



CVC
Private Equity

Half Year Financial
Report

CVC Private Equity Limited
ACN 059 092 198

For the half-year ended 31 December
2014

Company Particulars

REGISTERED OFFICE:

Level 6
1 Alfred Street
SYDNEY NSW 2000
Tel: (02) 9087 8000
Fax: (02) 9087 8088

DIRECTORS:

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

SECRETARIES:

Alexander D H Beard
John A Hunter
Michael J Bower

BANKERS:

Westpac Banking Corporation
Bank of Western Australia Ltd (Bankwest)

AUDITORS:

HLB Mann Judd
Chartered Accountants
Level 19
207 Kent Street
Sydney NSW 2000

SHARE REGISTRY:

Gould Ralph Pty Limited
Level 29, Suncorp Place
259 George Street
SYDNEY NSW 2000
Tel: (02) 9032 3000
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Contents

Page

Directors' report	1
FINANCIAL REPORT	
Condensed statement of comprehensive income	2
Condensed statement of financial position	3
Condensed statement of changes in equity	4
Condensed statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	10
Auditors' independence declaration	11
Independent review report	12

Directors' Report

The Directors present their report together with the financial report for CVC Private Equity Limited ("the Company") for the half year ended 31 December 2014 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 principal activity of the company is investment in private and listed Australian businesses.

Review and results of operations

For the half-year ended 31 December 2014 the Company recorded a profit after tax of \$923,766 (2013: \$387,880).

The Company undertook an equal access share buy-back on 31 July 2014 which resulted in 608,253 shares being bought back.

During the period, Ron Finemore Transport Pty Limited ("RFT") bought back \$1.6 million worth of shares from the Company according to the agreement signed on 13 June 2014.

Dividends

A fully franked interim dividend of 4 cents per share in respect of the period ended 31 December 2014 was declared on 23 February 2015 and payable on 13 April 2015.

A fully franked final dividend of 5 cents per share amounting to \$923,712 in respect of the financial year ended 30 June 2014 was declared on 30 September 2014 and paid on 13 October 2014.

Events subsequent to balance date

A fully franked interim dividend of 4 cents per share in respect of the period ended 31 December 2014 was declared on 23 February 2015 and payable on 13 April 2015.

Other than as set out above, there are no 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 2014.

Auditors' independence declaration

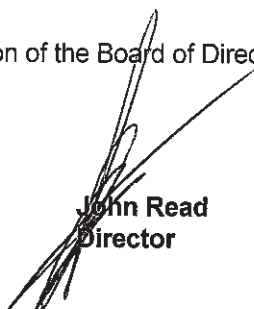
A copy of the independence declaration given to the Directors by the auditor for the review undertaken by HLB Mann Judd is included on page 11.

Dated at Sydney this 13th day of March 2015.

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



Elliott Kaplan
Director



John Read
Director

CVC Private Equity Limited

Condensed Statement of Comprehensive Income For the Half Year Ended 31 December 2014

	Notes	31 Dec 2014 \$	31 Dec 2013 \$
INCOME			
Interest received		158,651	97,532
Dividend and distribution		99,757	2,500
Impairment recovery of equity investments		38,000	284,891
Gain on sale of equity investments		105,990	24,333
Finance income		668,967	-
Other income		10,125	10,417
Total income		1,081,490	419,673
Share of net profit of associate accounted for using the equity method		-	265,809
		1,081,490	685,482
EXPENSES			
Audit, legal and accountancy		26,383	22,378
Directors fees		7,500	7,500
Management and consultancy		90,909	90,909
Loss on sale of equity investments		37,391	-
Impairment of financial assets		338,910	-
Share based payment		3,179	3,179
Other expenses		13,603	6,039
Profit before income tax		563,615	555,477
Income tax (benefit)/expense		(360,151)	167,597
Profit after income tax		923,766	387,880
Earnings per share			
Basic earnings per share (cents)	6	4.97	2.00
Diluted earnings per share (cents)	6	4.71	2.00
Dividends paid during the half-year per share (cents)		5.0	-
Other comprehensive income			
Movements in fair values of "available-for-sale" financial assets recognised directly in equity		49,680	79,117
Amounts transferred from other reserves to income on sale		5,269	-
Income tax on items taken directly to or from equity		(16,485)	(23,735)
Other comprehensive income for the period, net of tax		38,464	55,382
Total comprehensive income for the period		962,230	443,262

