

# **CBG Capital Limited**

ABN 83 168 936 249

## **Appendix 4D**

**Preliminary report for  
the half-year ended 31 December 2015**

## Half-year report

### Results for announcement to the market

				\$'000
Revenue from ordinary activities	Up	3579%	to	2,281
Profit before tax attributable to members	Up	18163%	to	1,461
Profit from ordinary activities after tax benefit attributable to members	Up	12456%	to	1,130
Other comprehensive income	Up	4268%	to	1,616

### Dividends

	Cents per share	Total Amount \$'000	Record Date	Date of Payment	Percentage Franked
2015 final (paid 27/11/2015)	1.5c	364	20/11/15	27/11/15	100%

Since the end of the financial period, the Directors have declared fully franked dividends of \$394,000 (1.6 cents per share) to be paid on 27 May 2016 out of profits reserve for the period ended 31 December 2015. The record date for determining entitlement to the dividend will be 19 May 2016.

### Net tangible assets

	31 December 2015		31 December 2014
	\$		\$
NTA (per share) after all estimated tax balances	<b>1.0255</b>		0.9870
NTA (per share) before all deferred taxes	<b>1.0577</b>		0.9875

### Audit

This report is based on accounts which have been reviewed by the Company's Auditors - KPMG.



Ronni Chalmers

Sydney  
 25 February 2016

# **CBG Capital Limited**

ABN 83 168 936 249

## **Interim Report for the half-year ended 31 December 2015**

**CBG Capital Limited** ABN 83 168 936 249  
**Interim Report - for the period ended 31 December 2015**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with any public announcements made by CBG Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## **Directors' Report**

Your Directors present their report together with the financial report of CBG Capital Limited ("the Company") for the half-year ended 31 December 2015.

### **Directors**

The following persons held office as Directors of CBG Capital Limited during the financial period:

Ronni Chalmers (Chairman)  
James Beecher (Non-Executive Director)  
Robert Swil (Non-Executive Director)

### **Review of operations**

CBG Capital Limited has recorded total comprehensive income for the 6 months ended 31 December 2015 of \$1.61 million, which includes net profit after tax of \$1.13 million and other comprehensive income of realised and unrealised gains at fair value of \$0.49 million. As the Company only listed on the ASX on 19 December 2014, comparisons with the prior year are not meaningful.

For the six months ended 31 December 2015, the pre-tax NTA of CBG Capital Limited rose from \$0.97 per share to \$1.058 per share after payment of a 1.5 cents fully franked dividend in November 2015. This translated to a 10.7% return in the half year which compares favourably to the benchmark S&P/ASX 200 Accumulation return of -0.5%. The board of CBG Capital Limited views this result as a very positive outcome for shareholders.

The portfolio benefited from being overweight infrastructure, utilities and fund manager stocks and underweight the resources sector.

Examples of holdings which provided robust returns in this period included Bellamys Australia +212%, IPH +91%, BT Investment Management +55%, Magellan Financial +59%, Sydney Airport +30% and Auckland International Airport +27%.

### **Significant changes in the state of affairs**

There have been no significant changes in the state of affairs of the Company during the period.

### **Matters subsequent to the end of the financial year**

On 17 February 2016, the Company issued a total of 286,592 shares by way of a private placement to sophisticated and professional investors at the same issue price of 97.7 cents as the price which shareholders were issued shares under the Company's Dividend Reinvestment Plan for the 2015 dividend.

Since 31 December 2015, significant volatility in financial markets have had an impact on the value of the Company's investments. Subsequent to 31 December 2015, the aggregate fair value of the Company's investments has decreased at 19 February 2016 by \$2.55 million. Any impact on the Company has not been recognised in the 31 December 2015 financial statements.

The Directors recommend a 1.6 cent fully franked dividend in respect of financial period ended 31 December 2015 to be paid on 27 May 2016.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial periods, or
- (b) the results of those operations in future financial periods, or
- (c) the Company's state of affairs in future financial periods.

