



## **CVC Private Equity**

:: Financial Report 2009 ::

## Half-yearly Financial Report

for the half-year ended 31 December 2009

# Company Particulars

## **REGISTERED OFFICE:**

Level 42  
259 George Street  
SYDNEY NSW 2000

## **DIRECTORS:**

Vanda R Gould  
Alexander D H Beard  
Elliott G Kaplan  
John D Read

## **SECRETARIES:**

Alexander D H Beard  
John A Hunter

## **BANKERS:**

Westpac Banking Corporation  
Suncorp-Metway Limited

## **AUDITORS:**

Russell Bedford NSW  
Level 42, Suncorp Place  
259 George Street  
SYDNEY NSW 2000

## **SHARE REGISTRY:**

Gould Ralph Pty Limited  
Level 42, Suncorp Place  
259 George Street  
SYDNEY NSW 2000

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# Directors' Report

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The Directors present their report together with the financial report for CVC Private Equity Limited ("the Company") for the half year ended 31 December 2009 and the independent review report thereon.

## Directors

The Directors in office throughout the period and to the date of this report are:

- Vanda Russell Gould (Chairman)
- Elliott Kaplan (Managing Director)
- Alexander Beard
- John Read

## Principal activities

The principle activity of the company is private equity investment in Australian businesses whose value can be increased by the provision of additional capital, appropriate management or general assistance and strategic direction.

## Review and results of operations

The result of operations for the half-year ended 31 December 2009 was a loss of \$223,375 after tax (2008: loss of \$5,241,945).

During the period the company bought back 3,832,031 shares at a cost of \$1,355,419.

## Dividends

No dividend has been declared or provided with respect to the period ended 31 December 2009.

## Events subsequent to balance date

There are no other matters or circumstances that have arisen since the end of the financial period which 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 financial periods subsequent to 31 December 2009.

## Auditors' independence declaration

A copy of the independence declaration given to the Directors by the auditor for the review undertaken by Russell Bedford NSW is included on page 9.

Dated Sydney 16 March 2010.

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

**Elliott Kaplan**  
Director

**Alexander Beard**  
Director

**CVC Private Equity Limited**  
**Statement of Comprehensive Income**  
For the Half Year Ended 31 December 2009

	31 Dec 2009	31 Dec 2008
	\$	\$
<b>INCOME</b>		
Interest received	79,885	1,203,508
Dividend revenue	38,181	74,180
Other income	-	90,997
<b>Total income</b>	<u>118,066</u>	<u>1,368,685</u>
<b>EXPENSES</b>		
Audit, legal and accountancy	159,170	54,220
Directors fees	7,500	7,500
Impairment of receivables	-	4,702,804
Management and consultancy	258,883	262,565
Impairment of investment	-	1,495,170
Other expenses	27,984	11,638
<b>Loss before income tax</b>	<u>(335,471)</u>	<u>(5,165,212)</u>
Income tax (benefit)/expense	(112,096)	76,733
<b>Loss after income tax</b>	<u>(223,375)</u>	<u>(5,241,945)</u>
<b>Earnings per share</b>		
Basic and diluted earnings per share (cents)	<u>(0.93)</u>	<u>(21.90)</u>
<b>Other comprehensive income</b>		
Movements in fair values of "available-for-sale" financial assets recognised directly in equity	1,005,648	(342,863)
Income tax on items taken directly to or from equity	(301,695)	102,859
<b>Other comprehensive income for the period, net of tax</b>	<u>703,953</u>	<u>(240,004)</u>
<b>Total comprehensive income for the period</b>	<u>480,578</u>	<u>(5,481,949)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

# CVC Private Equity Limited

## Statement of Financial Position

As at 31 December 2009

	Notes	31 Dec 2009 \$	30 June 2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,125,361	2,353,151
Trade and other receivables		24,599	20,671
<b>Total current assets</b>		<u>2,149,960</u>	<u>2,373,822</u>
<b>NON CURRENT ASSETS</b>			
Equity investments		5,448,995	4,405,165
Loans and receivables		669,011	675,705
Deferred tax assets		1,872,684	2,061,875
<b>Total non current assets</b>		<u>7,990,690</u>	<u>7,142,745</u>
<b>TOTAL ASSETS</b>		<u>10,140,650</u>	<u>9,516,567</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,529,081	24,600
<b>Total current liabilities</b>		<u>1,529,081</u>	<u>24,600</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		-	1,381
<b>Total non-current liabilities</b>		<u>-</u>	<u>1,381</u>
<b>TOTAL LIABILITIES</b>		<u>1,529,081</u>	<u>25,981</u>
<b>NET ASSETS</b>		<u>8,611,569</u>	<u>9,490,586</u>
<b>EQUITY</b>			
Contributed equity	5	18,995,618	20,355,213
Accumulated losses		(10,536,753)	(10,313,378)
Market revaluation reserve	6	152,704	(551,249)
<b>TOTAL EQUITY</b>		<u>8,611,569</u>	<u>9,490,586</u>