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

CVC Private Equity Limited

Condensed Statement of Financial Position As at 31 December 2014

	Notes	31 Dec 2014	30 June 2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		10,258,969	10,945,927
Trade and other receivables		63,556	44,407
Loans and receivables		304,879	304,879
Total current assets		10,627,404	11,295,213
NON CURRENT ASSETS			
Financial assets – “available-for-sale”		5,540,202	4,890,817
Trade and other receivables		2,951,500	3,829,190
Deferred tax assets		817,896	633,273
Total non current assets		9,309,598	9,353,280
TOTAL ASSETS		19,937,002	20,648,493
 CURRENT LIABILITIES			
Trade and other payables		33,121	74,472
Total current liabilities		33,121	74,472
NON-CURRENT LIABILITIES			
Deferred tax liabilities		892,384	1,051,428
Total non-current liabilities		892,384	1,051,428
TOTAL LIABILITIES		925,505	1,125,900
NET ASSETS		19,011,497	19,522,593
EQUITY			
Contributed equity	4	18,001,875	18,554,668
Retained earnings		564,333	564,279
Other reserves	5	445,289	403,646
TOTAL EQUITY		19,011,497	19,522,593

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

CVC Private Equity Limited

Condensed Statement of Changes in Equity For the Half Year Ended 31 December 2014

	Contributed equity \$	Retained earnings \$	Other reserves \$	Total \$
At 1 July 2014	<u>18,554,668</u>	<u>564,279</u>	<u>403,646</u>	<u>19,522,593</u>
Profit for the period	-	923,766	-	923,766
Other comprehensive income	-	-	38,464	38,464
Total comprehensive income for the period	<u>-</u>	<u>923,766</u>	<u>38,464</u>	<u>962,230</u>
Transactions with shareholders:				
Share based payment	-	-	3,179	3,179
Shares brought back	(552,793)	-	-	(552,793)
Dividend paid	-	(923,712)	-	(923,712)
At 31 December 2014	<u>18,001,875</u>	<u>564,333</u>	<u>445,289</u>	<u>19,011,497</u>
At 1 July 2013	<u>18,554,668</u>	<u>(5,483,508)</u>	<u>2,851</u>	<u>13,074,011</u>
Profit for the period	-	387,880	-	387,880
Other comprehensive income	-	-	55,382	55,382
Total comprehensive income for the period	<u>-</u>	<u>387,880</u>	<u>55,382</u>	<u>443,262</u>
Transactions with shareholders:				
Shares issued	-	-	3,179	3,179
At 31 December 2013	<u>18,554,668</u>	<u>(5,095,628)</u>	<u>61,412</u>	<u>13,520,452</u>

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

CVC Private Equity Limited

Condensed Statement of Cash Flows For the Half Year Ended 31 December 2014

	31 Dec 2014	31 Dec 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(185,094)	(56,545)
Cash receipts in the course of operations	10,121	9,583
Interest received	156,059	38,280
Dividend received	1,356,414	7,500
Income tax paid	-	(986)
Net cash provided by/(used in) operating activities	1,337,500	(2,168)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for equity investments	(2,025,707)	(633,820)
Proceeds on disposal of equity investments	1,477,754	3,030,724
Net cash (used in)/provided by investing activities	(547,953)	2,396,904
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(923,712)	-
Payment for share buy-back	(552,793)	-
Net cash used in financing activities	(1,476,505)	-
Net (decrease)/increase in cash and cash equivalents	(686,958)	2,394,736
Cash at the beginning of the half-year	10,945,927	2,064,101
CASH AT THE END OF THE HALF-YEAR	10,258,969	4,458,837

