

3. Net tangible assets per Share	31 December 2014	31 December 2013
- before tax	\$1.00	\$0.9641
- after tax	\$1.00	\$0.9668

4. Details of entities over which control has been gained or lost during the period

The Company has not gained or lost control over other entities during the period.

5. Dividends Paid and Declared

A special fully franked dividend of \$700,790 was paid during the period (2013: None). The Board has declared an interim dividend of 2 cents per share fully franked and will be paid on 12 June 2015.

Interim Dividend Dates

Announcement date	25 February 2015
Ex-date	1 June 2015
Record date	3 June 2015
Payment date	12 June 2015

6. Dividend reinvestment plan

There will be no dividend reinvestment plan ("DRP") in respect of the interim dividend declared.

7. Details of associates and joint venture entities

The Company does not have any interests in associates or joint ventures.

8. Review

This report is based on the interim financial report that has been reviewed.

Signed on behalf of Sandon Capital Investments Limited



Gabriel Radzynski
Chairman

25 February 2014

SANDON CAPITAL

Sandon Capital Investments Limited

ABN 31 107 772 467

**Interim financial statements for the
half-year ended 31 December 2014**

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Directors' report

The directors of Sandon Capital Investments Limited ("the Company") present their report together with the financial statements of the Company for the half-year ended 31 December 2014.

Sandon Capital Investments Limited is a company limited by shares and is incorporated in Australia.

Directors

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

Gabriel Radzynski – Chairman

Paul Jensen – Independent Director

Matthew Kidman – Independent Director

Company secretary

Mark Licciardo

Principal activities

The Company is a listed investment company. As at 31 December 2014 approximately 53.8% of the portfolio has been invested in listed securities, 0.6% in unlisted securities, and 37.5% in cash and term deposits.

The Company seeks out investment opportunities with high levels of tangible assets, marketable securities or cash, whose values are somewhat independent of market and economic conditions and which the Manager considers have good prospects for change. It also seeks, from time to time, to take advantage of other opportunities where the Manager considers there are reasonable projects for a satisfactory return.

Operating Results

The Company reported a net profit after tax for the period of \$1,181,314 (2013: loss of \$423,662).

During the half year the Net Tangible Assets (after tax) (NTA) increased from \$0.983 at 30 June 2014 to \$1.00 at 31 December 2014.

The increase in NTA is primarily due to the increase in the market value of the Company's investments in listed securities as well as interest, dividend and other income received during the period.

During the prior period, significant non-recurring expenses associated with the restructuring and recapitalisation of the company were incurred.

Review of operations

At the Company's Annual General Meeting ("AGM") of shareholders held on 28 November 2014, shareholders approved an additional 10% placement capacity by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the AGM. Any equity securities issued will be in the same class as an existing class of quoted equity securities.

The financial statements of the Company for the period were prepared on a 'fair value measurement' basis for accounting purposes (unless otherwise stated) which is the same basis that the Company has consistently applied for all reporting periods presented to date.

Directors' report (continued)

Events occurring after the reporting period

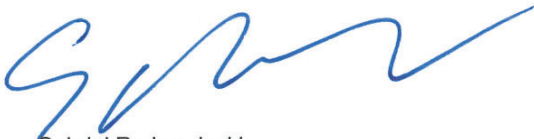
The Board has declared an interim dividend of 2 cents per share fully franked and will be paid on 12 June 2015.

Apart from the above, no events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report.

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 4.

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



Gabriel Radzynski
Chairman

Sydney
25 February 2014

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Auditor's Independence Declaration to the Directors of Sandon Capital Investments Limited

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

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

This declaration is in respect of Sandon Capital Investments Limited during the period.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney this 25th day of February 2015.

Sandon Capital Investments Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 December 2014

Statement of Profit or Loss and Other Comprehensive Income

	31 December 2014 \$	31 December 2013 \$
Revenue		
Interest income	212,279	39,452
Dividend income	964,218	-
Trust distributions received	33,135	-
Net realised gains on investments at fair value through profit or loss	1,600,602	-
Net unrealised loss/(gain) on investments at fair value through profit or loss	(965,798)	25,398
Other income	17,055	2,067
Total revenue	1,861,491	66,917
Expenses		
Management fees	226,676	17,081
Performance fees	227,263	-
Directors' fees	31,250	15,000
Audit and taxation fees	43,164	32,010
Accounting fees	23,650	-
Restructure costs	-	286,000
Brokerage	42,043	-
Share registry fees	56,020	16,527
ASX fees	29,018	19,971
Company secretarial fees	19,894	15,189
Custody agreement fees	18,137	-
Other expenses	25,063	70,049
Total expenses	742,178	471,827
Profit/(loss) before income tax	1,119,313	(404,910)
Income tax benefit/(expense)	62,001	(18,752)
Profit/(loss) after income tax attributable to the owners of the Company	1,181,314	(423,662)
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	1,181,314	(423,662)
Earnings per Share		
From Continuing Operations		
- Basic and diluted earnings/(loss) per share	3.34	(15.71)

