

# SANDON CAPITAL

## Sandon Capital Investments Limited

ABN 31 107 772 467

### Appendix 4E- Preliminary Final Report

For the year ended 30 June 2015

### Results For Announcement to the Market

*All comparisons to the year ended 30 June 2014*

	\$	Movement Up/(down)	Movement Up/(down)
	\$	\$	%
Revenue from ordinary activities	997,011	(347,825)	(26%)
Loss from operating activities before tax attributable to members	(4,650)	(347,252)	(101%)
Profit from operating activities after tax attributable to members	521,188	222,080	74%
Net profit for the period attributable to members	521,188	222,080	74%

	Cents per share	Franked amount per share	Tax rate for franking
<b>Dividend Information</b>			
2015 Special dividend cents per share paid 16 November 2014	2.00	2.00	30%
2015 Interim dividend cents per share paid 12 June 2015	2.00	2.00	30%
2015 Final dividend cents per share	2.00	2.00	30%
2015 Special dividend cents per share	1.00	1.00	30%

#### Final dividend dates

Ex dividend date	21 October 2015
Record Date	23 October 2015
Payment date	30 October 2015

#### Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) will not apply to this fully franked dividend.

	30 June 2015 Cents	30 June 2014 Cents
<b>Net tangible Assets Per Share</b>		
Net tangible assets per share (before tax)	94.40	98.36
Net tangible assets per share (after tax)	96.26	98.58

Dividends of 4 cents per share were paid during the period.

**This report is based on the Annual Report which is in the process of being audited. All documents comprise the information required by Listing Rule 4.3A.**

**Sandon Capital Investments Limited**  
ABN 31 107 772 467  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2015**

	Note	30 June 2015 \$	30 June 2014 \$
Net realised and unrealised gains on financial assets		(862,460)	663,595
Other revenue from operating activities	2	1,859,471	681,241
<b>Total Revenue</b>		<b>997,011</b>	<b>1,344,836</b>
Management fees		(450,017)	(238,292)
Directors' fees		(62,500)	(46,875)
Company secretarial fees		(40,270)	(45,330)
Brokerage expense		(90,162)	(66,320)
Custody fees		(28,616)	(2,050)
ASX listing and chess fees		(46,670)	(36,317)
Share registry fees		(65,691)	(58,928)
Accounting fees		(50,366)	(3,942)
Audit fees		(39,416)	(64,460)
Taxation fees		(71,982)	(48,554)
Restructure costs		-	(286,000)
Legal fees		(11,156)	(58,358)
Professional and consultancy fees		-	(16,500)
Other operating expenses		(44,815)	(30,308)
<b>Total expenses</b>		<b>(1,001,661)</b>	<b>(1,002,234)</b>
<b>(Loss)/profit before income tax</b>		<b>(4,650)</b>	<b>342,602</b>
Income tax benefit/(expense)	3	525,838	(43,494)
<b>Profit attributable to members of the Company</b>		<b>521,188</b>	<b>299,108</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>521,188</b>	<b>299,108</b>
<b>Basic Earnings per share (cents per share)</b>	5	<b>1.48</b>	<b>1.59</b>
<b>Diluted Earnings per share (cents per share)</b>	5	<b>1.48</b>	<b>1.59</b>

The accompanying notes form part of these financial statements.

**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Statement of Financial Position**

**As at 30 June 2015**

	<b>Notes</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Cash and cash equivalents	6	6,680,152	15,948,866
Trade and other receivables	7	246,262	157,035
Prepayments		15,613	16,387
Financial assets	8	27,431,026	19,781,218
Deferred tax assets	9	1,326,450	258,477
<b>Total assets</b>		<b>35,699,503</b>	<b>36,161,983</b>
<b>Liabilities</b>			
Trade and other payables	11	133,395	1,405,758
Deferred tax liabilities	10	726,714	183,951
<b>Total liabilities</b>		<b>860,109</b>	<b>1,589,709</b>
<b>Net assets</b>		<b>34,839,394</b>	<b>34,572,274</b>
<b>Equity</b>			
Issued capital	12	35,443,889	34,273,166
Profits reserve	13	467,011	299,108
Accumulated losses	14	(1,071,506)	-
<b>Total equity</b>		<b>34,839,394</b>	<b>34,572,274</b>

The accompanying notes form part of these financial statements.

