

# FORM: Half yearly/preliminary final report

Name of *issuer*

Florin Mining Investment Company Limited

ACN or ARBN

111 170 882

Half yearly  
(tick)

Preliminary  
final (tick)

Half year/financial year ended  
(‘Current period’)

30th June 2018

## For announcement to the market

Extracts from this statement for announcement to the market (*see note 1*).

				\$A
Operating Revenue (item 1.1)	Down	43%	To	77,820
Operating Profit before abnormal items and tax	Down	152%	To	(22,005)
Operating Profit before realised gains /(losses) on the investment portfolio	Down	152%	To	(22,005)
Profit for the period attributable to security holders (item 1.11)	Up	138%	To	100,519
<b>Income Distributions</b>		Current period	Previous corresponding period	
Dividends Paid				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

TBA

Date

Time

Approximate date the annual report will be available

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

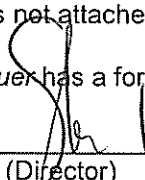
Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- ☒ The financial statements have been audited. ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☐ The financial statements are in the process of being audited or subject to review. ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached.

6. The *issuer* has a formally constituted audit committee.

Sign here:  Date: 13 September 2018  
(Director)

Print name: Steven Pritchard

**FLORIN MINING INVESTMENT COMPANY LIMITED**

**ABN 60 111 170 882**

**2018 ANNUAL REPORT**

# CONTENTS

	Page No.
Highlights	1
Investment Manager's Report	2
Corporate Governance Statement	7
Directors' Report	8
Auditor's Independence Declaration	12
Statement of Profit or Loss and Other Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Equity	15
Statement of Cash Flows	16
Notes to the Financial Statements	17
Director's Declaration	32
Independent Audit Report	33
Stock Exchange Information	38
Corporate Directory	39

# FLORIN MINING INVESTMENT COMPANY LIMITED

## HIGHLIGHTS

### Key Financial Statistics

	2018	2017	2016	2015	2014
Profit/ (loss) after tax	100,519	42,157	113,875	(542,244)	68,265
Earnings per Share (cents per share)	0.59	0.25	0.67	(3.20)	0.40
Total Assets	2,700,840	2,174,954	2,143,363	1,875,365	2,418,106
Total Liabilities	219,324	124,251	124,432	127,421	105,452
Shareholders Funds	2,481,516	2,050,703	2,018,931	1,747,944	2,312,654
Net Asset backing per share	\$0.15	\$0.12	\$0.12	\$0.10	\$0.14
Total Shareholders Return*	25%	0%	20%	(29%)	8%
Shares on issue	16,961,769	16,961,769	16,961,769	16,961,769	16,961,769
Number of Shareholders	230	237	247	253	259

\*Total shareholders return consists of the dividends paid together with the change in net asset backing per share

### Benefits of Investing in Florin Shares

Florin Mining Investment Company Limited ("Florin") was incorporated in 2004, and listed on the National Stock Exchange of Australia Limited in 2005. Some of the benefits of investing in Florin Mining Investment Company Limited shares include:

- **Diversification of risk**

In order to diversify the risk in its investment portfolio, Florin intends to manage its investment portfolio with a view to building the number of issuers in the Portfolio to a minimum of 20 and a maximum of 100.

- **Professional Management**

The investment portfolio of Florin is managed by Hamilton Asset Management Limited, which is licensed by the Australian Securities & Investments Commission.

- **Fixed Capital Base Not Affected by Unexpected Cash Inflows or Outflows**

Florin is able to invest for the medium to long term, as it has a fixed capital base and does not need to manage constant inflows and outflows of additional capital.

- **Regular Reporting to the National Stock Exchange of Australia Limited**

Florin reports its performance to the NSX and shareholders on a biannual basis and it announces its net asset backing to the NSX monthly. In addition, as a listed company, Florin complies with the continuous disclosure requirements of the NSX. Copies of all announcements to the NSX are also posted on the Florin internet site [www.florin.com.au](http://www.florin.com.au).

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT

### Investment Objectives

The investment objectives of Florin Mining Investment Company Limited, are to:

- Preserve the capital of the Company;
- Achieve a high real rate of return, comprising both income and capital growth; and
- Generally, to limit the investments of the Company to natural resource companies being those companies:
  - who derive a significant proportion of their revenues from the mining of base and precious metals, industrial minerals, and bulk commodities, the production of oil and gas or geothermal or other renewable energy sources; or
  - have a significant proportion of their assets invested, or they propose to invest a significant proportion of their assets, in activities involved in the exploration for base and precious metals, industrial minerals, and bulk commodities, the production of oil and gas or geothermal or other energy from renewable resources.

### Investment Philosophy

The Manager seeks to maximise the capital growth of the Company's portfolio by investing in natural resource companies. Investments are primarily in mining or exploration companies – that are either producing or exploring for base and precious metals, industrial minerals, bulk commodities, oil and gas or in those companies producing or developing the production of energy from renewable resources.

Whilst in making its investment decisions the Manager will generally take a medium to long term view, it may however, from time to time acquire investments with a view to profit through short term trading opportunities.

The Manager:

- focuses on the investment merits of individual stocks rather than market and economic trends; and
- seeks to invest in shares which it assesses to be undervalued relative to their longer term growth prospects.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT

The following table shows the progress of Florin Mining Investment Company Limited:

Year	Dividends Cents Per Share	Net Profit/(loss) \$	Issued Capital \$	Issued Ordinary Shares	Net Assets \$
2005	-	(54,070)	977,073	5,127,502	934,776
2006	-	297,636	977,073	5,127,502	1,352,710
2007	3.0	844,323	2,416,174	13,216,306	3,664,886
2008	-	(231,528)	3,193,806	16,767,182	4,000,269
2009	-	(618,525)	3,190,675	16,750,883	3,017,201
2010	1.0	607,225	3,251,699	17,109,907	3,566,239
2011	1.0	805,862	3,183,837	16,760,455	4,117,588
2012	1.0	(885,363)	3,229,597	16,985,769	3,026,348
2013	-	(761,061)	3,225,920	16,961,769	2,198,701
2014	-	68,265	3,225,920	16,961,769	2,312,654
2015	-	(542,244)	3,225,920	16,961,769	1,747,944
2016	-	113,875	3,225,920	16,961,769	2,018,931
2017	-	42,157	3,225,920	16,961,769	2,050,703
2018	-	100,519	3,225,920	16,961,769	2,481,516

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT (CONTINUED)