The above condensed statement of cash flows 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 2014

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 2014 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Related Party Disclosures

The Company notes the decision in *Hua Wang Bank Berhad v Commissioner of Taxation* [2014] FCA 1392 which was handed down on 19 December 2014 and that this decision is under appeal. If the trial judge's key findings are upheld on appeal, it may change the Company's assessment of which entities are related parties or associates of related parties and the shares in the Company in which they have a relevant interest and, as a result, change the disclosures of relevant interests in shares held by certain key management personnel contained in the Director's Report for the year ended 30 June 2014 and possibly prior years. The Company is currently undertaking procedures to confirm the current disclosures. The Company is unable to confirm the outcome of the procedures undertaken or of the impact, if any, of them on the disclosure of relevant interests in the Company held by certain key management personnel as at 30 June 2014 and prior periods.

Investment Entity status

The Company has adopted AASB2013-5 *Amendments to Australian Accounting Standards – Investment Entities* for the first time for the half year period commencing 1 July 2014. The Company obtains funds from different shareholders, invests funds solely for returns from capital appreciation and investment income and values all of its investments on a fair value basis. Hence, the Company concluded that it is an investment entity.

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

Note 2: Segment information

The company operates in Australia as an investment company.

Note 3: Subsequent events

A fully franked interim dividend of 4 cents per share in respect of the period ended 31 December 2014 was declared on 23 February 2015 and payable on 13 April 2015.

Other than as set out above, there are no 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 2014.

Note 4: Contributed equity

	31 Dec 2014		31 Dec 2013	
	Number	\$	Number	\$
<i>Fully paid ordinary shares</i>				
Balance at the beginning of the half-year	19,082,502	18,554,668	19,082,502	18,554,668
Share brought back	(608,253)	(552,793)	-	-
Balance at the end of the half-year	18,474,249	18,001,875	19,082,502	18,554,668

CVC Private Equity Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2014

Note 5: Other reserves

	Market Value Reserve \$	Foreign Exchange Reserve \$	Share Option Reserve \$	Total \$
Half-year ended 31 December 2014:				
At the beginning of the half-year	394,489	-	9,157	403,646
Increase in fair value of investments	26,053	23,627	-	49,680
Amount transferred from other reserves to income on sale	5,269	-	-	5,269
Income tax on items taken directly to or from equity	(9,397)	(7,088)	-	(16,485)
Share based payments	-	-	3,179	3,179
At the end of the half-year	416,414	16,539	12,336	445,289
Half-year ended 31 December 2013:				
At the beginning of the half-year	-	-	2,851	2,851
Increase in fair value of investments	79,117	-	-	79,117
Income tax on items taken directly to or from equity	(23,735)	-	-	(23,735)
Share based payments	-	-	3,179	3,179
At the end of the half-year	55,382	-	6,030	61,412

Note 6: Earnings per share

	31 Dec 2014	31 Dec 2013
	Cents	Cents
Basic earnings per share	4.97	2.00
Diluted earnings per share	4.71	2.00
	31 Dec 2014	31 Dec 2013
	\$	\$
Net profit attributable to shareholders used in calculation of basic and diluted earnings per share	923,766	387,880
	31 Dec 2014	31 Dec 2013
	Number	Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	18,589,817	19,082,502
Adjustments for calculation of diluted earnings per share:		
Options*	1,039,806	-
Weighted average number of shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	19,629,623	19,082,502

CVC Private Equity Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2014

Note 6: Earnings per share (Cont.)

**Options*

Options granted to employees under the Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

Note 7: Dividend

A fully franked interim dividend of 4 cents per share in respect of the period ended 31 December 2014 was declared on 23 February 2015 and payable on 13 April 2015.

