

Appendix 4D - Half Year Report

31 December 2015

Lodged with the ASX under Listing Rule 4.2A

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The reporting period is the Half-Year ended 31 December 2015 with the previous corresponding period being the Half-Year ended 31 December 2014.

BKI Investment Company Limited

Half Year ended 31 December 2015

Appendix 4D – Half Year Report

Results for Announcement to the Market

	%	Dec 2015	Dec 2014
Change		\$'000	\$'000

Revenue Performance:

Dividends and distributions – Ordinary	Up	7.4%	to 21,684	from 20,184
Dividends and distributions– Special	Down	63.4%	to 766	from 2,095
Total income from ordinary activities	Down	4.1%	to 23,895	from 24,916

Profits:

Operating result after tax - before special investment revenue	Up	2.6%	to 21,380	from 20,831
Special Investment revenue	Down	63.4%	to 766	from 2,095
Net profit from ordinary activities after tax attributable to shareholders	Down	3.4%	to 22,146	from 22,926
Net profit attributable to shareholders	Down	3.4%	to 22,146	from 22,926

	%	Dec 2015	Dec 2014
Change		Cents	Cents

Earnings per share:

Basic earnings per share before special investment revenue	Down	0.5%	to 3.78	from 3.80
Basic earnings per share after special investment revenue	Down	6.5%	to 3.91	from 4.18

Dividends per share:

Interim – Ordinary	Up	1.4%	to 3.60	from 3.55
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Management Expense Ratio	Down	to 0.17%	from 0.18%
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BKI Investment Company Limited

Half Year ended 31 December 2015

Appendix 4D – Half Year Report

Results for Announcement to the Market (continued)

Explanation of Operating Results

The reported operating result for the half-year ended 31 December 2015 excluding special investment revenue was \$21.38 million, an increase of 2.6% over the previous corresponding period.

The net consolidated profit after tax for the half-year including special investment revenue was \$22.15 million, a decrease of 3.4% over the previous corresponding period.

NTA Backing

	31/12/2015	31/12/2014
Net tangible asset backing per ordinary share before tax	161.2 cents	163.4 cents
Net tangible asset backing per ordinary share after tax	151.2 cents	152.3 cents

Additional Dividend Information

An interim dividend of 3.60 cents per share fully franked at the tax rate of 30% will be paid on 26 February 2016. The ex dividend date is 4 February 2016, while the record date for determining entitlements to the dividend is 8 February 2016.

The Company has a Dividend Reinvestment Plan in operation offering shareholders the opportunity to receive additional shares in the Company instead of receiving cash dividends. The Dividend Reinvestment Plan will be offered at a nil discount. The last date for the receipt of an election notice to participate in the Dividend Reinvestment Plan is 9 February 2016.

Shareholders can update their election notices electronically by following the link on the Share Registry page of the BKI website. (<http://www.bkilimited.com.au>)



ABN 23 106 719 868

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

BKI INVESTMENT COMPANY LIMITED
ABN: 23 106 719 868

CORPORATE DIRECTORY

Directors

Robert Dobson Millner	Non-Executive Director and Chairman
David Capp Hall, AM	Non-Executive Director
Alexander James Payne	Non-Executive Director
Ian Thomas Huntley	Non-Executive Director

Chief Executive Officer

Thomas Charles Dobson Millner

Portfolio Manager

Will Culbert

Company Secretary

Jaime Pinto

Registered Office

Level 2,
160 Pitt Street Mall
Sydney NSW 2000

Telephone: (02) 9210 7000

Facsimile: (02) 9210 7099

Postal Address:

GPO Box 5015
Sydney 2001

Auditors

MGI Sydney Assurance Services Pty Limited
Level 5
6 O'Connell Street
SYDNEY NSW 2000

Share Registry

Advanced Share Registry Services Limited
150 Stirling Highway
Nedlands WA 6009

Australian Stock Exchange Code

Ordinary Shares BKI

Website

www.bkilimited.com.au

DIRECTORS' REPORT

The Directors of BKI Investment Company Limited (the Company) present the following report for the six months to 31 December 2015.

