

# QV Equities Limited

ABN 64 169 154 858

## Appendix 4D – Half Year Report

### Results for announcement to the market

### For the half-year ended 31 December 2018

	\$	up/down	% movement
Revenue from ordinary activities	7,102,371	up	7
Profit from ordinary activities before income tax expense	5,435,089	up	9
Profit from ordinary activities after tax attributable to equity holders	4,376,909	down	3
Profit from ordinary activities after tax excluding the impact of the retrospective tax changes in relation to FY18	4,713,290	up	4

### Dividend information

	Cents per share	Franked amount per share	Tax rate for franking
2018 Final dividend paid	2.1c	2.1c	30%
2018 Special dividend paid	1.0c	1.0c	30%
2019 Interim dividend declared	2.2c	2.2c	30%

### Interim dividend dates

Ex dividend date	21 February 2019
Record date	22 February 2019
Payment date	15 March 2019

### Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is in operation and the fully franked interim dividend of 2.2 cents per share qualifies. Participant shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 3% discount to the volume weighted average market price of shares sold on the ASX during the 5 trading days after the record date for the relevant dividend.

### Net tangible assets

	31 December 2018	31 December 2017
Net tangible asset backing (per share) before tax	\$1.08	\$1.24
Net tangible asset backing (per share) after tax	\$1.08	\$1.18

Monthly updates to the NTA can be found on our website [www.qvequities.com](http://www.qvequities.com)

# **QV Equities Limited**

ABN 64 169 154 858

## **Interim Financial Report For the half-year ended 31 December 2018**

# QV Equities Limited

ABN 64 169 154 858

## Interim Financial Report For the half-year ended 31 December 2018

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The interim financial report does not include all notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the 30 June 2018 annual report and any public announcements made by QV Equities Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## **QV Equities Limited**

ABN 64 169 154 858

### **Corporate Directory**

#### **Directors**

Peter McKillop (Independent Director, Chairman)  
John McBain (Independent Director)  
Jennifer Horrigan (Independent Director)  
Anton Tagliaferro (Non-independent Director)  
Simon Conn (Non-independent Director)

#### **Secretary**

Zac Azzi

#### **Investment Manager**

Investors Mutual Limited  
Level 24, 25 Bligh Street  
Sydney NSW 2000  
(AFSL 229988)

#### **Registered Office**

Level 24, 25 Bligh Street  
Sydney NSW 2000  
Telephone: (02) 9232 7500  
Fax: (02) 9232 7511  
Email: [info@qvequities.com](mailto:info@qvequities.com)  
Website: [www.qvequities.com](http://www.qvequities.com)

#### **Share Registrar**

Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
Telephone: 1800 868 464

#### **Auditor**

Pitcher Partners  
Level 22 MLC Centre, 19 Martin Place  
Sydney NSW 2000

#### **Stock Exchange**

Australian Securities Exchange (ASX)  
ASX code: QVE Ordinary shares

## Directors' Report

The Directors present their report together with the condensed interim financial report of QV Equities Limited ("the Company") for the half-year ended 31 December 2018.

### Directors

The following persons were Directors of the Company during the half-year and up to the date of this report:

Name	Position	Appointment date
Peter McKillop	Independent Director, Chairman	17 April 2014
John McBain	Independent Director	17 April 2014
Jennifer Horrigan	Independent Director	26 April 2016
Anton Tagliaferro	Non-independent Director	30 April 2014
Simon Conn	Non-independent Director	14 June 2016

### Principal activities

The principal activity of the Company is making investments in a diversified portfolio of entities listed on the Australian Securities Exchange which are not included in the S&P/ASX 20 Index. The primary objective is to provide both long term capital growth and income. No change in this activity took place during the period or is likely in the future.

### Review of operations

Investment operations for the period ended 31 December 2018 resulted in an operating profit before tax of \$5,435,089 (2017: \$5,004,181) and an operating profit after tax of \$4,376,909 (2017: \$4,531,861).

Net Tangible Assets backing (NTA) for each ordinary share as at 31 December 2018 before tax amounted to \$1.08 per share (2017: \$1.24). The NTA backing per share after tax was \$1.08 (2017: \$1.18).

### Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company during the half-year ended 31 December 2018.