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

# CVC Private Equity Limited

## Statement of Changes in Equity For the Half Year Ended 31 December 2009

	31 Dec 2009	31 Dec 2008
	\$	\$
<b>Total comprehensive income for the period</b>	<u>480,578</u>	<u>(5,481,949)</u>
<b>Transactions with Shareholders in their Capacity as Shareholders</b>		
Shares bought back	(1,355,419)	-
Transaction costs on share buyback	(5,966)	-
Income tax on costs of share buyback	1,790	-
<b>Total transactions with shareholders in their capacity as shareholders</b>	<u>(1,359,595)</u>	<u>-</u>
<b>Net decrease in equity for the half-year</b>	<u>(879,017)</u>	<u>(5,481,949)</u>
<b>Equity at the beginning of the half-year</b>	9,490,586	14,088,850
<b>Equity at the end of the half-year</b>	<u><u>8,611,569</u></u>	<u><u>8,606,901</u></u>

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

# CVC Private Equity Limited

## Cash Flow Statement For the Half Year Ended 31 December 2009

	31 Dec 2009	31 Dec 2008
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts in the course of operations	-	96,950
Cash payments in the course of operations	<b>(313,007)</b>	(301,241)
Interest received	<b>91,183</b>	59,910
Dividends received	<b>38,181</b>	-
<b>Net cash used in operating activities</b>	<u><b>(183,643)</b></u>	<u>(144,381)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from loans advanced	-	739,906
Payments for equity investments	<b>(38,181)</b>	(1,305,330)
<b>Net cash used in investing activities</b>	<u><b>(38,181)</b></u>	<u>(565,424)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments for share buyback costs	<b>(5,966)</b>	-
<b>Net cash used in financing activities</b>	<u><b>(5,966)</b></u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(227,790)</b>	(709,805)
<b>Cash at the beginning of the half-year</b>	<b>2,353,151</b>	1,813,459
<b>CASH AT THE END OF THE HALF-YEAR</b>	<u><b>2,125,361</b></u>	<u>1,103,654</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

**CVC Private Equity Limited**  
**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2009**

**Note 1: Basis of preparation**

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except as noted below.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

**Note 2: Contingent liabilities**

There have been no material changes to the contingent liabilities as disclosed in the 30 June 2009 financial report.

**Note 3: Segment information**

The company operates in Australia as an investment company.

**Note 4: Subsequent events**

There are no other matters or circumstances that have arisen since the end of the financial period which 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 financial periods subsequent to 31 December 2009.

# CVC Private Equity Limited

## Notes to the Financial Statements For the Half Year Ended 31 December 2009

### Note 5: Contributed equity

	31 Dec 2009		31 Dec 2008	
	Number	\$	Number	\$
<b>Fully paid ordinary shares</b>				
Balance at the beginning of the half-year	23,932,734	20,355,213	23,932,734	20,355,213
Shares bought back	(3,832,031)	(1,355,419)	-	-
Transaction costs on share buyback	-	(5,966)	-	-
Income tax on costs of share buyback	-	1,790	-	-
Balance at the end of the half-year	<u>20,100,703</u>	<u>18,995,618</u>	23,932,734	20,355,213

### Note 6: Market revaluation reserve

	31 Dec 2009	30 June 2009
At the beginning of the half-year	(551,249)	116,158
Increase/(decrease) in fair value of investments	1,005,648	(2,448,610)
Amount transferred from reserves to the income statement	-	1,495,170
Income tax on items taken directly to or from equity	(301,695)	286,033
<b>At the end of the half-year</b>	<u>152,704</u>	<u>(551,249)</u>

### Note 7: Earnings per share

Basic and diluted earnings per share (cents)	<u>(0.93)</u>	(21.90)
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#### **Amounts used in calculation of basic and diluted earnings per share:**

Net loss attributable to shareholders	(223,375)	(5,241,945)
Weighted average number of shares on issue	<u>23,932,734</u>	<u>23,932,734</u>

Basic and diluted earnings per share amounts are calculated by dividing net profit for the year attributable to shareholders by the weighted average number of ordinary shares on issue during the year.

# CVC Private Equity Limited

## Directors' Declaration

In the Directors' opinion:

- a) the financial statements and notes, set out on pages 2 to 7, are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the financial position of the Company as at 31 December 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
  
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Sydney this 16 March 2010.

**Elliott Kaplan**  
Director

**Alexander Beard**  
Director

## **Auditors' Independence Declaration**

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To the Director's of CVC Private Equity Limited:

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report

Russell Bedford NSW

Greg Ralph  
Partner  
Sydney  
16 March 2010

## **Independent review report to members of CVC Private Equity Limited**

To the members of CVC Private Equity Limited

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half year financial report of CVC Private Equity Limited, which comprises the balance sheet as at 31 December 2009, and the income statement, statement of recognised income and expense and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declaration.

#### *Directors' Responsibility for the Half Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 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 and other mandatory financial reporting requirements in Australia. As the auditor of CVC Private Equity 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report

## **Independent review report to members of CVC Private Equity Limited**

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of CVC Private Equity Limited is not in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Russell Bedford NSW

Greg Ralph  
Partner  
Sydney  
16 March 2010