1. Directors

The following persons were Directors of the Company during the half-year to the date of this report:

Robert Dobson Millner, Chairman
David Capp Hall, Non Executive Director
Alexander James Payne, Non Executive Director
Ian Thomas Huntley, Non Executive Director

2. Review of the Company's operations and results

Corporate Objectives

BKI is a closed end company and does not charge external portfolio management or performance fees. The Company aims to create wealth for BKI shareholders, through an increasing fully franked dividend and capital growth.

Investment Strategy

BKI is a research driven, active equities manager investing for the long term in profitable, high yielding, well managed companies.

Financial Performance

The consolidated profit for the half year ending 31 December 2015 was \$22,146,000 (2014: \$22,926,000).

"Operating result after tax - before special investment revenue" increased by 2.6% to \$21,380,000 (2014: \$20,831,000). "Special investment revenue" decreased 63.4% to \$766,000 (2014: \$2,095,000).

3. Significant changes in the state of affairs

Other than as stated above and in the Financial Report, there were no significant changes in the state of affairs of the Company during the reporting period.

DIRECTORS' REPORT (continued)

4. Auditor's Independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 24.

5. Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

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



Robert D Millner
Director

Sydney
19 January 2016

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR TO 31 DECEMBER 2015**

	Note	Dec 15	Dec 14
		\$'000	\$'000
Revenue from investment portfolio	3 (a)	21,684	20,184
Revenue from bank deposits	3 (c)	586	864
Other income	3 (d)	-	4
Other gains	3 (e)	859	1,769
Income from operating activities before special investment revenue		23,129	22,821
Operating expenses	4	(807)	(846)
Expenses associated with acquisition of controlled entities		(115)	-
Operating result before income tax expense and special investment revenue		22,207	21,975
Income tax expense		(827)	(1,144)
Net operating result before special investment revenue		21,380	20,831
Special investment revenue	3 (b)	766	2,095
Net operating profit for the half year		22,146	22,926
Profit for the half year attributable to members of the Company		22,146	22,926
		Cents	Cents
Basic and diluted earnings per share on operating profit before special investment revenue	5	3.78	3.80
Basic and diluted earnings per share including special investment revenue	5	3.91	4.18

This Income Statement should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR TO 31 DECEMBER 2015**

	Dec 15	Dec 14
	\$'000	\$'000
Profit for the half year attributable to members of the Company	22,146	22,926
Other Comprehensive Income		
Realised (losses) on investment portfolio	(5,367)	(9,237)
Tax credit on net realised losses on investment portfolio	1,610	2,771
Unrealised (losses)/ gains on investment portfolio	(16,497)	8,926
Deferred tax benefit/ (expense) on unrealised (losses)/ gains on investment portfolio	4,949	(2,678)
Total other comprehensive (Loss)	(15,305)	(218)
Total comprehensive income	6,841	22, 708

This Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	Dec 15 \$'000	Jun 15 \$'000
Current Assets			
Cash and cash equivalents		48,458	41,133
Trade and other receivables		1,671	17,688
Trading portfolio	6	427	566
Prepayments		74	29
Total Current Assets		50,630	59,416
Non-Current Assets			
Investment portfolio	6	867,480	858,877
Property, plant and equipment		17	18
Deferred tax assets		10,934	9,375
Total Non-Current Assets		878,431	868,270
Total Assets		929,061	927,686
Current Liabilities			
Trade and other payables		559	486
Current tax liabilities		618	993
Employee benefits		14	19
Total Current Liabilities		1,191	1,498
Non-Current Liabilities			
Deferred tax liabilities		67,993	72,936
Employee benefits		16	16
Total Non-Current Liabilities		68,009	72,952
Total Liabilities		69,200	74,450
Net Assets		859,861	853,236
Equity			
Share Capital	7	672,660	652,562
Revaluation reserve		155,668	167,216
Realised capital gains reserve		(14,126)	(10,369)
Retained Profits		45,659	43,827
Total Equity		859,861	853,236