### 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 4.

### Rounding of amounts to the nearest dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar unless otherwise stated.

The report is made in accordance with a resolution of the Board of Directors:



Peter McKillop, Chairman

14 February 2019

**Auditor's Independence Declaration  
to the Directors of QV Equities Limited  
ABN 64 169 154 858**

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

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

This declaration is in respect of QV Equities Limited during the period.



SCOTT WHIDDETT  
Partner

PITCHER PARTNERS  
Sydney

14 February 2019

**QV Equities Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2018**

**Statement of Comprehensive Income**

		<b>Half-year ended</b>	
		<b>31 December</b>	<b>31 December</b>
		<b>2018</b>	<b>2017</b>
	Notes	\$	\$
<b>Investment income</b>			
Dividend/distribution income		<b>5,686,712</b>	5,239,467
Interest income		<b>548,485</b>	635,950
Other income		<b>4,471</b>	73,115
Realised gains on investments held for trading		<b>782,266</b>	558,101
Unrealised gains on investments held for trading		<b>80,437</b>	146,700
<b>Total investment income</b>		<b><u>7,102,371</u></b>	<u>6,653,333</u>
<b>Expenses</b>			
Management fees		<b>1,366,970</b>	1,388,779
Directors' fees		<b>50,000</b>	50,000
ASX fees		<b>40,560</b>	45,575
Registry fees		<b>93,724</b>	56,581
Other expenses		<b>116,028</b>	108,217
<b>Total expenses</b>		<b><u>1,667,282</u></b>	<u>1,649,152</u>
<b>Profit before income tax</b>		<b>5,435,089</b>	5,004,181
Income tax expense	6	<u><b>1,058,180</b></u>	<u>472,320</u>
<b>Profit after income tax</b>		<b><u>4,376,909</u></b>	<u>4,531,861</u>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Movement in fair value of long term equity investments, net of tax		<u><b>(24,359,570)</b></u>	<u>5,759,336</u>
<b>Total comprehensive (loss)/income for the period</b>		<b><u>(19,982,661)</u></b>	<u>10,291,197</u>
<b>Earnings per share</b>			
Basic and diluted earnings per share (cents per share)	5	<b>1.59</b>	1.65

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

**QV Equities Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

**Statement of Financial Position**

	<b>31 December 2018</b>	<b>30 June 2018</b>
Notes	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	<b>33,638,413</b>	55,310,602
Receivables	<b>571,038</b>	865,640
Prepayments	<b>193,662</b>	55,730
<b>Total current assets</b>	<b><u>34,403,113</u></b>	<u>56,231,972</u>
<b>Non-current assets</b>		
Long term equity investments	3 <b>267,337,842</b>	284,256,550
Deferred tax assets	<b>726,482</b>	340,072
<b>Total non-current assets</b>	<b><u>268,064,324</u></b>	<u>284,596,622</u>
<b>Total assets</b>	<b><u>302,467,437</u></b>	<u>340,828,594</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade creditors and other payables	<b>3,178,489</b>	1,558,248
Current tax liabilities	<b>1,048,000</b>	3,205,655
Financial liabilities held at fair value	3 <b>267,750</b>	1,001,920
<b>Total current liabilities</b>	<b><u>4,494,239</u></b>	<u>5,765,823</u>
<b>Non-current liabilities</b>		
Deferred tax liability	-	9,060,302
<b>Total non-current liabilities</b>	<u>-</u>	<u>9,060,302</u>
<b>Total liabilities</b>	<b><u>4,494,239</u></b>	<u>14,826,125</u>
<b>Net assets</b>	<b><u>297,973,198</u></b>	<u>326,002,469</u>
<b>Equity</b>		
Issued capital	8 <b>282,175,121</b>	281,680,091
Asset revaluation reserve	<b>(4,148,332)</b>	21,810,925
Capital profits reserve	<b>15,569,500</b>	15,899,401
Profits reserve	<b>4,376,909</b>	6,612,052
<b>Total equity</b>	<b><u>297,973,198</u></b>	<u>326,002,469</u>

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



QV Equities Limited  
Statement of Changes in Equity  
For the half-year ended 31 December 2018