### Details Of Investments Held as at 30 June 2018

Name of the Investment	Holding	Market Value	Portfolio %
<b>Investment Portfolio</b>			
<b>Australian Equities</b>			
Alumina Limited	30,000	84,000	3.34
Beach Energy Limited	25,000	43,875	1.74
Betashares Australian High Interest Cash ETF	2,000	100,300	3.98
Betashares Global Gold Miners ETF – Currency Hedged ETF	5,000	18,150	0.72
BHP Billiton Limited	3,000	101,730	4.04
Buru Energy Limited	75,000	23,625	0.94
Central Petroleum Limited	500,000	72,500	2.88
Contact Energy Limited	5,000	26,900	1.07
Cooper Energy Limited	200,000	77,000	3.06
Dacian Gold Limited	10,000	28,500	1.13
Evolution Mining Limited	20,000	70,200	2.79
Genex Power Limited	171,962	49,869	1.98
Iluka Resources Limited	10,000	111,800	4.44
Independence Group NL	15,000	77,100	3.06
Jupiter Mines Limited	50,000	19,250	0.76
Manuka Resources Limited	762,707	20,000	0.79
Manuka Resources Limited Unsecured Convertible Notes	10,000	10,000	0.40
Mercury NZ Limited	10,000	30,700	1.22
Meridian Energy Limited	10,000	28,600	1.14
Mincor Resources NL	114,269	43,422	1.72
Newcrest Mining Limited	4,500	98,100	3.90
Northern Star Resources Limited	8,000	58,080	2.31
Oceanagold Corporation	4,000	15,120	0.60
Pacific Energy Limited	59,485	35,096	1.39
Pegmont Mines NL	160,000	10,560	0.42
Rio Tinto Limited	1,000	83,440	3.31
Santos Limited	15,808	99,116	3.94
Saracen Mineral Holdings Limited	32,500	71,175	2.83
Southern Gold Limited	50,000	11,500	0.46
SPDR S&P/ASX 200 Resources Fund ETF	10,000	110,900	4.41
Terracom Limited	27,500	11,413	0.45
Tiger Resources Limited	250,000	12,250	0.49
Tribune Resources Limited	6,000	38,100	1.51
Vaneck Vectors Australian Resources ETF	6,250	168,125	6.68
Western Areas Limited	10,000	35,600	1.41
Woodside Petroleum Limited	2,223	78,828	3.13
<b>Total Australian Equities</b>		<b>1,974,923</b>	<b>78.46</b>



# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT (CONTINUED)

Name of the Investment	Holding	Market Value	Portfolio %
<b>International Equities</b>			
Vaneck Vectors Gold Miners ETF CDIS 1:1	1,000	29,730	1.18
<b>Total International Equities</b>		<b>29,730</b>	<b>1.18</b>
<b>Total Investment Portfolio</b>			
		<b>2,004,653</b>	<b>79.64</b>
<b>Trading Portfolio</b>			
<b>Australian Equities</b>			
Alkane Resources Limited	50,000	11,500	0.46
Amani Gold Limited	800,000	7,200	0.29
Anglo Australian Resources NL	125,000	11,500	0.46
Ardea Resources Limited	42,666	33,279	1.32
Atlas Iron Limited	200,000	8,600	0.34
Azumah Resources Limited	680,000	17,000	0.68
Black Oaks Minerals Limited	9,334	-	-
Blackham Resources Limited	175,000	12,075	0.48
Blackham Resources Limited Options	62,500	1,125	0.04
Canyon Resources Limited	500,000	48,500	1.93
East West Energy Limited	420,000	-	-
ELK Petroleum Limited	100,000	7,900	0.31
Helix Resources Limited	250,000	9,250	0.37
Heron Resources Limited	39,429	24,840	0.99
Highlands Pacific Limited	150,000	19,500	0.77
Investigator Resources Limited	140,000	1,540	0.06
Ironbark Zinc Limited	250,000	12,500	0.50
KGL Resources Limited	100,000	35,000	1.39
Leyshon Resources Limited	250,000	-	-
Manas Resources Limited	5,663,334	33,980	1.35
Marmota Limited	300,000	5,400	0.21
Minotaur Exploration Limited	154,000	9,702	0.39
Molopo Energy Limited	100,000	14,000	0.56
Monax Mining Limited	1,287,731	3,863	0.15
Musgrave Minerals Limited	100,000	7,200	0.29
New Talisman Gold Mines Limited	976,310	13,668	0.54
Pantoro Limited	50,000	15,000	0.60
Platina Resources Limited	150,000	12,750	0.51
Predictive Discovery Limited	345,263	7,251	0.29
Reedy Lagoon Corporation Limited	500,000	4,500	0.18
Reedy Lagoon Corporation Limited Options	500,000	6,500	0.26

# FLORIN MINING INVESTMENT COMPANY LIMITED

## INVESTMENT MANAGER'S REPORT (CONTINUED)

<b>Name of the Investment</b>	<b>Holding</b>	<b>Market Value</b>	<b>Portfolio %</b>
Rift Valley Resources Limited	900,000	15,300	0.61
Traka Resources Limited	562,500	21,375	0.85
<b>Total Australian Equities</b>		<b>431,799</b>	<b>17.15</b>
<b>International Equities</b>			
Leyshon Energy Limited	250,000	-	-
Vaneck Vectors Gold Miners ETF CDIS 1:1	1,000	29,730	1.18
<b>Total International Equities</b>		<b>29,730</b>	<b>1.18</b>
<b>Total Trading Portfolio</b>		<b>461,529</b>	<b>18.33</b>
<b>Cash &amp; equivalents</b>		<b>51,451</b>	<b>2.03</b>
<b>Total Portfolios</b>		<b>2,517,633</b>	<b>100.00</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## CORPORATE GOVERNANCE STATEMENT

The Board has the responsibility of ensuring the Company is properly managed so as to protect and enhance shareholders interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and nature of activities.

The main corporate governance policies are summarised below.

### **Appointment and Retirement of Non-Executive Directors**

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case by case basis and on conformity with the requirements of the Listing Rules and the Corporations Act.

### **Director's Access to Independent Professional Advice**

It is the Board's policy that any committees established by the Board should:

- Be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise.
- Be entitled to obtain such resources and information from the Company including direct access to employees of and advisers to the Company as they might require.
- Operate in accordance with the terms of reference established by the Board.

### **Audit Committee**

The Audit Committee intends to meet with the external auditors at least once a year. This committee addresses the financial and compliance oversight responsibilities of the Board. The specific activities include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations.
- The adequacy of the financial risk management processes.
- The appointment of the external auditor, any reports prepared by the external auditor and liaising with the external auditor.

### **Board Participation in Management**

Under the Management Agreements, the Manager has discretion to acquire and dispose of investments on behalf of the Company. Investments consistent with the Investment Guidelines may be undertaken without consultation with the Board.

Any proposed investment that does not fall within this Investment Guidelines or any change in the Investment Guidelines proposed by the Manager requires the prior approval of the Board which may be withheld in its absolute discretion.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2018. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

### Directors

The names of directors in office at any time during or since the end of the year are:

Steven Pritchard  
Daniel Di Stefano  
Peter Cameron  
Enzo Pirillo

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company Secretary

The following persons held the position of company secretary at the end of the financial year:

Daniel Di Stefano held the position of joint company secretary at the end of the financial year. Further details in respect of Daniel Di Stefano's qualifications are contained in the Information on Directors.

Brett Hall held the position of joint company secretary as at the end of the financial year. Brett Hall has a Bachelor of Commerce degree and is a Certified Practising Accountant.

### Principal Activities

The principal activity of the Company during the financial year was making medium to long term investments in securities.

There were no significant changes in the nature of the Company's principal activities during the financial year.

### Operating Results

The profit of the company after providing for income tax amounted to \$100,519 (2017: \$42,157).

### Dividends Paid or Recommended

There was no dividends paid in the current or previous financial years.

### Review of Operations

The shareholders equity increased during the year by \$430,813 or 21% to \$2,481,516. This comprised of \$100,519 in operating profit, realised losses on the investment portfolio of \$11,595, and unrealised gains of \$318,699.

The price of shares in natural resource companies recovered somewhat during the year and this was reflected in the increase in value of the Company's investment portfolio.