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR TO 31 DECEMBER 2015**

Consolidated Entity	Share capital	Revaluation Reserve	Realised Capital Gains Reserve	Retained Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at 1 July 2014	599,124	164,646	(12,237)	39,913	791,446
Issues of shares, net of cost	50,495	-	-	-	50,495
Dividends paid or provided for	-	-	-	(19,359)	(19,359)
Revaluation of investment portfolio	-	8,926	-	-	8,926
Provision for tax on unrealised gains	-	(2,678)	-	-	(2,678)
Profit for the year	-	-	-	22,926	22,926
Net realised (losses) through other comprehensive income	-	-	(6,466)	-	(6,466)
Total Equity at 31 December 2014	649,619	170,894	(18,703)	43,480	845,290
Total equity at 1 July 2015	652,562	167,216	(10,369)	43,827	853,236
Issues of shares, net cost	20,098	-	-	-	20,098
Dividends paid or provided for	-	-	-	(20,314)	(20,314)
Revaluation of investment portfolio	-	(16,497)	-	-	(16,497)
Tax benefit on unrealised losses	-	4,949	-	-	4,949
Profit for the year	-	-	-	22,146	22,146
Net realised (losses) through other comprehensive income	-	-	(3,757)	-	(3,757)
Total Equity at 31 December 2015	672,660	155,668	(14,126)	45,659	859,861

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR TO 31 DECEMBER 2015

	Dec 15	Dec 14
	\$'000	\$'000
Cash flows from operating activities		
Payments to suppliers and employees	(788)	(1,498)
Other receipts in the course of operations	-	4
Dividends and distributions received	28,516	27,811
Payments for held-for-trading financial assets	-	(8,763)
Proceeds from sale of held for trading financial assets	1,724	10,628
Interest received	722	701
Income tax paid	(1,129)	(423)
Net cash inflows from operating activities	29,045	28,460
Cash flows from investing activities		
Purchases for investment portfolio	(21,275)	(58,711)
Sales from investment portfolio	16,669	1,944
Net cash inflow from acquisition of subsidiary	199	-
Capital returns on investment portfolio	-	1,930
Payments for plant and equipment	(1)	(14)
Net cash outflow from investing activities	(4,408)	(54,851)
Cash flows from financing activities		
Proceeds from issues of ordinary shares (net of issue costs)	(36)	47,492
Dividends paid	(17,276)	(16,445)
Net cash (outflow)/ inflow from financing activities	(17,312)	31,047
Net increase in cash held	7,325	4,656
Cash at the beginning of the period	41,133	40,960
Cash at the end of the period	48,458	45,616

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR TO 31 DECEMBER 2015

1. BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by BKI Investment Company Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The accounting policies are consistent with those applied in the 30 June 2015 Annual Report.

Reporting Basis and Conventions

This financial report has been prepared on an accruals basis and is 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.

2. FINANCIAL REPORTING BY SEGMENTS

The Company operates predominately in the securities industry in Australia and has no reportable segments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)**

	Dec 15	Dec 14
	\$'000	\$'000
3. INCOME		
(a) Ordinary revenue from investment portfolio		
Fully franked dividends	19,524	18,297
Unfranked dividends	707	580
Trust distributions	1,453	1,307
	21,684	20,184
(b) Special investment revenue		
Fully franked dividends	766	2,095
(c) Revenue from bank deposits		
Interest received	586	864
(d) Other income		
Sundry income	-	4
(e) Other gains/losses		
Net realised gain on sales of investments held for trading	998	1,608
Net unrealised (loss)/ gain on investments held for trading	(139)	161
	859	1,769
Total income from ordinary activities	23,895	24,916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)

	Dec 15	Dec 14
	\$'000	\$'000
4. OPERATING EXPENSES		
Administration expenses	211	205
Occupancy costs	7	7
Employee and director expenses	506	546
Professional fees	80	85
Depreciation	3	3
Total operating expenses	807	846

5. EARNINGS PER SHARE

	Dec 15	Dec 14
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	566,120,915	548,357,851

	\$'000	\$'000
Operating profit before special investment revenue	21,380	20,831
Net operating profit for the half year	22,146	22,926

	Cents	Cents
Basic and diluted earnings per share on operating profit before special investment revenue	3.78	3.80
Basic and diluted earnings per share including special investment revenue	3.91	4.18