**Statement of Changes in Equity**

Notes	Issued capital \$	Asset revaluation reserve \$	Capital profits reserve \$	Profits reserve \$	Retained profits \$	Total \$
<b>Balance at 1 July 2018</b>	<u>281,680,091</u>	<u>21,810,925</u>	<u>15,899,401</u>	<u>6,612,052</u>	-	<u>326,002,469</u>
Profit for the period	-	-	-	-	4,376,909	4,376,909
<b>Other comprehensive income:</b>						
Net revaluation of investments	-	<u>(24,359,570)</u>	-	-	-	<u>(24,359,570)</u>
<b>Total comprehensive income for the period</b>	-	<u>(24,359,570)</u>	-	-	4,376,909	<u>(19,982,661)</u>
<b>Transactions with equity holders in their capacity as owners:</b>						
Shares issued from dividend reinvestment plan	8      495,030	-	-	-	-	495,030
Dividends provided for or paid	-	-	<u>(1,929,588)</u>	<u>(6,612,052)</u>	-	<u>(8,541,640)</u>
<b>Other</b>						
Realised profits on sale of investments transferred to capital profit reserves	-	<u>(1,599,687)</u>	1,599,687	-	-	-
Transfer to profits reserves	-	-	-	<u>4,376,909</u>	<u>(4,376,909)</u>	-
<b>Balance at 31 December 2018</b>	<u>282,175,121</u>	<u>(4,148,332)</u>	<u>15,569,500</u>	<u>4,376,909</u>	-	<u>297,973,198</u>

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

**QV Equities Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2018**  
**(continued)**

**Statement of Changes in Equity (continued)**

	Notes	Issued capital \$	Asset revaluation reserve \$	Capital profits reserve \$	Profits reserve \$	Retained profits \$	Total \$
<b>Balance at 1 July 2017</b>		281,113,681	24,595,350	10,294,914	4,397,706	-	320,401,651
Profit for the period		-	-	-	-	4,531,861	4,531,861
<b>Other comprehensive income:</b>							
Net revaluation of investments		-	5,759,336	-	-	-	5,759,336
<b>Total comprehensive income for the period</b>		-	5,759,336	-	-	4,531,861	10,291,197
<b>Transactions with equity holders in their capacity as owners:</b>							
Shares issued from dividend reinvestment plan	8	274,241	-	-	-	-	274,241
Dividends provided for or paid		-	-	(1,103,704)	(4,397,706)	-	(5,501,410)
<b>Other</b>							
Realised profits on sale of investments transferred to capital profit reserves		-	(4,103,361)	4,103,361	-	-	-
Transfer to profits reserves		-	-	-	4,531,861	(4,531,861)	-
<b>Balance at 31 December 2017</b>		281,387,922	26,251,325	13,294,571	4,531,861	-	325,465,679

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

**QV Equities Limited**  
**Statement of Cash Flow**  
**For the half-year ended 31 December 2018**

**Statement of Cash Flow**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Dividends/distributions received	5,860,492	5,384,642
Interest received	504,128	636,612
Net realised gains on exchange traded options	128,533	734,162
Other income	4,471	69,808
Payments for other expenses	(1,838,560)	(1,758,302)
Income tax paid	(4,003,311)	(460,583)
<b>Net cash inflow from operating activities</b>	<b>655,753</b>	<b>4,606,339</b>
<b>Cash flows from investing activities</b>		
Payments for investments	(54,415,404)	(54,584,140)
Proceeds from sale of investments	40,134,072	39,201,238
<b>Net cash outflow from investing activities</b>	<b>(14,281,332)</b>	<b>(15,382,902)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(8,046,610)	(5,227,169)
<b>Net cash outflow from financing activities</b>	<b>(8,046,610)</b>	<b>(5,227,169)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,672,189)</b>	<b>(16,003,732)</b>
Cash and cash equivalents at the beginning of the period	<b>55,310,602</b>	<b>75,657,537</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>33,638,413</b>	<b>59,653,805</b>
<b>Non-cash transactions:</b>		
Shares issued via dividend reinvestment plan	495,030	274,241

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

## **1 General information**

QV Equities Limited ("the Company") is a listed investment company domiciled in Australia. The Company was established with the primary objective of providing long term capital growth and income, through a diversified portfolio of the ASX listed entities outside of the S&P/ASX 20 Index. The portfolio is managed by Investors Mutual Limited.

The condensed interim financial statements were authorised for issue by the Board on 14 February 2019.

## **2 Basis of preparation**

The principal accounting policies adopted in the preparation of these interim financial statements are set out below.

