

Appendix 4D

Half yearly report

Rule 4.2 A.3

Name of entity:

ABN Reference:

VEALLS LIMITED	39 004 288 000
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Current period

Half year 31 December 2013

Previous corresponding period

Half year 31 December 2012

Results for announcement to the market

Key Information	Current period	Previous corresponding period	%	Amount of change
	\$A'000	\$A'000	Change	\$A'000
Revenues from ordinary activities(i)	2,218	932	138%	1,286(ii)
Profit (loss) from ordinary activities after tax attributable to members(i)	1,053	571	84.4%	482(ii)
Net profit (loss) for the period attributable to members	8,114	4,599	76.4%	3,515

(i) Continuing operations has been disclosed as ordinary activities

(ii) Previous corresponding period has been restated to disclose continuing operations as ordinary activities

Dividends	Amount per security	Franked amount per security at 30% tax
Interim dividend	Record Date: 18 April 2014 Payable: 30 April 2014	
Preference shares	0.35c	0.35c
Income shares	5.30c	5.30c

There is no conduit foreign income (CFI) component of dividends

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary (Capital) security	\$12.81	\$11.29

Compliance Statement

This report should be read in conjunction with the annual financial report for the year ended 30 June 2013.



..... Date: 3 March 2014
Ian Raymond Veall (Director)

Vealls Limited

ABN 39 004 288 000



Half-Year Financial Report

For the half-year ended 31 December 2013

Vealls Limited

ABN 30 004 288 000

Corporate Information

Capital Issued and Paid Up	\$ 1,235,388
Consisting of:	
8,873,860	Capital shares
2,775,108	Income shares
40,474	7% cumulative non-participating non-redeemable Preference shares

Controlled Entities

(Incorporated in Victoria)
V.L. Pastoral Pty Ltd
V.L. Investments Pty Ltd
Swintons Pty Ltd

(Incorporated in New Zealand)
Cardrona Ski Resort Ltd
Vealls (NZ) Limited

(Incorporated in Singapore)
Vealls (Singapore) Pte Ltd

Directors

Ian Raymond Veall (Executive Chairman)
Martin Charles Veall (Executive Director)
Duncan Reginald Veall (Executive Director)
Robert Sidney Righetti (Non-executive Director)

Company Secretary

Duncan Reginald Veall

Registered Office

1st Floor
484 Toorak Road
Toorak Vic 3142
Telephone +61 3 9827 4110
Facsimile +61 3 9827 4112

Share Register

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone 61 8 9315 2333
Facsimile 61 8 9315 2233

Auditors

BDO
Level 14
140 William Street
Melbourne
VIC 3000

Stock Exchange Listing

Australian Stock Exchange Limited
(Home Exchange: Melbourne, Vic)

Director's Report

Your directors present their report for the half-year ended 31 December 2013.

DIRECTORS

The names of each person who was a director of the company during the period 1 July 2013 to the date of this report are as shown below. Each director was in office for the whole period.

<u>Name</u>	<u>Designation</u>	
Ian Raymond Veall	Executive (Chairman)	director since 1956
Martin Charles Veall	Executive	director since 1989
Duncan Reginald Veall	Executive	director since 1999
Robert Sidney Righetti	Non-Executive	director since 1996

Review and results of operations

Operating Results

Revenue

Total revenue from continuing operations for the half-year was \$2.218m.

Profit

Consolidated net profit after income tax expense was \$8.114m.

Cash flows

Net cash flows were \$38.579m.

Review

Progress was made in giving effect to the restructure of the company's operation in accordance with the approvals given at the shareholders' general meeting held on 6 September 2013.

1. The subsidiary companies, V.L.Finance Pty Ltd, V.L.Credits Pty Ltd and Tunrove Pty Ltd were deregistered. It is expected that Swintons Pty Ltd and V.L.Pastoral Pty Ltd will also be deregistered prior to 30 June 2014.
2. The New Zealand subsidiaries, Vealls (NZ) Ltd, Cardrona Ski Resort Ltd and Vealls (Singapore) Pte Ltd – New Zealand branch are in the process of being disposed of.