**Rounding of amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

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



Ronni Chalmers  
Chairman

Sydney  
25 February 2016



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of CBG Capital Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

Andrew Reeves  
*Partner*

Sydney

25 February 2016

**CBG Capital Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2015**

	<b>For the half-year ended 31 December 2015</b>	<b>For the period 4 April to 31 December 2014</b>
Notes	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Net realised losses on financial assets at fair value through profit or loss	(315)	-
Net unrealised gains on financial assets at fair value through profit or loss	2,064	-
Other investment income	532	62
<b>Investment income from ordinary activities</b>	<b>2,281</b>	<b>62</b>
<b>Expenses</b>		
Management and performance fees	(638)	(9)
Brokerage expense	(14)	-
Accounting fees	(34)	(12)
Share registry fees	(16)	(6)
Custody fees	(8)	(12)
Tax fees	(2)	(1)
Directors' fees	(25)	(2)
Legal fees	(1)	-
ASX fees	(20)	(1)
Audit fees	(21)	(9)
Other expenses	(41)	(2)
	<b>(820)</b>	<b>(54)</b>
<b>Profit before income tax</b>	<b>1,461</b>	<b>8</b>
Income tax (expense)/benefit	(331)	1
<b>Net profit for the period</b>	<b>1,130</b>	<b>9</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Net unrealised gains on financial assets at fair value through other comprehensive income	895	40
Income tax relating to net unrealised gains on financial assets at fair value through other comprehensive income	(269)	(12)
Net realised losses on financial assets at fair value through other comprehensive income	(200)	-
Income tax relating to net realised losses on financial assets at fair value through other comprehensive income	60	-
<b>Other comprehensive income for the period, net of tax</b>	<b>486</b>	<b>28</b>
<b>Total comprehensive income for the period</b>	<b>1,616</b>	<b>37</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>		
Basic earnings per share	9	4.66
Diluted earnings per share	9	4.66

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*



**CBG Capital Limited**  
**Statement of Financial Position**  
**As at 31 December 2015**

	<b>31 December</b>	<b>At</b>
Notes	<b>2015</b>	30 June
	<b>\$'000</b>	<b>2015</b>
		<b>\$'000</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,194	1,883
Trade and other receivables	126	276
Financial assets at fair value through profit or loss	15,339	11,387
Financial assets at fair value through other comprehensive income	9,050	9,871
Current tax assets	371	-
Other current assets	74	52
<b>Total current assets</b>	<b>26,154</b>	<b>23,469</b>
<b>Non-current assets</b>		
Deferred tax assets	259	389
<b>Total non-current assets</b>	<b>259</b>	<b>389</b>
<b>Total assets</b>	<b>26,413</b>	<b>23,858</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	646	197
<b>Total current liabilities</b>	<b>646</b>	<b>197</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	783	3
<b>Total non-current liabilities</b>	<b>783</b>	<b>3</b>
<b>Total liabilities</b>	<b>1,429</b>	<b>200</b>
<b>Net assets</b>	<b>24,984</b>	<b>23,658</b>
<b>EQUITY</b>		
Issued capital	7	23,882
Reserves	447	324
Retained earnings/(accumulated losses)	582	(548)
<b>Total equity</b>	<b>24,984</b>	<b>23,658</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

**CBG Capital Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2015**

Notes	Issued capital \$'000	Investment reserves \$'000	Profits reserve \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000
<b>Balance at 4 April 2014</b>	-	-	-	-	-
Net profit for the period	-	-	-	9	9
<b>Other comprehensive income for the period</b>					
Net unrealised gains on financial assets at fair value through other comprehensive income	-	40	-	-	40
Income tax on net unrealised gains on financial assets at fair value through other comprehensive income	-	(12)	-	-	(12)
<b>Total other comprehensive income for the period, net of tax</b>	-	28	-	-	28
<b>Total comprehensive income for the period</b>	-	28	-	9	37
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax	7 23,914	-	-	-	23,914
<b>Balance at 31 December 2014</b>	<b>23,914</b>	<b>28</b>	<b>-</b>	<b>9</b>	<b>23,951</b>

Notes	Issued capital \$'000	Investment reserves \$'000	Profits reserve \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000
<b>Balance at 1 July 2015</b>	23,882	(1,053)	1,377	(548)	23,658
Net profit for the period	-	-	-	1,130	1,130
<b>Other comprehensive income for the period</b>					
Net unrealised gains on financial assets at fair value through other comprehensive income	-	895	-	-	895
Income tax on net unrealised gains on financial assets at fair value through other comprehensive income	-	(269)	-	-	(269)
Net realised losses on financial assets at fair value through other comprehensive income	-	(200)	-	-	(200)
Income tax on net realised losses on financial assets at fair value through other comprehensive income	-	60	-	-	60
<b>Total other comprehensive income for the period, net of tax</b>	-	486	-	-	486
<b>Total comprehensive income for the period</b>	-	486	-	1,130	1,616
<b>Transactions with owners in their capacity as owners:</b>					
Contributions of equity, net of transaction costs and tax	7 73	-	-	-	73
Dividends provided for or paid	8 -	-	(363)	-	(363)
	73	-	(363)	-	(290)
<b>Balance at 31 December 2015</b>	<b>23,955</b>	<b>(567)</b>	<b>1,014</b>	<b>582</b>	<b>24,984</b>