A fully franked final dividend of 5 cents per share amounting to \$923,712 in respect of the financial year ended 30 June 2014 was declared on 30 September 2014 and paid on 13 October 2014.

Note 8: Fair Value Measurement

The fair values of the financial assets and liabilities of the Company are approximately equal to their carrying values.

Judgements and estimates were made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

CVC Private Equity Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2014

Note 8: Fair Value Measurement (Cont.)

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Quoted market price (Level 1) \$	Valuation technique – market observable inputs (Level 2) \$	Valuation technique – non market observable inputs (Level 3) \$	Total \$
At 31 December 2014				
Financial assets				
<i>“Available-for-sale”</i>				
<i>investments</i>				
Listed shares at market value	1,230,883	2,610,363	-	3,841,246
Unlisted shares in other corporation	-	-	1,698,956	1,698,956
<i>Loans and receivables</i>				
Secured loan to other corporation	-	-	304,879	304,879
Total financial assets	1,230,883	2,610,363	2,003,835	5,845,081
At 30 June 2014				
Financial assets				
<i>“Available-for-sale”</i>				
<i>investments</i>				
Listed shares at market value	1,093,441	2,647,067	-	3,740,508
Unlisted shares in other corporations	-	-	1,150,309	1,150,309
<i>Loans and receivables</i>				
Secured loan to other corporation	-	-	304,879	304,879
Total financial assets	1,093,441	2,647,067	1,455,188	5,195,696

Reconciliation of Level 3 fair value movements:

	\$
Opening balance 30 June 2014	1,455,188
Shares purchased	525,020
Gains recognised in other comprehensive income	23,627
Closing balance 31 December 2014	2,003,835

There is no quantitative information for level 3 financial instruments. The fair value has been determined based on either acquisition cost, which is considered to be a reasonable reflection of fair value or the terms of the loan agreement.

CVC Private Equity Limited

Directors' Declaration

In the Directors' opinion:

- a) the financial statements and notes, set out on pages 2 to 9, 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 2014 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

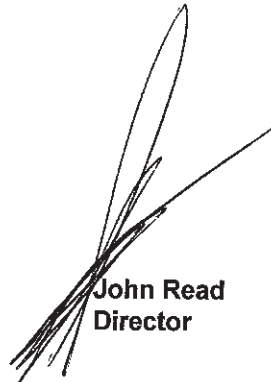
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Dated at Sydney this 13th day of March 2015.



Elliott Kaplan
Director



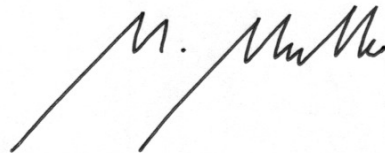
John Read
Director

CVC PRIVATE EQUITY LIMITED
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of CVC Private Equity Limited for the half-year ended 31 December 2014 I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in respect of CVC Private Equity Limited.



M D Muller
Partner

Sydney, NSW
13 March 2015

CVC PRIVATE EQUITY LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

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 ("the Company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, the condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration for the company.

Directors' Responsibility for the Half-Year Financial Report

The directors of CVC Private Equity Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the 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 2014 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 the Company, 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*.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

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CVC PRIVATE EQUITY LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT
(continued)

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 CVC Private Equity Limited is not in accordance with the *Corporations Act 2001* including:

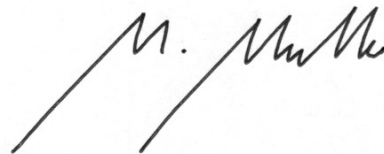
- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

We draw attention to Note 1 to the half-year financial report which describes a potential impact on the disclosure of the relevant interest in the Company held by key management personnel. Our conclusion is not modified in respect of this matter.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in black ink that reads 'M. Muller'.

M D Muller
Partner

Sydney, NSW
13 March 2015