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

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

These half-year financial statements do not include all the notes of the type normally included in an annual financial report. It is recommended that these half-year financial statements be read in conjunction with the 30 June 2018 annual financial report and any public announcements made by QVE during the half-year in accordance with any disclosure requirements arising under the *Corporations Act 2001*.

These half-year financial statements have been prepared on an accrual basis and are based on the historical cost basis except as modified by the revaluation of non-current investments which are recorded at fair value.

The accounting policies in these interim financial statements are the same as those applied in the Company's financial statements for the year ended 30 June 2018 except for the adoption of new standards as set out below:

#### *AASB 15 Revenue from Contracts with Customers*

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. Accordingly, the new revenue recognition rules do not have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### **(b) Investments**

Revenue is measured at the fair value of the consideration received or receivable.

#### *(i) Recognition and initial measurement*

Long term equity investments and investments held for sale are recognised initially at cost.

#### *(ii) Classification and subsequent measurement*

The Company designates all long term equity investments as financial assets measured at fair value through other comprehensive income and therefore records subsequent changes in fair value of equity investments in the Statement of Comprehensive Income through the asset revaluation reserve, not to be reclassified to profit and loss, after deducting a provision for the potential deferred capital gains tax liability.

## **2 Basis of preparation (continued)**

### **(b) Investments (continued)**

The Company holds call options. These derivative financial instruments are classified as financial assets at fair value through profit and loss, changes in the fair value of options are recognised in profit or loss for the period.

#### *(iii) Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Gains or losses on long term equity investments are transferred from the asset revaluation reserve to the capital profits reserve.

#### *(iv) Valuation*

All investments are classified and measured as being at fair value, please refer to note 3 for more information on the Company's policy for measuring fair value.

### **(c) Revenue**

#### *(i) Interest income*

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

#### *(ii) Dividend income*

Dividend income is recognised in the profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

### **(d) Rounding of amounts to the nearest dollar**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar unless otherwise stated.

## **3 Fair value measurement**

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

- Long term equity investments
- Financial liabilities held for trading

### **Fair value hierarchy**

*AASB 13: Fair value measurement* requires disclosure of fair value measurements by level of the fair value hierarchy:

Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and

Level 3 - measurements based on unobservable inputs from the asset or liability.

### 3 Fair value measurement (continued)

(i) *Recurring fair value measurements*

The following tables present the Company's assets measured and recognised at fair value as at 31 December 2018 and 30 June 2018:

<b>As at 31 December 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Financial assets</b>				
Long term equity investments:				
Listed equities	217,914,550	-	-	217,914,550
Listed unit trusts	30,316,000	-	-	30,316,000
Money market securities	-	14,843,292	-	14,843,292
Floating rate notes	4,264,000	-	-	4,264,000
<b>Total</b>	<b>252,494,550</b>	<b>14,843,292</b>	<b>-</b>	<b>267,337,842</b>

**Financial liabilities**

Financial liabilities held for trading:

Options	267,750	-	-	267,750
<b>Total</b>	<b>267,750</b>	<b>-</b>	<b>-</b>	<b>267,750</b>

**As at 30 June 2018**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Long term equity investments:				
Listed equities	249,810,000	-	-	249,810,000
Listed unit trusts	29,161,000	-	-	29,161,000
Floating rate notes	4,163,550	-	-	4,163,550
Unlisted equities	-	1,122,000	-	1,122,000
<b>Total</b>	<b>283,134,550</b>	<b>1,122,000</b>	<b>-</b>	<b>284,256,550</b>

**Financial liabilities**

Financial liabilities held for trading:

Options	1,001,920	-	-	1,001,920
<b>Total</b>	<b>1,001,920</b>	<b>-</b>	<b>-</b>	<b>1,001,920</b>

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets and liabilities have been based on the last close prices at the end of the reporting period.

The equities included in Level 2 of the hierarchy include amounts in relation to entitlement offers and placements to which the Company has subscribed to during the period. These equities have not listed on the Australian Securities Exchange as at half-year end and therefore represent investments in an inactive market. In valuing these unlisted equities, included in Level 2 of the hierarchy, the fair value has been determined using the valuation technique of quoted prices for similar assets and the amount of securities subscribed for by the Company under the relevant offers.