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

**CBG Capital Limited**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2015**

	<b>For the half-year ended 31 December 2015 \$'000</b>	<b>For the period 4 April to 31 December 2014 \$'000</b>
Notes		
<b>Cash flows from operating activities</b>		
Proceeds from disposal of financial assets at fair value through profit or loss	1,449	-
Payments for financial assets at fair value through profit or loss	(3,761)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,499	250
Payments for financial assets at fair value through other comprehensive income	-	(12,405)
Dividends and trust distributions received	660	-
Interest received	9	-
Other income received	38	-
Transaction costs paid	(5)	-
Finance costs paid	-	(5)
Payments for other expenses	(287)	-
<b>Net cash (outflow) from operating activities</b>	<b>(398)</b>	<b>(12,160)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares and other equity securities	-	24,240
Cost of raising capital	-	(160)
Shares issued on options exercised	25	-
Dividends paid to the Company's shareholders	(316)	-
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(291)</b>	<b>24,080</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(689)</b>	<b>11,920</b>
Cash and cash equivalents at the beginning of the period	1,883	-
<b>Cash and cash equivalents at the end of period</b>	<b>1,194</b>	<b>11,920</b>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **1 General information**

CBG Capital Limited (the "Company") is a listed public company domiciled in Australia. The address of CBG Capital Limited's registered office is Level 3, 7 Macquarie Place, Sydney, NSW, 2000. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities in Australia.

The comparative period was from 4 April to 31 December 2014.

## **2 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity CBG Capital Limited.

### **(a) Basis of preparation of half-year report**

These interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. CBG Capital Limited is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with any public announcements made by CBG Capital Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared on an accruals basis, and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### *(i) New and amended standards adopted by the Company*

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### *(ii) Impact of standards issued but not yet applied by the entity*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

AASB 15 *Revenue from Contracts with Customers (effective from 1 January 2018)* will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements. The Company has not yet decided when to adopt AASB 15. There are no standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

### **(b) Rounding of amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the interim financial statements. Amounts in the interim financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### 3 Fair value measurements

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

#### (a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

#### (i) Recognised fair value measurements

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis.

<b>At 31 December 2015</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Financial assets at FVTPL				
Equity securities	15,339	-	-	15,339
Financial assets at FVTOCI				
Equity securities	9,050	-	-	9,050
<b>Total financial assets</b>	<b>24,389</b>	<b>-</b>	<b>-</b>	<b>24,389</b>
<b>At 30 June 2015</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Financial assets at FVTPL				
Equity securities	11,387	-	-	11,387
Financial assets at FVTOCI				
Equity securities	9,871	-	-	9,871
<b>Total financial assets</b>	<b>21,258</b>	<b>-</b>	<b>-</b>	<b>21,258</b>

There were no transfers between levels for recurring fair value measurements during the period.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### 3 Fair value measurements (continued)

#### (a) Fair value hierarchy (continued)

##### (ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

### 4 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income, interest income and from the sale of its investments.

### 5 Other investment income

	<b>For the half-year ended 31 December 2015 \$'000</b>	For the period 4 April to 31 December 2014 \$'000
Dividends from investments sold during the period	31	-
Dividends from investments held at the end of the period	376	6
Distributions from investments held at the end of the period	113	36
Interest	9	20
Other income	3	-
	<b>532</b>	<b>62</b>

### 6 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 December 2015 is 22.66% (2014:12.5%)

### 7 Issued capital

#### (a) Share capital

	<b>31 December 2015 Shares</b>	30 June 2015 Shares	<b>31 December 2015 \$'000</b>	30 June 2015 \$'000
Ordinary shares	<b>24,313,698</b>	24,239,600	<b>24,313</b>	24,240