During the year the Company sold a total of \$241,480 of securities from its trading portfolio. As at year end the value of the trading portfolio was \$461,529 in comparison to \$558,280 at the end of the prior year.

The Company maintains its longer term strategy of reducing the value of the trading portfolio so that it represents no more than 10% of the overall assets of the Company, however a number of the legacy holdings remain difficult to sell at a reasonable price.

The Company continued to add to its investment portfolio with the acquisition of a number of additional holdings with an emphasis on those companies that are paying dividends or have good prospects of doing so in the future.

At the end of the year the value of the investment portfolio had increased by \$601,499 to \$2,004,653 compared to \$1,403,154 at the end of the previous year.

### Significant Changes in State of Affairs

Since There were no significant changes in the state of affairs of the Company during the financial year.

### After Balance Date Events

Since 30 June 2018, the S&P/ASX 300 Resources Accumulation Index has declined approximately 7% in value. The effect on the company's investment portfolio is estimated to be approximately \$145,000 between balance date and the date of this report. There have been no other activities which have 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 the future.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT

### Future Developments, Prospects and Business Strategies

The Company will continue to pursue its investment objectives for the long-term benefit of members. This will require the continued review of the investment strategy that is in place and may require some changes to that strategy.

Further information on likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under the law of the Commonwealth and State.

### Information on Directors

<b>Steven Shane Pritchard</b>	—	Director (Executive), (appointed Chairman 14 July 2016)
Qualifications	—	Bachelor of Commerce, Certified Practising Accountant, Registered Tax Agent, Fellow Taxation Institute of Australia, Graduate Diploma Applied Finance and Investment, and Fellow of Financial Services Institute of Australasia
Experience	—	Board member since 2004
Interest in Shares	—	3,374,237 Ordinary Shares in Florin Mining Investment Company Limited
Special Responsibilities	—	Steven Pritchard is a Member of the Audit Committee
Directorships held in other listed entities	—	Current director of Illuminator Investment Company Limited (since 22 December 2003), Pritchard Equity Limited (since 10 May 2002), Winpar Holdings Limited (since 4 July 2004) and Hamilton Securities Limited (since 08 July 2009)
<b>Daniel Di Stefano</b>	—	Director (Non-Executive) and Joint Company Secretary
Qualifications	—	Bachelor of Commerce; Certified Practising Accountant, Graduate Diploma of Applied Finance and Investment, Fellow of Financial Services Institute of Australasia
Experience	—	Board member and company secretary since 2004
Interest in Shares	—	3,155,213 Ordinary Shares of Florin Mining Investment Company Limited
Special Responsibilities	—	Daniel Di Stefano is a Member of the Audit Committee
Directorships held in other listed entities	—	Current director of Illuminator Investment Company Limited (since 22 December 2003)
<b>Peter Cameron</b>	—	Director (Non-Executive)
Interest in Shares	—	299,939 Ordinary Shares of Florin Mining Investment Company Limited
Special Responsibilities	—	Peter Cameron is a Member of the Audit Committee
<b>Enzo Pirillo</b>	—	Director (Non-Executive)
Qualifications	—	Bachelor of Commerce; Certified Practising Accountant
Interest in Shares	—	3,215,905 Ordinary Shares of Florin Mining Investment Company Limited
Special Responsibilities	—	Enzo Pirillo is a Member of the Audit Committee
Directorships held in other listed entities	—	Current director of Pritchard Equity Limited (since 14 September 2005)

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Florin Mining Investment Company Limited, and for the executives receiving the highest remuneration.

#### Remuneration policy

All issues in relation to remuneration of both Executive Directors and Non-Executive Directors are dealt with by the board of the Company.

The constitution of Florin Mining Investment Company Limited requires approval by the shareholders in general meetings of a maximum amount of remuneration per year to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Directors. The amount of remuneration currently approved by shareholders for Non-Executive Directors is a maximum of \$80,000 per annum.

Non-Executive Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Non-Executive Directors do not receive any performance based remuneration.

#### Remuneration Report

##### Details of remuneration for year ended 30 June 2018

Details of the remuneration for each Director of the Company was as follows:

2018	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-
Enzo Pirillo	-	-	-	-

2017	Salary & Fees	Superannuation Contributions	Other	Total
	\$	\$	\$	\$
Victor Gowan Burley	-	-	-	-
Steven Shane Pritchard	-	-	-	-
Daniel Di Stefano	-	-	-	-
Peter Cameron	-	-	-	-
Enzo Pirillo	-	-	-	-

#### Executives' Remuneration

Executives are officers who are involved in, or concerned with, or who take part in the management of the affairs of the Company.

The Company has only three executives, P Cameron, SS Pritchard and D Di Stefano. As all of the Executives are Directors of the Company, remuneration in respect of those Executive Directors is included in Directors' Remuneration.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' REPORT

### Shareholdings

#### Number of Shares Held by Directors

	Balance 30.06.2017	Received as Remuneration	Options Exercised	Net Change Other	Balance 30.06.2018
Steven Shane Pritchard	2,893,794	-	-	480,443	3,374,237
Daniel Di Stefano	2,894,390	-	-	230,443	3,124,833
Peter Cameron	299,939	-	-	-	299,939
Enzo Pirillo	1,945,131	-	-	1,270,774	3,215,905
<b>Total</b>	<b>8,033,254</b>	-	-	<b>1,981,660</b>	<b>10,014,914</b>

### Meetings of Directors

During the financial year, 3 meetings of directors (including committees) were held. Attendances were:

	DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Steven Shane Pritchard	2	2	1	1
Daniel Di Stefano	2	2	1	1
Peter Cameron	2	2	1	1
Enzo Pirillo	2	2	1	1

### Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

### Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

### Non-audit services

Details of the auditor's remuneration for auditing the company's accounts are set out in note 5 to the accounts. No amounts have been paid or payable to the auditors for non-audit services.

### Auditor's Independence Declaration

The lead auditor's independence declaration is included page 12 of the annual report.

Signed in accordance with a resolution of the Board of Directors.

  
**Steven Shane Pritchard**

Director

12 September 2018



Florin Mining Investment Company Limited

ACN: 111 170 882

### Auditor's Independence Declaration under section 307C of the Corporations Act 2001

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Florin Mining Investment Company Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



PKF



MARTIN MATTHEWS  
PARTNER

12 SEPTEMBER 2018  
NEWCASTLE, NSW

PKF(NS) Audit & Assurance Limited  
Partnership  
ABN 61 450 661 839

Liability limited by a scheme  
approved under Professional  
Standards Legislation

Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245



# FLORIN MINING INVESTMENT COMPANY LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 Revenue \$	2018 Capital \$	2018 Total \$	2017 Revenue \$	2017 Capital \$	2017 Total \$
Income from investment portfolio	2	39,881	-	39,881	93,611	-	93,611
Profit from trading portfolio	2	36,942	-	36,942	37,601	-	37,601
Income from deposits	2	997	-	997	4,829	-	4,829
<b>Total income from ordinary activities</b>		<b>77,820</b>	<b>-</b>	<b>77,820</b>	<b>136,041</b>	<b>-</b>	<b>136,041</b>
Administration expenses		(75,605)	-	(75,605)	(70,673)	-	(70,673)
Finance costs		(288)	-	(288)	(1,141)	-	(1,141)
Management fees		(23,932)	-	(23,932)	(22,070)	-	(22,070)
<b>Operating (loss)/profit before income tax</b>	3	<b>(22,005)</b>	<b>-</b>	<b>(22,005)</b>	<b>42,157</b>	<b>-</b>	<b>42,157</b>
Income tax benefit relating to ordinary activities *	4b	122,524	-	122,524	-	-	-
<b>Operating profit attributable to members of the company</b>		<b>100,519</b>	<b>-</b>	<b>100,519</b>	<b>42,157</b>	<b>-</b>	<b>42,157</b>
<b>Other comprehensive income</b>							
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Unrealised gains for the period on securities in the portfolio at 30 June		-	436,254	436,254	-	24,051	24,051
Tax (expense)/credit on above *	4	-	(130,876)	(130,876)	-	-	-
Write back on income tax benefit on above		-	13,321	13,321	-	-	-
Cumulative realised gains/(losses) for the period on securities		-	16,564	16,564	-	(34,436)	(34,436)
Tax expense on above *		-	(4,969)	(4,969)	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>330,294</b>	<b>330,294</b>	<b>-</b>	<b>(10,384)</b>	<b>(10,384)</b>
<b>Total net comprehensive income</b>		<b>100,519</b>	<b>330,294</b>	<b>430,813</b>	<b>42,157</b>	<b>(10,384)</b>	<b>31,773</b>

		<b>2018</b>	<b>2017</b>
* Total tax benefit/(expense)		-	-
<b>Overall Operations</b>			
Basic earnings per share (cents per share)	7	0.59	0.25
Diluted earnings per share (cents per share)	7	0.59	0.25

# FLORIN MINING INVESTMENT COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	51,451	107,341
Trading portfolio	9	461,529	558,280
Other current assets	10	1,499	21,599
Current tax assets	11	801	827
<b>TOTAL CURRENT ASSETS</b>		<b>515,280</b>	<b>688,047</b>
<b>NON-CURRENT ASSETS</b>			
Investment portfolio	12	2,004,653	1,403,154
Deferred tax assets	13	180,907	83,753
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,185,560</b>	<b>1,486,907</b>
<b>TOTAL ASSETS</b>		<b>2,700,840</b>	<b>2,174,954</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	34,379	36,460
Borrowings	15	4,038	4,037
<b>TOTAL CURRENT LIABILITIES</b>		<b>38,417</b>	<b>40,497</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	16	180,907	83,754
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>180,907</b>	<b>83,754</b>
<b>TOTAL LIABILITIES</b>		<b>219,324</b>	<b>124,251</b>
<b>NET ASSETS</b>		<b>2,481,516</b>	<b>2,050,703</b>
<b>EQUITY</b>			
Issued capital	17	3,225,920	3,225,920
Reserves	18	947,276	515,571
Accumulated losses		(1,691,680)	(1,690,788)
<b>TOTAL EQUITY</b>		<b>2,481,516</b>	<b>2,050,703</b>

The accompanying notes form part of these financial statements.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	Issued Capital	Retained Earnings/ (Accumulated Losses)	Capital Profits Reserve	Investment Revaluation Reserve	Dividend Equalisation Reserve	Total
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016 as reported</b>		<b>3,225,920</b>	<b>(1,687,640)</b>	<b>549,108</b>	<b>(68,457)</b>	<b>-</b>	<b>2,018,931</b>
Profit for the year		-	42,157	-	-	-	42,157
<i>Other comprehensive income for the year (net of tax)</i>							
Net capital profits for the year		-	(34,436)	-	-	-	(34,436)
Revaluation of investment portfolio (net of tax)	18b	-	-	-	24,051	-	24,051
Transfers between reserves	18	-	(10,869)	10,869	-	-	-
Other comprehensive income for the year		-	(45,305)	10,869	24,051	-	(10,385)
Total comprehensive income		-	(3,148)	10,869	24,051	-	31,772
<b>Balance at 30 June 2017</b>		<b>3,225,920</b>	<b>(1,690,788)</b>	<b>559,977</b>	<b>(44,406)</b>	<b>-</b>	<b>2,050,703</b>
<b>Balance at 1 July 2017 as reported</b>		<b>3,225,920</b>	<b>(1,690,788)</b>	<b>559,977</b>	<b>(44,406)</b>	<b>-</b>	<b>2,050,703</b>
Profit for the year		-	100,519	-	-	-	100,519
<i>Other comprehensive income for the year (net of tax)</i>							
Net capital profits/(losses) for the year		-	11,595	-	-	-	11,595
Revaluation of investment portfolio (net of tax)	18b	-	-	-	318,699	-	318,699
Transfers between reserves	18	-	(113,006)	12,487	-	100,519	-
Other comprehensive income for the year		-	(101,411)	12,487	318,699	100,519	330,294
Total comprehensive income		-	(892)	12,487	318,699	100,519	430,813
<b>Balance at 30 June 2018</b>		<b>3,225,920</b>	<b>(1,691,680)</b>	<b>572,464</b>	<b>274,293</b>	<b>100,519</b>	<b>2,481,516</b>

The accompanying notes form part of these financial statements.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Sales from trading portfolio		241,133	164,956
Purchases for trading portfolio		(107,833)	(154,702)
Dividends received		32,255	87,940
Distributions received		7,363	4,435
Interest received		997	4,829
Other receipts		3,305	3,328
		<u>177,220</u>	<u>110,786</u>
Administration expenses		(76,576)	(70,635)
Bank charges		(330)	(392)
Finance costs		(288)	(1,141)
Management fees		(26,897)	(21,538)
<b>Net cash provided by operating activities</b>	20	<u><b>73,129</b></u>	<u><b>17,080</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sales from investment portfolio		193,765	78,964
Purchases for investment portfolio		(322,784)	(837,983)
<b>Net cash used in investing activities</b>		<u><b>(129,019)</b></u>	<u><b>(759,019)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(1,486)
<b>Net cash used in financing activities</b>		<u><b>-</b></u>	<u><b>(1,486)</b></u>
Net decrease in cash held		(55,890)	(743,425)
Cash at beginning of financial year		107,341	850,766
<b>Cash and cash equivalents at end of financial year</b>	8	<u><b>51,451</b></u>	<u><b>107,341</b></u>

The accompanying notes form part of these financial statements.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Florin Mining Investment Company Limited as an individual entity. Florin Mining Investment Company Limited is a listed public company, incorporated and domiciled in Australia.

Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS'). The Company is a 'for profit entity'.

The Company has not applied any Australian Accounting Standards or AASB interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2018 ("the inoperative standards"), except for AASB 9. The impact of the in operative standards has been assessed and the impact has been identified as not being material. The Company only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

### Basis of Preparation

#### *Reporting Basis and Conventions*

The financial report has been prepared on the basis of 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. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements were authorised for issue by the directors on 12 September 2018.

### Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **a. Investment and Trading Portfolios**

##### **(i) Statement of Financial Position classification**

The Company has two portfolios of securities, the investment portfolio and the trading portfolio.

The investment portfolio relates to holdings of securities which the directors intend to retain on a long-term basis.

The trading portfolio comprises securities held for short term trading purposes.

The investment portfolio is classified as a 'non-current asset', whereas the trading portfolio is classified as a 'current asset'.

Ordinary securities within the investment portfolio are classified as 'financial assets measured at fair value through other comprehensive income', whilst securities within the trading portfolio are classified as 'assets measured at fair value through the Income Statement' in accordance with AASB 9.