### 3 Fair value measurement (continued)

(ii) *Disclosed fair values*

The carrying amounts of receivables and payables other than tax items are reasonable approximations of 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 Earnings per share

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2018</b>	2017
	<b>cents</b>	cents
<b>(a) Basic and diluted earnings per share</b>		
Total earnings per share attributable to the ordinary equity holders of the Company	<b>1.59</b>	1.65
<b>(b) Weighted average number of shares used as denominator</b>		
Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share is based on the average number of shares as at 31 December 2018 and 31 December 2017	<b>275,688,573</b>	275,141,166

Diluted earnings per share and basic earnings per share are the same as there are no potential dilutive ordinary shares.

## 6 Taxation

### Income tax expense

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	<b>31 December 2018</b>	31 December 2017
	\$	\$
Prima Facie tax on profit from ordinary activities before income tax of 30% (2017: 27.5%)	<b>1,630,526</b>	1,376,150
<b>Increase/(decrease) in income tax expense due to:</b>		
Gross up of imputation credits received	<b>358,429</b>	346,531
Imputation credits on dividends received	<b>(1,194,763)</b>	(1,155,103)
Gross up of foreign income tax offsets	<b>31,025</b>	40,825
Foreign income tax offsets	<b>(103,418)</b>	(136,083)
Impact of retrospective tax change	<b>336,381</b>	-
	<b><u>1,058,180</u></b>	<u>472,320</u>

## 7 Dividends

Dividends paid fully franked at 30% (2017: 30%) tax rate.

### (a) Dividend paid during the period

	Dividend Rate	Total Amount	Date of Payment	% Franked
<b>2018</b>				
Ordinary shares - final 2018	2.1 cents	5,786,268	31/10/2018	100
Special dividend	1.0 cents	2,755,365	31/10/2018	100

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

**31 December  
2018**  
**\$**

In addition to the above dividends, since half-year end the Directors have announced the payment of an interim dividend of 2.2 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividend expected to be paid on 15 March 2019 out of the profits of the Company at 31 December 2018, but not recognised as a liability at period end is:

**6,071,893**



## 8 Issued Capital

### (a) Share capital

	<b>31 December 2018 Number of Shares</b>	<b>31 December 2018 Total amount \$</b>	<b>30 June 2018 Number of Shares</b>	<b>30 June 2018 Total amount \$</b>
Fully paid ordinary shares	<u>275,995,117</u>	<u>282,175,121</u>	<u>275,536,547</u>	<u>281,680,091</u>

### (b) Movements in ordinary share capital

2018

Date		<b>Number of shares</b>	<b>Issue price* \$</b>	<b>Total amount \$</b>
01/07/2018	Opening balance	275,536,547		281,680,091
31/10/2018	Shares issued under DRP	458,570	\$1.08	495,030
31/12/2018	Closing balance	<u>275,995,117</u>		<u>282,175,121</u>

2017

Date		<b>Number of shares</b>	<b>Issue price* \$</b>	<b>Total amount \$</b>
01/07/2017	Opening balance	275,070,493		281,113,681
	Ordinary Shares issued under dividend reinvestment plan- final 2017	213,177	\$1.29	274,241
	Ordinary Shares issued under dividend reinvestment plan- interim 2018	252,877	\$1.16	292,169
30/06/2018	Closing balance	<u>275,536,547</u>		<u>281,680,091</u>

\* Rounded to two decimal places.

### (c) Fully paid 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.

## **9 Contingencies and commitments**

The Company had no contingent liabilities as at 31 December 2018 (2017: nil).

## **10 Events occurring after the reporting period**


No 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.

## Directors' Declaration

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto, as set out on pages 5 to 16, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that QV Equities Limited 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.



Peter McKillop, Chairman

14 February 2019

**Independent Auditor's Review Report  
to the Members of QV Equities Limited  
ABN 64 169 154 858**

**Report on the Interim Financial Report**

We have reviewed the accompanying interim financial report of QV Equities Limited ("the Company"), which comprises the statement of financial position as at 31 December 2018, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the Company.

**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 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 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 *Corporation Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2018 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 QV Equities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the interim financial report consists of making enquiries, primarily of persons responsible for the 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*.

## **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 QV Equities Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



SCOTT WHIDDETT  
Partner



PITCHER PARTNERS  
Sydney

14 February 2019