	Dec 15	Jun 15
	\$'000	\$'000

6. FINANCIAL ASSETS – INVESTMENT PORTFOLIO

Current Investment Portfolio

Listed securities at fair value held for trading	427	566
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Non-Current Investment Portfolio

Listed securities at fair value available for sale	867,480	858,877
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Total investment Portfolio	867,907	859,443
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)

6. FINANCIAL ASSETS – INVESTMENT PORTFOLIO (continued)

Non-Current Investment Portfolio

Stock	Shares Held	Market Value 31 Dec 15 \$'000	% Asset Group (M.V.)
<u>Financials</u>			
Commonwealth Bank of Australia Limited	1,041,464	\$89,076	10.27%
National Australia Bank Limited	2,667,447	\$80,557	9.29%
Westpac Banking Corporation Limited	2,114,249	\$70,954	8.18%
Australia & New Zealand Banking Group Limited	1,523,049	\$42,539	4.90%
Insurance Australia Group Limited	3,157,370	\$17,555	2.02%
Suncorp Group Limited	1,158,000	\$14,058	1.62%
ASX Limited	325,500	\$13,821	1.59%
Bank of Queensland Limited	810,000	\$11,291	1.30%
AMP Limited	1,872,946	\$10,919	1.26%
Bendigo and Adelaide Bank Limited	838,000	\$10,014	1.15%
Milton Corporation Limited	2,103,640	\$9,635	1.11%
Macquarie Group Limited	108,370	\$8,970	1.03%
Perpetual Limited	181,751	\$8,479	0.98%
IOOF Holdings Limited	563,594	\$5,365	0.62%
Equity Trustees Limited	162,961	\$3,338	0.37%
		\$396,571	45.71%
<u>Telecommunications Services</u>			
Telstra Corp Ltd	8,756,004	\$49,121	5.66%
TPG Telecom Ltd	4,420,000	\$43,714	5.04%
		\$92,835	10.70%
<u>Consumer Staples</u>			
Wesfarmers Ltd	984,113	\$40,949	4.72%
Woolworths Ltd	1,030,2444	\$25,241	2.91%
Coca-Cola Amatil Ltd	1,233,894	\$11,475	1.32%
GrainCorp Ltd	93,444	\$806	0.09%
Amcor	14,388	\$194	0.02%
		\$78,665	9.07%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)

6. FINANCIAL ASSETS – INVESTMENT PORTFOLIO (continued)

Non-Current Investment Portfolio (continued)

Stock	Shares Held	Market Value 31 Dec 15 \$'000	% Asset Group (M.V.)
<u>Industrials</u>			
Transurban Group	2,218,205	\$23,225	2.68%
Sydney Airport	2,045,427	\$12,988	1.50%
Brambles Limited	1,045,576	\$12,097	1.39%
Seek Limited	537,500	\$8,267	0.95%
Qube Holdings Limited	3,400,000	\$8,160	0.94%
Lindsay Australia Limited	16,341,631	\$8,007	0.92%
Boral	188,452	\$1,114	0.13%
Programmed Maintenance Services	354,654	\$876	0.10%
Salmat Limited	1,089,951	\$839	0.10%
		\$75,573	8.71%
<u>Energy</u>			
New Hope Corporation Limited	14,815,952	\$27,335	3.15%
Woodside Petroleum Limited	440,889	\$12,662	1.46%
Caltex Australia Limited	91,950	\$3,467	0.40%
Santos Limited	615,292	\$2,264	0.26%
		\$45,728	5.27%
<u>Materials</u>			
BHP Billiton Limited	1,466,822	\$26,197	3.03%
Brickworks Limited	436,209	\$6,862	0.79%
Rio Tinto Limited	88,117	\$3,940	0.45%
		\$36,999	4.27%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)

6. FINANCIAL ASSETS – INVESTMENT PORTFOLIO (continued)

Non-Current Investment Portfolio (continued)