##### **(ii) Valuation of investment portfolio**

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost, which is the cost of acquisition including transaction costs, and are revalued to market values continuously. Increments and decrements on Ordinary Securities are recognised as comprehensive income and taken to the Investment Revaluation Reserve.

Where disposal of an investment occurs, any revaluation increment or decrement relating to it is transferred from the Investment Revaluation Reserve to retained earnings. Subsequently, any revaluation or decrement to the extent of a capital profits reserve balance relating to the disposal of an investment is transferred to the Capital Profits Reserve.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Valuation of trading portfolio

Securities, including listed and unlisted shares and notes, are initially brought to account at cost which is the cost of acquisition including transaction costs and are revalued to market values continuously.

Increments and decrements on the value of securities in the trading portfolio are taken directly through to the Income Statement.

(iv) Determination of market value

Market value for the purposes of valuing holdings of the securities is determined by reference to market prices prevailing at balance date, predominantly the last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(v) Income from holding of securities

Distributions relating to listed securities are recognised as income when those securities are quoted ex-distribution basis and distributions relating to unlisted securities are recognised as income when received. If the distributions are capital returns on ordinary securities the amount of the distribution is treated as an adjustment to the carry value of the securities.

**b. Fair Value of Financial Assets and Liabilities**

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value.

**c. Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**d. Initial Public Offer Costs**

The costs incurred in the establishment of the Company and its subsequent public offerings have been charged directly against issued capital.

**e. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments. Bank overdrafts are shown within borrowings in current liabilities and on the statement of financial position.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### f. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### g. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### h. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency using the exchange rates applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of foreign exchange ruling at that date.

#### i. Borrowings

The Company is party to an agreement under which BT Securities Limited have agreed to accept listed securities beneficially held by the Company as security under the loan facility.

#### j. Split between Revenue and Capital in Other Comprehensive Income

'Capital' relates to realised or unrealised gains (and the tax thereon) on securities within the Investment portfolio and excludes income in the form of distributions and dividends which are recorded as 'Revenue'. All other items, including expenses, are recorded as Net Operating profit, which is equivalent to 'Revenue'.

#### k. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

#### l. Critical Accounting Estimates and Judgements

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax liabilities have been recognised for Capital Gains Tax (CGT) on the unrealised gain in the Investment Portfolio at current tax rates.

As the directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at the amount disclosed in Note 16. In addition, the tax liability that arises on disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains at the time of disposal.

The Company has recognised deferred tax assets in relation to carried forward revenue and capital losses and deductible temporary differences as disclosed in Note 13. The Company recognises these assets only if the Company considers it is probable that future taxable amounts will be available to utilise these temporary differences and losses. The Company intends to not dispose of portfolio assets until there are gains on the investments which the Directors believe will be sufficient to recoup the deferred tax assets.

Apart from these, there are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>NOTE 2: REVENUE</b>		
<b>a. Income from Investment Portfolio</b>		
— dividends received	31,199	87,940
— distributions received	7,436	5,671
<b>Total Income from Investment Portfolio</b>	<b>38,635</b>	<b>93,611</b>
<b>b. Income from Trading Portfolio</b>		
— sales revenue	241,479	165,204
— cost of sales	(204,537)	(127,603)
— net (losses)/income from trading portfolio sales	36,942	37,601
— dividends received	1,056	-
— distributions received	190	-
<b>Total Income from Trading Portfolio</b>	<b>38,188</b>	<b>37,601</b>
<b>c. Income from Deposits</b>		
— interest income	997	4,829
<b>Total Income from Deposits</b>	<b>997</b>	<b>4,829</b>
<b>Total Revenue</b>	<b>77,820</b>	<b>136,041</b>

## NOTE 3: PROFIT FOR THE YEAR

Operating profit before income tax has been determined after:

### Expenses

Administration expenses	64,103	59,674
Bank expenses	330	392
Finance costs	288	1,141
Listing fees	11,172	10,607
Management fees	23,932	22,070
Profit from operating activities before income tax and realised gain/ (losses) on the investment portfolio	<b>(22,005)</b>	<b>42,157</b>



# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>NOTE 4: INCOME TAX EXPENSE</b>		
<b>a. The components of tax expense comprise:</b>		
Increase/ (decrease) in deferred tax assets	97,153	1,346
(Increase)/decrease in deferred tax liabilities	(97,153)	(1,346)
	<u>-</u>	<u>-</u>
<b>b. The prima facie tax on pre-tax accounting profit/ (loss) from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
<b>Operating (loss)/ profit before income tax and realised gains on investment portfolio</b>	(22,005)	42,157
Prima facie tax (credit)/ payable on profit/ (loss) from ordinary activities before income tax at 30% (2017: 30%)	(6,602)	12,647
Add:		
Tax effect of:		
— utilisation of tax losses not previously recognised	-	12,390
— recognition of deferred tax asset	(108,754)	-
— Imputation gross-up on dividends received	3,072	10,729
— Franking credits on dividends received	(10,240)	(35,766)
<b>Income tax expense</b>	<u><b>122,524</b></u>	<u><b>-</b></u>
<b>c. Amounts recognised directly in equity</b>		
Increase / (decrease) in deferred tax liabilities relating to capital gains on the increase in unrealised gains on securities in the investment portfolio	172,939	39,901
Decrease / (increase) in deferred tax assets relating to capital losses on the decrease in unrealised losses on securities in the investment portfolio/ now brought to account	(50,415)	(39,901)
	<u><b>122,524</b></u>	<u><b>-</b></u>
<b>d. Amounts recognised directly through other comprehensive income</b>		
Decrease/ (increase) in deferred tax assets relating to capital gains tax on the movement in realised gains/ losses in the investment portfolio	<u>-</u>	<u>-</u>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>NOTE 5: AUDITOR'S REMUNERATION</b>		
Remuneration of the auditor of the company for:		
PKF Newcastle		
— auditing or reviewing the financial report	<u>18,750</u>	<u>18,267</u>
<b>NOTE 6: DIVIDENDS</b>		
<b>a. Dividends Paid or Declared</b>		
No dividends paid or declared in the financial year	<u>-</u>	<u>-</u>
<b>b. Franking Account</b>		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables and it does not reflect the impact of dividends declared after balance date.	<u>63,952</u>	<u>53,711</u>
<b>NOTE 7: EARNINGS PER SHARE</b>		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	16,961,769	16,961,769
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive earnings per share	16,961,769	16,961,769
<b>a. Basic and diluted earnings per share</b>	<b>\$</b>	<b>\$</b>
Profit attributable to members of the company	100,519	42,157
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share including realised gains/(losses) on the investment portfolio	0.66	0.05
Diluted earnings per share including realised gains/(losses) on the investment portfolio	0.66	0.05
<b>b. Basic and diluted operating earnings per share excluding realised (losses)/gains on the investment portfolio</b>	<b>\$</b>	<b>\$</b>
Operating profit before realised (losses)/gains on the investment portfolio	100,519	42,157
	<b>Cents</b>	<b>Cents</b>
Basic operating earnings per share excluding realised gains/(losses) on the investment portfolio	0.59	0.25
Diluted operating earnings per share excluding realised gains/(losses) on the investment portfolio	0.59	0.25

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>NOTE 8: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and in hand	392	7,730
Deposits at call	51,059	99,611
	<u>51,451</u>	<u>107,341</u>

The effective interest rate on cash at bank and deposits at call was 1.00% (2017:1.00%).