**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Statement of Changes in Equity**

**As at 30 June 2015**

	<b>Note</b>	<b>Issued Capital \$</b>	<b>Retained profits \$</b>	<b>Profit Reserve \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2013</b>		27,732,198	(27,732,198)	-	-
Profit for the year attributable to the owners of the Company		-	299,108	-	299,108
Transfer to retained earnings		(27,732,198)	27,732,198	-	-
Shares issued net of capital raising costs		34,273,166	-	-	34,273,166
Transfer to profit reserve		-	(299,108)	299,108	-
<b>Balance at 30 June 2014</b>	<b>12</b>	<b>34,273,166</b>	<b>-</b>	<b>299,108</b>	<b>34,572,274</b>
Profit for the year attributable to the owners of the Company		-	521,188	-	521,188
Transfer to profit reserve	13	-	(1,592,694)	1,592,694	-
Shares issued via DRP		89,367	-	-	89,367
Shares issued via exercise of options		1,081,356	-	-	1,081,356
Dividends provided or paid	4	-	-	(1,424,791)	(1,424,791)
<b>Balance at 30 June 2015</b>	<b>12</b>	<b>35,443,889</b>	<b>(1,071,506)</b>	<b>467,011</b>	<b>34,839,394</b>

The accompanying notes form part of these financial statements.

**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Statement of Cash Flows**

**For the year ended 30 June 2015**

	<b>Notes</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		21,399,556	4,711,339
Payments for investments		(32,342,701)	(22,519,252)
Dividends received		2,475,310	183,923
Interest received		430,660	385,484
Other income received		31,455	61,111
Management fees (GST inclusive)		(496,375)	(215,180)
Brokerage expense (GST inclusive)		(98,958)	(71,173)
Payment of other operating expenses		(413,593)	(742,532)
<b>Net cash used in operating activities</b>		<u>(9,014,646)</u>	<u>(18,206,280)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of new shares - options exercised		1,081,356	34,155,146
Dividends paid net of re-investment		(1,335,424)	-
<b>Net cash (used in)/provided by financing activities</b>		<u>(254,068)</u>	<u>34,155,146</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(9,268,714)	15,948,866
Cash and cash equivalents at the beginning of the year		15,948,866	-
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<u><u>6,680,152</u></u>	<u><u>15,948,866</u></u>

The accompanying notes form part of these financial statements.

**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Notes to the Financial Statements****For the year ended 30 June 2015****1. Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Sandon Capital Investments Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Sandon Capital Investments Limited ("the Company") is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied, unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis. Financial assets and liabilities are measured at fair value. All amounts are presented in Australian dollars.

The accounting policies are consistent with those applied in the 30 June 2014 Annual Report.

	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>\$</b>	<b>\$</b>
<b>2. Other revenue</b>		
Dividend income	1,405,580	183,923
Trust distributions	47,198	32,101
Interest income	378,110	436,207
Other income	28,583	29,010
	<u>1,859,471</u>	<u>681,241</u>
<b>3. Income tax</b>		
<b>Deferred income tax (benefit)/expense</b>		
(Increase) in deferred tax assets	(1,068,601)	(140,457)
Increase in deferred tax liabilities	542,763	183,951
	<u>(525,838)</u>	<u>43,494</u>
<b>Current income tax benefit</b>		
(Loss)/profit from ordinary activities before income tax expense	<u>(4,650)</u>	<u>342,602</u>
Prima facie tax expense on (loss)/profit from ordinary activities at 30%	(1,395)	102,781
Imputation credit gross up	167,554	25,408
Franking credit offset	(558,513)	(84,695)
Other non-deductible items	5,381	-
Underprovision in prior year	<u>(138,865)</u>	<u>-</u>
	<u>(525,838)</u>	<u>43,494</u>

**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Notes to the Financial Statements**

**For the year ended 30 June 2015**

**4. Dividends**

Amount per security (cents)	Franked amount per security (cents)
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The following dividends were paid or provided for during the year (2014: Nil).

Special dividend for the year ended 30 June 2014 paid on 6 November 2014	2.0	2.0
Interim dividend for the year ended 30 June 2015 paid on 12 June 2015	2.0	2.0

	30 June 2015 \$	30 June 2014 \$
<b>Dividends proposed but not recognised at year end</b>		
Final fully franked dividend (@ 30%) for 2015 of 2 cents	724,201	-
Special fully franked dividend (@ 30%) for 2015 of 1 cents	362,100	700,589
	<u>1,086,301</u>	<u>700,589</u>