**7 Issued capital (continued)**

**(b) Movements in ordinary share capital**

	<b>Number of shares</b>	<b>\$'000</b>
Opening balance	-	-
Shares issued at incorporation	1	-
Shares issued under IPO	24,239,599	24,240
	(24,239,600)	(24,240)
Transaction costs arising on share issue	-	(358)
Closing balance 30 June 2015	24,239,600	23,882
Opening balance	24,239,600	23,882
Dividend reinvestment plan issues	48,998	48
Exercise of options - Proceeds received	25,100	25
Closing balance 31 December 2015	24,313,698	23,955

**(c) Ordinary shares**

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

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**(d) Shares under IPO**

The Company issued a replacement Prospectus on 24 September 2014 for the offer of up to 50,000,000 fully paid ordinary shares at an offer price of \$1.00 per share to raise up to \$50,000,000, together with an entitlement to 1 option for every share subscribed for, with each option exercisable at \$1.00 on or before 30 September 2016. On 19 December 2014, the Company issued 24,239,599 fully paid shares under this initial public offering at \$1.00 per share.

**(e) Dividend reinvestment plan**

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a price determined by the Directors from time to time in accordance with the *Corporations Act* and the Listing Rules.

**(f) Options**

On 19 December 2014, as part of IPO the Company issued options to acquire ordinary shares in the Company at an exercise price of \$1.00 with expiry 30 September 2016.

As at 31 December 2015, a total of 25,100 options had been exercised and allotted for a total consideration of \$25,100.

**(g) Share buy-back**

There is no current on-market buy-back.

## 8 Dividends

### (a) Dividends paid or payable during the reporting period

	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
<b>2015</b>				
Ordinary shares - final	1.5c	363,594	27/11/2015	100

### (b) Dividends not recognised at the end of the reporting period

**For the half-year  
 ended  
 31 December  
 2015  
 \$'000**

In addition to the above dividends, since period end the Directors have recommended the payment of an interim dividend of 1.6 cents per fully paid ordinary share fully franked based on tax paid at 30%.

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## 9 Earnings per share

### (a) Basic and diluted earnings per share

<b>For the half-year ended 31 December 2015 Cents</b>	For the period 4 April to 31 December 2014 Cents
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From continuing operations attributable to the ordinary equity holders of the Company

4.66

3.22

Total basic earnings per share attributable to the ordinary equity holders of the Company

4.66

3.22

### (b) Diluted earnings per share

<b>For the half-year ended 31 December 2015 Cents</b>	For the period 4 April to 31 December 2014 Cents
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From continuing operations attributable to the ordinary equity holders of the Company

4.66

3.22

Total diluted earnings per share attributable to the ordinary equity holders of the Company

4.66

3.22

Diluted earnings per share are the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.



## 9 Earnings per share (continued)

### (c) Weighted average number of shares used as denominator

	<b>2015</b>	2014
	<b>Number</b>	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>24,248,010</b>	1,158,510
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	<b>24,248,010</b>	1,158,510

## 10 Contingencies

The Company had no contingent liabilities at 31 December 2015 (2014: nil).

## 11 Events occurring after the reporting period

On 17 February 2016, the Company issued a total of 286,592 shares by way of a private placement to sophisticated and professional investors at the same issue price of 97.7 cents as the price which shareholders were issued shares under the Company's Dividend Reinvestment Plan for the 2015 dividend.

Since 31 December 2015, significant volatility in financial markets have had an impact on the value of the Company's investments. Subsequent to 31 December 2015, the aggregate fair value of the Company's investments has decreased at 19 February 2016 by \$2.55 million. Any impact on the Company has not been recognised in the 31 December 2015 financial statements.

The Directors recommend a 1.6 cent fully franked dividend in respect of financial period ended 31 December 2015 to be paid on 27 May 2016.

Other than noted above, no other matter or circumstance has occurred subsequent to period end that has 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 subsequent financial periods.

**CBG Capital Limited  
Directors' Declaration  
For the period ended 31 December 2015**

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date, and
- (b) 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 Directors.



Ronni Chalmers  
Chairman

Sydney  
25 February 2016



## **Independent auditor's review report to the members of CBG Capital Limited**

### **Report on the financial report**

We have reviewed the accompanying interim financial report of CBG Capital Limited (the Company), which comprises the interim statement of financial position as at 31 December 2015, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the interim period ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2015 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of CBG Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.



**Independent auditor's review report to the members of CBG Capital Limited  
(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 interim financial report of CBG Capital 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 2015 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG



Andrew Reeves  
*Partner*

Sydney

25 February 2016