The main feature of the half-year was the scheduled programme of cashing up certain subsidiaries with the result of an increase in cash and cash equivalents. It is noted that the NZD / AUD exchange rate has had significant effects on the company's results and financial position and, so long as substantial NZD funds are held, will continue to do so.

Vealls Limited

ABN 30 004 288 000

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



Ian Raymond Veall
Executive Chairman

Melbourne, 3 March 2014

DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF VEALLS LIMITED

As lead auditor for the review of Vealls Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Vealls Limited and the entities it controlled during the period.



Alex Swansson
Partner

BDO East Coast Partnership

Melbourne, 3 March 2014

Vealls Limited

ABN 30 004 288 000

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	31.12.2013 \$000	31.12.2012 \$000
<i>Continuing operations</i>			
Revenue		2,218	930
Other Income		-	2
Total Revenue		2,218	932
Less Expenses:			
Employee benefits expense		(76)	(69)
Depreciation expense		-	(7)
Rates and taxes		(17)	(16)
Repairs and maintenance		(4)	(27)
Insurance		(2)	(3)
Light, power and telephone		(7)	(10)
Professional costs		(75)	(103)
Listing & share registry fees		(25)	(22)
Merchant & bank fees		-	(1)
Other expenses		(230)	(46)
Total Expenses		(436)	(304)
Profit before income tax expense		1,782	628
Income tax expense		(729)	(57)
Net Profit for the period from continuing operations		1,053	571
Profit after tax from discontinuing operations	6	7,061	4,028
Net Profit after tax for the period		8,114	4,599
Other comprehensive income:			
Fair value Gains / (Losses)			
Available for Sale Financial Assets		(21)	(57)
Foreign Currency Translation (Net of Income Tax)		3,528	871
Total other comprehensive income for the period		3,507	814
Total Comprehensive Income for the period		11,621	5,413
Basic and Diluted earnings per share		10.20c	4.80c
From continuing activities		89.77c	50.19c
Basic and Diluted earnings per share attributed to members			

The accompanying notes form part of these financial statements

Vealls Limited
ABN 30 004 288 000

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	NOTE	31.12.2013 \$'000	30.06.2013 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	92,103	50,908
Trade and other receivables		5,030	606
Inventories		-	346
Agricultural & biological assets		-	4
		97,133	51,864
Non-current assets classified as held for sale		-	37,453
Total Current Assets		97,133	89,317
Non-current assets			
Investment properties		15,905	15,776
Available-for-sale financial assets		220	240
Deferred tax assets		411	371
Agricultural & biological assets		3,171	2,898
Total non-current assets		19,707	19,285
TOTAL ASSETS		116,840	108,602
LIABILITIES			
Current Liabilities			
Trade and other payables		133	3,558
Income tax payable		436	130
Provisions		179	395
Total current liabilities		748	4,083
Non-current liabilities			
Deferred tax liabilities		1,002	861
Total non-current liabilities		1,002	861
TOTAL LIABILITIES		1,750	4,944
NET ASSETS		115,090	103,658
EQUITY			
Contributed equity		1,235	1,235
Reserves		21,139	35,800
Retained earnings		92,716	66,623
TOTAL EQUITY		115,090	103,658

The accompanying notes form part of these financial statements

Vealls Limited

ABN 30 004 288 000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Share Capital \$'000	Retained Profits \$'000	General Reserve \$'000	Asset Replacement Reserve \$'000	Asset Revaluation Reserve \$'000	Asset Realisation Reserve \$'000	Foreign Currency Translation \$'000	Total \$'000
Balance at 1 July 2012	1,235	62,989	5,981	4,619	15,095	11,992	(5,557)	96,354
Profit for the period	-	4,599	-	-	-	-	-	4,599
Other comprehensive income	-	-	-	-	(57)	-	871	814
Total comprehensive income for the period	-	4,599	-	-	(57)	-	871	5,413
Transfers to (from) reserves	-	12,726	-	(4,619)	(8,107)	-	-	-
Dividends paid	-	(186)	-	-	-	-	-	(186)
Balance at 31 December 2012	1,235	80,128	5,981	-	6,931	11,992	(4,686)	101,581
Balance at 1 July 2013	1,235	66,623	6,643	4,619	14,382	11,992	(1,836)	103,658
Profit for the period	-	8,114	-	-	-	-	-	8,114
Other comprehensive income	-	-	-	-	(21)	-	3,528	3,507
Total comprehensive income for the period	-	8,114	-	-	(21)	-	3,528	11,621
Transfers to (from) reserves	-	18,168	(598)	(4,619)	(11,666)	(1,567)	282	-
Dividends paid (Note 3)	-	(189)	-	-	-	-	-	(189)
Balance at 31 December 2013	1,235	92,716	6,045	-	2,695	10,425	1,974	115,090