Stock	Shares Held	Market Value 31 Dec 15 \$'000	% Asset Group (M.V.)
<u>Utilities</u>			
APA Group	3,659,452	\$31,764	3.66%
AGL Energy Limited	1,250,708	\$22,613	2.61%
		\$54,377	6.27%
<u>Consumer Discretionary</u>			
Invocare Limited	1,358,474	\$16,315	1.88%
ARB Corporation Limited	945,447	\$15,260	1.77%
Tatts Group Limited	2,489,000	\$10,927	1.26%
Crown Resorts Limited	155,584	\$1,945	0.22%
Fairfax Media Limited	2,100,000	\$1,932	0.22%
		\$46,379	5.35%
<u>Health Care</u>			
Ramsay Health Care Limited	228,000	\$15,490	1.79%
Sonic Healthcare Limited	572,031	\$10,222	1.18%
Primary Health Care Limited	2,474,500	\$5,790	0.67%
Regis Healthcare Limited	650,428	\$3,799	0.44%
Ansell Limited	72,130	\$1,546	0.17%
		\$36,847	4.25%
<u>Property</u>			
Westfield Corporation	233,157	\$2,217	0.26%
Scentre Group	290,514	\$1,217	0.13%
Lend Lease	5,035	\$72	0.01%
		\$3,506	0.40%
TOTAL		\$867,480	100%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)**

	Dec 15	Jun 15
	\$'000	\$'000

7. SHARE CAPITAL

(a) Issued and paid-up capital	672,660	652,562
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(b) Movement in ordinary shares

	Dec 15	
	Number of Shares	\$'000
Beginning of the period	556,560,509	652,562
Issues during the half year:		
- dividend reinvestment plan	1,787,521	3,039
- purchase of controlled entity	10,352,024	17,085
- less transaction costs (net of tax)		(26)
End of the period	568,700,054	672,660

	Dec 15	Dec 14
	\$'000	\$'000

8. DIVIDENDS

(a) Dividends paid

Final ordinary dividend for the year ended 30 June 2015 of 3.65 cents per share (2014: 3.50 cents per share) fully franked at the rate of 30%

	20,314	19,359
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Total dividends paid	20,314	19,359
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(b) Dividends declared after balance date

Since the end of the half year the Directors have declared an interim ordinary dividend for the 2016 financial year of 3.60 cents per share, fully franked at the tax rate of 30%. This dividend will be payable on 26 February 2016, but has not been recognised as a liability at the half year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 31 DECEMBER 2015 (continued)**

9. ACQUISITION OF CONTROLLED ENTITIES

During the half year the Company acquired 100% of the shares of an unlisted investment company for a consideration of 10,352,024 new shares in BKI Investment Company Limited (2015FY: No acquisitions were made).

10. RELATED PARTY TRANSACTIONS

Arrangements with related parties continue to be in place. For details of these arrangements, refer to the 30 June 2015 annual financial report.

11. CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 31 December 2015.

12. EVENTS SUBSEQUENT TO BALANCE DATE

Since 31 December 2015 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of BKI Investment Company Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity as set out on pages 8 to 20 are in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
 - ii complying with the Australian Accounting Standard AASB134: Interim Financial Reporting and the Corporations Regulations 2001; 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 the Directors.



Robert D Millner
Director

Sydney
19 January 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BKI INVESTMENT COMPANY LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BKI Investment Company Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year ended 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 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 BKI Investment Company 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 as at the time of this auditor's 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 BKI Investment Company Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2015 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*.

Name of Firm:

MGI Sydney Assurance Services Pty Ltd
MGI Sydney Assurance Services Pty Limited
Chartered Accountants

Name of Auditor:



Brian Wheeler

Address:

Level 5, 6 O'Connell Street, Sydney NSW 2000

Dated this

19th day of January 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BKI INVESTMENT COMPANY LIMITED**

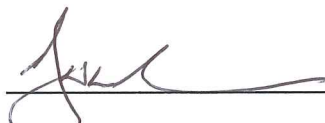
As lead auditor for the review of BKI Investment Company Pty Limited for the half year ended 31 December 2015, I declare that, to the best of my knowledge and belief there have been no contraventions of:

- a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Name of Firm:

MGI Sydney Assurance Services Pty Limited
MGI Sydney Assurance Services Pty Limited
Chartered Accountants

Name of Auditor:


Brian Wheeler

Address:

Level 5, 6 O'Connell Street, Sydney NSW 2000

Dated this

19th day of January 2016