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

Statement of Financial Position

		As at	
		31 December 2014	30 June 2014
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		13,534,536	15,948,866
Trade and other receivables		2,185,645	157,035
Prepayments		46,394	16,387
Financial assets	3	19,644,353	19,781,218
Total current assets		35,410,928	35,903,506
Non-current assets			
Deferred tax assets		745,962	258,477
Total non-current assets		745,962	258,477
Total assets		36,156,890	36,161,983
Liabilities			
Current liabilities			
Trade and other payables		395,289	1,405,758
Total current liabilities		395,289	1,405,758
Non-current liabilities			
Deferred tax liabilities		609,436	183,951
Total non-current liabilities		609,436	183,951
Total liabilities		1,004,725	1,589,709
Net assets		35,152,165	34,572,274
Equity			
Contributed equity	4	34,372,533	34,273,166
Profits reserve		779,632	299,108
Total equity attributable to the owners of the Company		35,152,165	34,572,274

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

Statement of Changes in Equity

	Notes	Contributed equity	Retained profits/ accumulated losses	Profits reserve	Total Equity
		\$	\$		\$
Balance at 1 July 2013		27,732,198	(27,732,198)	-	-
Profit/ for the year attributable to the owners of the Company		-	(423,662)	-	(423,662)
Total comprehensive income for the year attributable to the owners of the Company		-	(423,662)	-	(423,662)
Transfer to retained earnings		(27,732,198)	27,732,198	-	-
Shares issued, net of capital raising costs		34,288,797	-	-	34,288,797
Balance at 31 December 2013		34,288,797	(423,662)	-	33,865,135
 Balance at 1 July 2014		 34,273,166	 -	 299,108	 34,572,274
Profit for the year attributable to the owners of the Company		-	1,181,314	-	1,181,314
Total comprehensive income for the year attributable to the owners of the Company		-	1,181,314	-	1,181,314
Shares issued via DRP		89,367	-	-	89,367
Shares issued via exercise of options		10,000			10,000
Dividends paid	2	-	-	(700,790)	(700,790)
Transfer to profit reserve			(1,181,314)	1,181,314	-
Balance at 31 December 2014		34,372,533	-	779,632	35,152,165

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

Statement of Cash Flows

	31 December 2014 \$	31 December 2013 \$
Cash flows from operating activities		
Proceeds from sale of investments	14,105,917	-
Payments for investments	(15,581,087)	(2,008,648)
Capital return on investments	1,038,494	-
Dividends received	964,218	-
Interest received	215,825	4,274
Other income received	50,190	-
Management fees paid	(261,310)	-
Payment of other expenses	(2,345,154)	(410,583)
Net cash used in operating activities	(1,812,907)	(2,414,957)
Cash flows from financing activities		
Dividend paid, net of DRP	(611,423)	-
Proceeds from the exercise of options	10,000	-
Proceeds from capital raising, net of capital raising costs	-	34,177,476
Net cash (used in)/provided by financing activities	(601,423)	34,177,476
Net (decrease)/increase in cash and cash equivalents	(2,414,330)	31,762,519
Cash and cash equivalents at the beginning of the year	15,948,866	-
Cash and cash equivalents at end of the year	13,534,536	31,762,519

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

1 Summary of significant accounting policies

Basis of preparation

These financial statements and notes for the half-year represent those of Sandon Capital Investments Limited ('the Company').

These general purpose interim financial statements for the half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the half-year period.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of financial assets and certain other financial assets and liabilities which have been measured at fair value.

There are no new and revised accounting requirements significantly affecting the half-year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2014 Annual Financial Report.

The interim financial report was approved for release by the Board of Directors on 25 February 2015.