The accompanying notes form part of these financial statements

Vealls Limited

ABN 30 004 288 000

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	31.12.2013 \$'000	31.12.2012 \$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	1,247	13,587
Payments to suppliers and employees (inclusive of GST)	(542)	(9,269)
Interest received	853	869
Income tax paid	(190)	(537)
Net cash provided by operating activities	<u>1,368</u>	<u>4,650</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	1	6
Purchase of Property, plant and equipment	-	(158)
Proceeds from sale of Property plant and equipment	37,399	34
Net cash provided by investing activities	<u>37,400</u>	<u>(118)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(189)	(186)
Net cash (used in) financing activities	<u>(189)</u>	<u>(186)</u>
Net increase in cash held	38,579	4,346
Cash and cash equivalents at beginning of period	50,908	44,467
Effects of exchange rate changes on cash	2,616	251
Cash and cash equivalents at end of year	<u>92,103</u>	<u>49,064</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Note 1: Basis of preparation and accounting policies

Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year report be read in conjunction with the annual report for the year ended 30 June 2013 and considered together with any public announcements made by Vealls Limited during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Note 2: Operating segments

Identification of reportable segments.

The Group has identified its operating segments based on internal reports used by management and the Board of Directors in assessing performance and in determining the allocation of resources. The reportable segments are based on aggregated operating segments determined by the nature of the principle activities being undertaken – namely, investment and agriculture. The skifield segment was discontinued during the half year.

Description of each segment.

Skifield.

The skifield business was operated by Cardrona Alpine Resort in the South Island of New Zealand, between Wanaka and Queenstown. It was sold through an expression of interest process that commenced in March 2013 and settled finally in November 2013.

Investment.

The investment business comprises interest bearing deposits, listed shares and freehold land at Mt Martha Vic. and near Moulins, France.

Agriculture.

The agricultural business was based at the Clear Springs Station near Jingellic NSW, primarily as cattle agistment, and forestry in France. The agricultural property and all livestock, plant & equipment etc were sold, with settlement scheduled for April 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Accounting Policies

The tables in note 5 represent revenue and profit information for reportable segments for the half-year ended 31 December 2013 and 2012.

Segment revenue and expenses are those directly attributable to the segment. Segment assets include all assets used by a segment and consist principally of cash, receivables, term deposits and property.

	31.12.2013	31.12.2012
	\$'000	\$'000
Note 3: Dividends		
Distributions paid		
Previous year dividends paid on 31 October 2013:		
i) Franked dividend on preference shares of 0.35 cents per share (2012: franked 0.35 cents per share)	1	1
ii) Franked dividend on income shares of 5.20 cents per share (2012: franked 5.10 cents per share)	144	141
iii) Franked dividend on capital shares of 0.50 cents per share (2012: franked 0.50 cents per share)	44	44
	189	186
Dividends proposed but not recognised as a liability payable 30 April 2014:		
i) Fully franked dividend on preference shares of 0.35 cents per share (2013 franked 0.35 cents per share)	1	1
ii) Fully franked dividend on income shares of 5.30 cents per share (2013 franked 5.20 cents per share)	147	144
	148	145
	31.12.2013	31.12.2012
	\$'000	\$'000
Note 4: Cash and cash equivalents		
Cash at bank and in hand	103	165
Short-term bank deposits	92,000	48,899
Total	92,103	49,064
Reconciliation to cash flow statement	92,103	49,064