The credit risk exposure of the Company in relation to cash and cash equivalents is the carrying amount and any accrued unpaid interest.

### Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>51,451</u>	<u>107,341</u>
---------------------------	---------------	----------------

### NOTE 9: TRADING PORTFOLIO

Listed investments, at market value

- Shares	461,529	558,280
	<u>461,529</u>	<u>558,280</u>

### NOTE 10: OTHER CURRENT ASSETS

Accrued income	1,499	1,236
Prepayments	-	363
Other receivables	-	20,000
	<u>1,499</u>	<u>21,599</u>

### NOTE 11: TAX ASSETS

Goods and services tax	801	827
	<u>801</u>	<u>827</u>

### NOTE 12: INVESTMENT PORTFOLIO

Listed investments, at market value

- Shares	2,004,653	1,403,154
	<u>2,004,653</u>	<u>1,403,154</u>

The below list are those securities held in the investment portfolio that are valued at fair value through Other Comprehensive Income.

Alumina Limited	84,000	57,600
Beach Energy Limited	43,875	-
Betashares Australian High Interest Cash ETF	100,300	200,680
Betashares Global Gold Miners ETF	18,150	19,100
BHP Billiton Limited	101,730	58,200
Buru Energy Limited	23,625	8,250

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>NOTE 12: INVESTMENT PORTFOLIO (CONTINUED)</b>		
Central Petroleum Limited	72,500	33,750
Contact Energy Limited	26,900	24,750
Cooper Energy Limited	77,000	-
Dacian Gold Limited	28,500	-
Evolution Mining Limited	70,200	48,200
Genex Power Limited	49,869	41,271
Independence Group NL	77,100	47,250
Iluka Resources NL	111,800	86,800
Jupiter Mines Limited	19,250	-
Manuka Resources Limited	20,000	-
Manuka Resources Limited Unsecured Convertible Note	10,000	10,000
Mercury NZ Limited	30,700	31,600
Meridian Energy Limited	28,600	27,800
Mincor Resources NL	43,422	18,000
Newcrest Mining Limited	98,100	90,720
Northern Star Resources Limited	58,080	38,000
Oceanagold Corporation	15,120	-
Pacific Energy Limited	35,096	21,900
Pegmont Mines NL	10,560	5,500
Rio Tinto Limited	83,440	63,270
South32 Limited	-	26,800
Southern Gold Limited	11,500	-
Saracen Mineral Holdings Limited	71,175	40,950
Santos Limited	99,116	47,898
SPDR S&P/ASX 200 Resources Fund ETF	110,900	80,900
Tribune Resources Limited	38,100	43,680
Terracom Limited	11,412	7,425
Tiger Resources Limited	12,250	12,250
VanEck Vectors Gold Miners ETF	29,730	28,670
VanEck Vectors Australian Resources ETF	168,125	101,100
Woodside Petroleum Limited	78,828	59,740
Western Areas Limited	35,600	21,100
<b>Total Investment Portfolio</b>	<b>2,004,653</b>	<b>1,403,154</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

### NOTE 13: DEFERRED TAX ASSETS

The deferred tax asset is made up of the following estimated tax benefits:

- Capital losses	60,746	75,621
- Temporary differences	4,273	4,886
- Tax losses	115,888	3,245
	<b>180,907</b>	<b>83,753</b>

Tax losses not recognised:

- Unused tax losses for which no deferred tax asset has been recognised	873,637	1,242,151
- Potential tax benefit @ 30%	262,091	372,645

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. The deferred tax asset has only been recognised to the extent of the deferred tax liability.

### NOTE 14: TRADE AND OTHER PAYABLES

Sundry creditors and accrued expenses	<b>34,379</b>	<b>36,460</b>
---------------------------------------	---------------	---------------

Payables are non-interest bearing and unsecured.

### NOTE 15: BORROWINGS

Short-term borrowings - secured	<b>4,038</b>	<b>4,037</b>
---------------------------------	--------------	--------------

The above short-term borrowings are secured by listed securities held in the company's investment and trading portfolios. Repayment of the facility is done either through the use of cash received from dividends and distributions or the sale of securities. The effective interest rate on short term borrowings – secured was 7.12% (2017: 7.12%). The amount of the facility unused at year end is \$101,452 (2017: \$80,816).

### NOTE 16: DEFERRED TAX LIABILITIES

Provision for deferred income tax is attributable to:

- Deferred capital gains tax	172,939	65,291
- Temporary differences	7,968	18,463
	<b>180,907</b>	<b>83,754</b>

### NOTE 17: ISSUED CAPITAL

16,961,769 (2017: 16,961,769) fully paid ordinary shares	17a	3,225,920	3,225,920
--	-----	-----------	-----------

#### a. Ordinary shares

At the beginning of reporting period	3,225,920	3,225,920
At the end of reporting period	<b>3,225,920</b>	<b>3,225,920</b>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and does not calculate a par value for issued shares.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		2018 \$	2017 \$
<b>NOTE 18: RESERVES</b>			
Capital profits	18a	572,464	559,977
Investment revaluation	18b	274,293	(44,406)
Dividend equalisation reserve	18c	100,519	-
		<u>947,276</u>	<u>515,571</u>
<b>18a. Capital Profits Reserve</b>			
<b>Movements During the Year</b>			
Opening balance		559,977	549,108
Transfer from retained earnings		12,487	10,869
Closing Balance		<u>572,464</u>	<u>559,977</u>
The capital profits reserve records capital profits made upon the sale of investments in the Company's investment portfolio.			
<b>18b. Investment Revaluation Reserve</b>			
<b>Movements During the Year</b>			
Opening balance		(44,406)	(68,457)
Revaluation of the investment portfolio		318,699	24,051
Closing Balance		<u>274,293</u>	<u>(44,406)</u>
The investment revaluation reserve records revaluations of the Company's investment portfolio.			
<b>18c. Dividend Equalisation Reserve</b>			
<b>Movements During the Year</b>			
Opening balance		-	-
Transfer from retained earnings		100,519	-
Closing Balance		<u>100,519</u>	<u>-</u>

## NOTE 19: SEGMENT REPORTING

### (a) Description of segments

The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions. The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. The Company invests in equity securities and other instruments to provide shareholders a high real rate of return, comprising both income and capital growth.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 19: SEGMENT REPORTING (CONTINUED)

#### (b) Segment information provided to the Board

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in the Company's Net Tangible Asset announcements to the NSX). The Board considers the Company's net operating profit after tax to be a key measure of the Company's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on the Company's investment portfolio and reconciles to the Company's profit before tax as follows:

	2018	2017
	\$	\$
<b>NOTE 19: SEGMENT REPORTING (continued)</b>		
<b>Net operating profit after income tax expenses/ (benefit)</b>	100,519	42,157
Add back income tax expense	122,524	-
<b>Profit/ (loss) before tax</b>	<b>(22,005)</b>	<b>42,157</b>

In addition, the Board regularly reviews the net asset value per share both before and after provision for deferred tax on the unrealised gains in the Company's long-term investment portfolio. Deferred tax is calculated as set out in notes 1(c) and 1(l). The relevant amounts as at 30 June 2018 and 30 June 2017 were as follows:

#### Net tangible asset backing per share

Before tax	0.15	0.12
After tax	0.15	0.12

#### (c) Other segment information

The Company operates in one business segment, being that of a listed investment company. The Company operates from Australia only and therefore has only one geographical segment. However the Company has investment exposures in different countries which are shown below. The Company invests in securities listed on overseas stock exchanges. Details of the geographical exposures are as follows:

2018	Revenue \$	Unrealised Gains/(losses) \$	Market Value \$	Portfolio %
Australia	39,881	(253,135)	2,466,182	97.96
United Kingdom	-	(22,606)	-	-
<b>Sub Total</b>	<b>39,881</b>	<b>(275,741)</b>	<b>2,466,182</b>	<b>97.96</b>
Cash	997	-	51,451	2.04
<b>Total</b>	<b>40,878</b>	<b>(275,741)</b>	<b>2,517,633</b>	<b>100.00</b>

#### 2017

Australia	87,940	(731,210)	1,961,434	94.80
United Kingdom	-	(22,606)	-	-
<b>Sub Total</b>	<b>87,940</b>	<b>(753,816)</b>	<b>1,961,434</b>	<b>94.80</b>
Cash	4,829	-	107,341	5.20
<b>Total</b>	<b>92,769</b>	<b>(753,816)</b>	<b>2,068,775</b>	<b>100.00</b>

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>NOTE 20: CASH FLOW INFORMATION</b>		
<b>a. Reconciliation of Cash Flow from Operations with profit after Income Tax</b>		
Profit after income tax	100,519	42,157
Cash flows excluded from profit attributable to operating activities		
Decrease in current receivables and other current assets	463	3,614
Decrease/(increase) in the trading portfolio	96,751	(31,343)
(Decrease)/increase in current payables	(2,080)	2,652
Increase in deferred taxes	(122,524)	-
Cash flow from operations	<b>73,129</b>	<b>17,080</b>

## NOTE 21: RELATED PARTY TRANSACTIONS

Transactions with related parties:

Rees Pritchard Pty. Limited for accounting fees and company secretarial services.	31,668	27,153
---	--------	--------

Steven Pritchard has an interest in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty. Limited.

Hamilton Asset Management Limited for Investment management fees.	23,932	22,070
Performance fee	-	-

The Manager, subject to a high water mark is entitled to a Performance Fee where the Portfolio has increased in value over a 12 month period ("Performance Calculation Period") of 20% of:

- where the level of the UBS Warburg Australian Bank Bill Index has increased over that period, the amount by which the value of the Portfolio exceeds this increase; or
- where the UBS Warburg Australian Bank Bill Index has decreased over that period, the amount of the increase in the value of the Portfolio.

No Performance Fee will be payable to the Manager in respect of any Performance Calculation Period.

Steven Pritchard has an interest in the above transactions as a director Hamilton Asset Management Limited and as director and beneficial shareholder of Hamilton Capital Proprietary Limited.

Daniel Di Stefano has an interest in the above transaction as a director and beneficial shareholder of Hamilton Capital Proprietary Limited.

Hamilton Asset Management Limited is a wholly owned subsidiary of Hamilton Capital Proprietary Limited.

Newcastle Capital Markets Registries Pty. Limited for share registry costs.	9,696	9,744
---	-------	-------

Steven Pritchard has an interest in the above transaction as a director and beneficial shareholder of Newcastle Capital Markets Registries Pty. Limited

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.



# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 22: DIRECTORS AND EXECUTIVES DISCLOSURE

In accordance with the Corporations Amendments Regulation 2005 (No.4) the Company has transferred the disclosure required by AASB 124 from the notes to the Financial Statements to the Directors' Report under the heading of Remuneration Report.

### NOTE 23: INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in investments during the year was 58 (2017: 85). Each contract note may involve multiple transactions. The total brokerage paid on these contract notes was \$9,743 (2017: \$11,636).

### NOTE 24: COMPANY DETAILS

The registered office of the Company is:

10 Murray Street  
HAMILTON NEW SOUTH WALES 2303

The principal place of business is:

10 Murray Street  
HAMILTON NEW SOUTH WALES 2303

### NOTE 25: FINANCIAL RISK MANAGEMENT

Accounting Standards identify three types of risk associated with financial instruments (i.e. the Company's investments, receivables, payables and borrowings):

#### a. Credit Risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk is managed as noted in the Notes to the financial statements with respect to cash and trade and other receivables. None of these assets are over-due or considered to be impaired.

#### b. Liquidity Risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company monitors its cash-flow requirements and ensures that it has either cash or access to short term borrowing facilities sufficient to meet any payments.

The assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

#### c. Market Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price.

By its nature as the Company invests a substantial proportion of its assets in tradeable securities the Company is always subject to market risk as it invests its capital in securities which are not risk free i.e. the market price of these securities can fluctuate.

A general fall in market prices of 5% and 10%, if spread equally over all assets in the total portfolio would lead to a reduction in the Company's equity of \$123,309 and \$246,618 respectively, assuming a tax rate of 30%.

The Company seeks to minimise market risk by ensuring that it is not in the opinion of the Board, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and relevant market sectors are reviewed regularly and risk can be managed by reducing exposure where appropriate. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

The Company's investment across industry sectors as at 30 June is as below:	2018	2017
	%	%
Cash & Equivalents	20.59	15.37
Energy	17.22	19.06
Materials	54.18	52.81
Metals & Mining	8.01	12.76
	<b>100.00</b>	<b>100.00</b>

### Securities representing over 5 per cent of the investment and trading portfolios at 30 June were:

No securities represented over 5 per cent of the Company's collective investment and trading portfolios.

The Company is exposed to currency risk as some of its investments are quoted in currency other than Australian dollars. As noted in Note 19, the extent of those securities listed on the overseas stock exchanges is minimal, which significantly mitigates the Company's currency risk.

#### d. Interest Rate Risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company monitors its interest rate exposure and the interest bearing liabilities are kept to a minimum.

A rise in interest rates of 1% will result in the company incurring additional finance costs of \$40 (2017: \$40), whilst a fall of 1% will result in interest savings of \$40 (2017: \$40).

#### e. Capital Management

It is the Board's policy to maintain a strong capital base as to maintain investors and market confidence.

To achieve this, the Board monitors the Company's net tangible assets, its levels of borrowings and its investment performance.

The Company raises additional capital by use of the dividend reinvestment plan.

The capital structure of the Company consists of Issued capital, reserves and retained earnings as disclosed in notes 17 and 18.

The Company is not subject to any externally imposed capital requirements.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

### NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

#### f. Fair value measurements

The following table provides the fair values of the Company's asset and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

1. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
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 2); and
3. inputs for the asset or liabilities that are not based on observable market data (unobservable inputs) (level 3).

30 June 2018	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
Financial assets at fair value through other comprehensive income					
Investment Portfolio (Equities)	12	2,004,653	-	-	2,004,653
Financial assets/(liabilities) at fair value through profit or loss					
Trading Portfolio	9	461,529	-	-	461,529
Total		<b>2,466,182</b>	<b>-</b>	<b>-</b>	<b>2,466,182</b>

The fair value of financial instruments traded in active markets (including publicly traded derivatives) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

There were no transfers between Level 1, 2 and 3 for assets measured at fair value on a recurring basis during the reporting period (2017: no transfers).

### NOTE 26: SUBSEQUENT EVENTS AFTER 30 JUNE 2018

Since 30 June 2018, the S&P/ASX 300 Resources Accumulation Index has declined approximately 7% in value. The effect on the company's investment portfolio is estimated to be approximately \$145,000 between balance date and the date of this report. There have been no other activities which have 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 the future.