2 Dividends

	For the period ended 31 December 2014 \$	31 December 2013 \$
(a) Recognised amounts - Dividends declared and paid during the reporting period		
Special fully franked dividend for 31 December 2014: \$0.02 cents per share (2013: \$Nil cents)	700,790	-
Dividends declared and paid are franked at the rate of 30%.		
(b) Dividends proposed (but not recognised as a liability at 31 December)		
Interim fully franked dividend for 31 December 2014: \$0.02 cents per share (2013: \$Nil cents)	702,774	-
The proposed dividend will be franked at a rate of 30%.		
(c) Dividend franking account		
Balance at the end of the year at 30% tax rate	3,424,888	3,318,052
Franking credits on dividends paid	(210,237)	-
Franking credits on dividends received	378,515	-
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed above in Note 2 (b)	(301,176)	-
Balance available for subsequent reporting periods	3,291,990	3,318,052

3 Fair value measurements

The Company measures and recognises its held-for-trading financial assets on a recurring basis.

Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Included in Level 1 of the hierarchy are listed investments. The fair value of these financial assets have been based on the closing quoted last prices at the end of the period, excluding transaction costs

As at 31 December 2014, the Company has investments that are not listed on the Australian Securities Exchange but have a recent subscription price in which has been used as a determinate of fair value. The Level 2 investments are therefore measured at their fair value but represent investments in an inactive market. In valuing unlisted investments, the fair value has been determined using the valuation technique of the quoted subscription price and the amount of notes and units subscribed for by the Company under the relevant offers.

3 Fair value measurements (continued)

The following table presents the Company's assets and liabilities measured and recognised at fair value at 31 December 2014.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets:				
Held-for-trading financial assets	19,417,941	226,412	-	19,644,353
Total financial assets recognised at fair value on a recurring basis	19,417,941	226,412	-	19,644,353

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

4 Contributed equity

	31 December 2014 \$	31 December 2014 No	31 December 2013 \$	31 December 2013 No
(a) Share capital				
Ordinary shares Fully paid	34,372,533	35,138,692	34,288,797	35,029,468
	34,372,533	35,138,692	34,288,797	35,029,468
(b) Movements in shares on issue:				
Opening balance (30 June)	34,273,166	35,029,468	27,732,198	181,898,994
Transfer to retained earnings	-	-	(27,732,198)	-
Share Consolidation	-	-	-	(181,878,526)
Shares issued via DRP	89,367	99,224		
Shares issued via options	10,000	10,000	34,288,797	35,009,000
Closing balance	34,372,533	35,138,692	34,288,797	35,029,468

On 6 November 2014, 99,224 fully paid shares were allotted at \$0.90 each as part of the dividend reinvestment plan.

On 16 December 2013, 35,009,000 ordinary shares were issued at \$1.00 per share; with 35,009,000 free attaching options each exercisable at \$1.00 expiring on 24 July 2015. For the period ending 31 December 2014, 10,000 options were exercised at \$1.00 per share.

5 Events occurring after the reporting period

The Board has declared an interim dividend of 2 cents per share fully franked and will be paid on 12 June 2015.

Apart from the above, no events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the half-year financial report.

6 Contingencies and commitments

There are no material contingent assets or liabilities as at 31 December 2014 (2013: Nil).

7 Segment information

The Company has only one segment. The Company operates predominately in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and income from the sale of its financial assets.

Directors' declaration

In accordance with a resolution of the Directors of Sandon Capital Investments Limited, the Directors of the Company declare that:

- (a) the financial statements and notes, as set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (ii) 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) In the Director's opinion 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 the Directors.

A handwritten signature in blue ink, appearing to read 'G. Radzynski', with a stylized, flowing script.

Gabriel Radzynski
Chairman

Sydney
25 February 2015

Independent Auditor's Review Report
To the members of Sandon Capital Investments Limited
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Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Sandon Capital Investments Limited (the Company), which comprises the statement of financial position as at 31 December 2014, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

The directors of Sandon Capital Investments Limited are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 Sandon Capital Investments 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 Sandon Capital Investments 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 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Independence

In conducting our review, we have complied with the applicable independence requirements of the *Corporations Act 2001*.

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 Sandon Capital Investments Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) 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
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, this 25th day of February 2015.

Company particulars

Registered Office

Level 11, 139 Macquarie Street
Sydney NSW 2000
Telephone 02 8014 1188

Directors

Gabriel Radzynski – Chairman
Paul Jensen – Independent Director
Matthew Kidman – Independent Director

Company Secretary

Mark Licciardo

Auditor

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Share Registrar

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