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 5: Segment Information

31 December 2013

	Skifield \$'000	Investments \$'000	Agriculture \$'000	Total \$'000
Segment Revenue:				
Sales to external customers	-	-	-	-
Other revenue	-	2,183	35	2,218
Total segment revenue	-	2,183	35	2,218
Result:				
Segment result (net profit before tax)	-	1,096	(43)	1,053
Assets:				
Segment assets	-	106,607	10,233	116,840
Liabilities				
Segment liabilities	-	940	810	1,750

31 December 2012

	Skifield \$'000	Investments \$'000	Agriculture \$'000	Total \$'000
Segment Revenue:				
Sales to external customers	12,322	-	-	12,322
Other revenue	4	917	184	1,104
Total segment revenue	12,326	917	184	13,426
Result:				
Segment result (net profit before tax)	5,665	509	119	6,293
Assets:				
Segment assets	40,928	57,199	6,165	104,292
Liabilities				
Segment liabilities	1,774	91	846	2,711

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 6: Discontinued Operations

On 15 November 2013 settlement of the transaction took place whereby Cardrona Alpine Resort was sold to Real Journeys Limited. The sale included the purchaser acquiring all the assets and liabilities of the business as a going concern with an effective date 1 July 2013.

Financial performance of the discontinued operations

	2013	2012
Sale of service	-	12,322
Other revenue		4
Cost of sales	-	(757)
Employee benefits expense	-	(3,223)
Depreciation and amortisation	-	(808)
Transport costs	-	(177)
Rates & Utilities	-	(424)
Repairs & Maintenance	-	(114)
Insurance	-	(228)
Ski Field Preparation	-	(229)
Bank Fees	-	(316)
Professional Costs	(77)	(66)
Other expenses	-	(319)
Total expenses	-	(6,661)
Profit before income tax	(77)	5,665
Income tax expense	-	(1,637)
(Loss)/Profit after income tax	(77)	4,028
Profit on disposal of assets	7,642	-
Income tax expense	(504)	-
Profit on disposal after income tax expense	7,138	-
Profit after income tax from discontinued operations	7,061	4,028

Cash flows from discontinued operations

	2013	2012
Net cash (used in)/provided by operating activities	(77)	4,382
Net cash provided by/(used in) investing activities	36,464	(124)
Net cash (used in)/provided by financing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	36,387	4,258

Vealls Limited

ABN 39 004 288 000

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

Note 6: Discontinued Operations (cont'd)

Carrying amount of assets disposed

	2013	2012
Land	16,319	-
Buildings	8,777	-
Property, plant and equipment	8,227	-
Inventory	278	-
	<hr/>	
Assets disposed	33,601	-

Details of the sale

	2013	2012
Profit on sale before income tax	7,642	-
Income tax expense	(504)	-
	<hr/>	
Profit on disposal after income tax	7,138	-

Note 7. Receivables

	Consolidated	
	31.12.2013	30.06.2013
	\$'000	\$'000
Land sale receivable	5,000	-
Sundry debtor	30	606
	<hr/>	

The company's property at Clear Springs is currently under a contract of sale and is expected to be settled in April 2014 in accordance with the sales agreement. Any profit or loss on sale will be calculated at the settlement date.

Vealls Limited

ABN 39 004 288 000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

Note 8: Contingent Liabilities

In the opinion of the directors there are no contingent liabilities at reporting date or at the date of this report.

Note 9: Subsequent events

In the opinion of the directors there are no events subsequent to reporting date that would have a material financial effect on the financial statements for the half year ended 31 December 2013.

Vealls Limited
ABN 39 004 288 000

DIRECTORS' DECLARATION

In the opinion of the directors of Vealls Limited:-

- (a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date of the consolidated entity
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

- (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.



Ian Raymond Veall
Executive Chairman

Melbourne, 3 March 2014

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Vealls Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vealls Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 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 Vealls 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

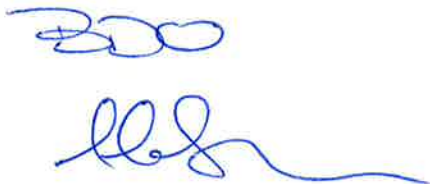
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Vealls Limited, would be in the same terms if given to the directors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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 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*

BDO East Coast Partnership

A handwritten signature in blue ink, appearing to be 'Alex Swansson', written over a faint blue circular stamp.

Alex Swansson
Partner

Melbourne, 3 March 2014