# FLORIN MINING INVESTMENT COMPANY LIMITED

## DIRECTORS' DECLARATION

1. In the opinion of the Directors of Florin Mining Investment Company Limited:
  - a. The financial statements and notes as set out on pages 2 to 31 are in accordance with the Corporations Act 2001, including:
    - (i) Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
    - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.
2. The financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.



Steven Shane Pritchard  
Director

12 September 2018

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FLORIN MINING INVESTMENT COMPANY LIMITED

#### Report on the Financial Report

##### Opinion

We have audited the accompanying financial report of Florin Mining Investment Company Limited (the company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

- a) The financial report of Florin Mining Investment Company Limited is in accordance with the Corporations Act 2001, including:
  - i) Giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
  - ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period.

These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters below, our description of how our audit addressed each matter is provided in that context.

PKF(NS) Audit & Assurance Limited  
Partnership  
ABN 91 450 861 899

Liability limited by a scheme  
approved under Professional  
Standards Legislation

Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 3346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

PKF(NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of locally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.  
For office locations visit [www.pkf.com.au](http://www.pkf.com.au)



## 1. Valuation & Existence of Trading & Investment Portfolios

### Why significant

As at 30 June 2018, a significant proportion of the Company's assets comprised of trading and investment securities. The fair value of financial assets is \$2,466,182 (2017: \$1,961,434) as disclosed in Notes 9 and 12 of the financial report.

These financial assets are listed securities classified as 'level 1' financial instruments in accordance with the classification under Australian Accounting Standards where quoted prices in active markets are available for identical assets.

Refer to Note 1(a) for the accounting policy for these assets and Note 25(f) for the level 1 classification.

Based on the above, we have considered the valuation and existence of financial assets to be a Key Audit Matter.

### How our audit addressed the key audit matter

We used independent sources to perform substantive testing on a sample of financial assets. This included:

- agreeing the quantity of securities held and recognised in the financial report to external independent trading registers;
- confirming the market value as at 30 June 2018 using reputable and active trading websites such as the Australian Securities Exchange ("ASX"); and
- reviewing reconciliations prepared by management and supporting documentation to confirm market movements. This included agreeing the gain/loss incurred throughout the period to transaction reports.

We also assessed the appropriateness of the related disclosures in Notes 1 (a), 9, 12 and 25. On the basis of the procedures performed, we are satisfied that the deferred tax balances are not materially misstated and have been fairly disclosed.

## 2. Recognition and Valuation of Deferred Tax Assets

### Why significant

As disclosed in Note 13 of the financial report, at 30 June 2018 the Company has recorded a deferred tax asset of \$180,907 relating to deductible temporary differences and tax losses incurred.

As noted in Note 1(c) of the financial report, deferred tax assets are only recognised if the Company considers it probable that future taxable income will be generated to utilise these temporary differences and losses.

Significant judgement is required in forecasting future taxable income.

Based on the above, we have considered the recognition and valuation of deferred tax assets to be a Key Audit Matter.

### How our audit addressed the key audit matter

We have assessed and challenged management's judgements relating to the Company's ability to generate future taxable income, and also the recognition criteria under AASB 112.

Our procedures included but were not limited to:

- assessing the reasonableness of key assumptions with respect to future income and expenditure;
- reviewing the nature of the deferred tax asset (i.e. temporary differences or revenue / capital losses) and its probability of being realised.

We have also assessed the appropriateness of the disclosures included in Note 13 in respect of the deferred tax balances. On the basis of the procedures performed, we are satisfied that the deferred tax balances are not materially misstated and have been fairly disclosed.



## Other Information

The Directors are responsible for the other information. The other information comprises the information included in the company's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on the Remuneration Report

### Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Florin Mining Investment Company Limited for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF



MARTIN MATTHEWS  
PARTNER

12 SEPTEMBER 2018  
NEWCASTLE, NSW

# FLORIN MINING INVESTMENT COMPANY LIMITED

## STOCK EXCHANGE INFORMATION

### TOP 20 SHAREHOLDERS AS AT 29 AUGUST 2018

Shareholder	No. of Shares	% of Issued
Pritchard Asset Management Proprietary Limited <Fleet Multi Strategy A/c>	1,954,051	11.52
Henley Underwriting & Investment Company Pty Limited	1,086,774	6.41
Intercontinental Assets Pty Ltd	1,000,000	5.90
Winpar Holdings Limited	800,605	4.72
Technica Pty Limited	580,000	3.42
Warramboos Holdings Pty Ltd	550,000	3.24
Wythenshawe Pty Ltd	550,000	3.24
Seven Rob Investments Pty Ltd <RF Cameron Super Fund>	515,153	3.04
Mrs Robin Drysdale	425,576	2.51
Troika Investments Pty Limited	389,173	2.29
Mr Larry John Voltz & Mr David Lionel Voltz <Larry Voltz Super Fund>	273,756	1.61
Oceanridge Limited	267,689	1.58
Pritchard & Company Pty Limited	250,000	1.47
Mrs Beth Anne Mitchell	237,763	1.40
Donwood Pty Ltd<John Cox Super Fund A/c>	231,455	1.36
GA & LA Bentley Pty Ltd <Super Fund A/c>	230,000	1.36
Sun Building Suppliers Pty Ltd <Allison Super Fund A/c>	199,090	1.17
Buddhism Diamond Way Australia Pty Ltd	182,751	1.08
Mr Peter Anthony Cameron	179,939	1.06
Mr Peter Martin	176,945	1.04
Ms Eileen Anne English	166,803	0.98
	<b>10,247,523</b>	<b>60.42</b>

#### Number of ordinary shares held

#### Number of Shareholders

1 – 1,000	5
1,001 – 5,000	8
5,001 – 10,000	21
10,001 – 100,000	169
100,000 and over	27
Total	230

#### Substantial Shareholders

As at 29<sup>th</sup> August 2018 the names and holdings of substantial shareholders as disclosed in notices received by the Company are as follows:-

Substantial Shareholder	No. of shares	% of total
Pritchard Equity Limited & associated entities	3,374,237	19.89
Intercontinental Assets Pty Ltd	1,000,000	5.90

# FLORIN MINING INVESTMENT COMPANY LIMITED

## CORPORATE DIRECTORY

<b>Directors</b>	Peter Cameron Steven Shane Pritchard Daniel Di Stefano Enzo Pirillo
<b>Company Secretary</b>	Daniel Di Stefano Brett Hall
<b>Registered Office</b>	10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878 Email: <a href="mailto:mail@florin.com.au">mail@florin.com.au</a> Web: <a href="http://www.florin.com.au">www.florin.com.au</a>
<b>Manager</b>	Hamilton Asset Management Limited 10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
<b>Share Registry</b>	Newcastle Capital Markets Registry Pty Limited 10 Murray Street Hamilton NSW 2303 Telephone 02 4920 2877 Facsimile 02 4920 2878
<b>Auditors</b>	PKF Newcastle 755 Hunter Street Newcastle West NSW 2302 Telephone 02 4962 2688 Facsimile 02 4962 3245
<b>Solicitors</b>	Baker & McKenzie Level 27, AMP Centre 50 Bridge Street Sydney NSW 1223 Telephone 02 9225 0200 Facsimile 02 9225 1595
<b>Bankers</b>	National Australia Bank Limited Hamilton District Commercial Branch 31 Beaumont Street Hamilton NSW 2303