**Dividend franking account**

Balance at the beginning of the year	3,424,888	3,340,193
Franking credits on dividends received	558,512	84,695
Franked dividends paid	(610,624)	-
Balance at the end of the year	<u>3,372,776</u>	<u>3,424,888</u>
Franked dividend declared but not recognised as liability at 30 June 2015	(465,558)	-
Balance available for subsequent reporting periods	<u>2,907,218</u>	<u>3,424,888</u>

**5. Earnings Per Share**

Profit after income tax used in the calculation of basic and diluted earnings per share	<u>521,188</u>	<u>299,108</u>
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Weighted average number of ordinary shares outstanding during the period used in calculating basic earnings per share	<u>35,188,480</u>	<u>18,819,821</u>
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**6. Cash and cash equivalents**

Cash at bank	1,178,303	1,948,866
Term Deposits	5,501,849	14,000,000
	<u>6,680,152</u>	<u>15,948,866</u>

**7. Trade and Other Receivables**

Outstanding settlements	188,440	93,595
Interest receivable	6,104	50,724
Dividend and withholding tax receivable	45,930	-
GST receivable	4,010	3,008
Other receivable	1,778	9,708
	<u>246,262</u>	<u>157,035</u>

**8. Financial assets**

**Financial assets held-for-trading comprise of:**

Listed investments	27,223,385	19,131,218
Unlisted investments	207,641	650,000
	<u>27,431,026</u>	<u>19,781,218</u>

**9. Deferred tax asset**

	Opening Balance \$	Under/(Over) Provision \$	Charged to Income \$	Closing Balance \$
Accrued expense movements	4,785	-	6,030	10,815
Tax losses recognised	159,270	106,652	833,718	1,099,640
Capitalised costs	94,422	189,569	(67,996)	215,995
	<u>258,477</u>	<u>296,221</u>	<u>771,752</u>	<u>1,326,450</u>

**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Notes to the Financial Statements**

**For the year ended 30 June 2015**

**10. Deferred tax liability**

	Opening Balance	Under/(Over) Provision	Charged to Income	Closing Balance
	\$	\$	\$	\$
Accrued income movements	15,217	-	(6,591)	8,626
Fair value adjustments	168,734	157,356	391,998	718,088
	<u>183,951</u>	<u>157,356</u>	<u>385,407</u>	<u>726,714</u>

**11. Trade and Other Payables**

	30 June 2015	30 June 2014
	\$	\$
Management fee payable	38,313	40,548
Outstanding settlements	42,141	1,309,710
GST payable	1,437	3,175
Other payables	51,504	52,325
	<u>133,395</u>	<u>1,405,758</u>

**12. Contributed equity and movements in total equity**

	30 June 2015	30 June 2015	30 June 2014	30 June 2014
	\$	No	\$	No
<b>(a) Issued capital</b>				
Ordinary shares				
Fully paid	35,443,889	36,210,048	34,273,166	35,029,468
	<u>35,443,889</u>	<u>36,210,048</u>	<u>34,273,166</u>	<u>35,029,468</u>
<b>(b) Movements in shares on issue:</b>				
Opening balance	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 - dividend reinvested	-	99,224	-	-
Shares issued - options exercised	1,170,723	1,081,356	34,273,166	35,009,000
Closing balance	<u>35,443,889</u>	<u>36,210,048</u>	<u>34,273,166</u>	<u>35,029,468</u>

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

For the year ended 30 June 2015 1,081,356 options were exercised at \$1.00 per share.

All remaining options expired on 24 July 2015.

**13. Profits reserve**

**Movement in profit reserve**

	30 June 2015	30 June 2014
	\$	\$
Balance as at beginning of the period	299,108	-
Transfer from accumulated losses	1,592,694	299,108
Special dividend paid during the year	(700,789)	-
Interim dividend paid during the year	(724,002)	-
	<u>467,011</u>	<u>299,108</u>



**Sandon Capital Investments Limited**

ABN 31 107 772 467

**Notes to the Financial Statements****For the year ended 30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>14. Accumulated losses</b>		
Balance as at beginning of the period	-	-
Profit for the year	521,188	-
Transfer to profit reserve	<u>(1,592,694)</u>	<u>-</u>
	<u>(1,071,506)</u>	<u>-</u>

**15. Events occurring after the reporting period**

The Board has declared a final fully franked dividend of 2 cents per share and a special fully franked dividend of 1 cent per share, which will be paid on 30 October 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.

**16. Contingencies and commitments**

There are no material contingent assets or liabilities as at 30 June 2015 (2014: Nil).

As at 30 June 2015, the Company had nil commitments (2014: \$250,000).

**17. Segment information**

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no reportable business or geographic segments.