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14 February 2020

Company Announcements  
Australian Securities Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**QV Equities Limited**  
**Appendix 4D & Half Year Report 31 December 2019**

Dear Sir / Madam

Please find attached the Appendix 4D and Half Year Report to 31 December 2019.

Yours faithfully

**Zac Azzi**  
Company Secretary

Authorised for release by the Board

# 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 2019

	\$	up/down	% movement
Revenue from ordinary activities	9,249,810	up	30
Profit from ordinary activities before income tax expense	7,626,902	up	40
Profit from ordinary activities after tax attributable to equity holders	6,634,149	up	52
Profit from ordinary activities after adjusting for the impact of the special dividend*	5,230,460	up	11

\*Excludes special dividend received \$1.4m (2018: \$0), the 11 percent movement is calculated on the adjusted 2018 profit of \$4,713,290 (excludes retrospective tax charges) as per the Appendix 4D for the half year ended 31 December 2018.

#### Dividend information

	Cents per share	Franked amount per share	Tax rate for franking
2019 Final dividend paid	2.2c	2.2c	30%
2020 Interim dividend declared	2.2c	2.2c	30%

#### Interim dividend dates

Ex dividend date	20 February 2020
Record date	21 February 2020
Payment date	17 March 2020

#### Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is not operational for the interim dividend of 2.2c per share due to the on-market share buy-back currently being executed by the Company.

#### Net tangible assets

	31 December 2019	31 December 2018
Net tangible asset backing (per share) before tax	\$1.13	\$1.08
Net tangible asset backing (per share) after tax	\$1.12	\$1.08

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 2019**

# QV Equities Limited

ABN 64 169 154 858

## Interim Financial Report For the half-year ended 31 December 2019

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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 2019 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, resigned 30 August 2019)  
Jennifer Horrigan (Independent Director)  
Eamonn Roles (Independent Director, appointed 30 August 2019)  
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 16, Tower 2 Darling Park, 201 Sussex Street  
Sydney NSW 2000

#### **Stock Exchange**

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

## Directors' Report

The Directors present their report together with the interim financial report of QV Equities Limited ("the Company") for the half-year ended 31 December 2019.

### 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, resigned 30 August 2019
Jennifer Horrigan	Independent Director	26 April 2016
Eamonn Roles	Independent Director	30 August 2019
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 2019 resulted in an operating profit before tax of \$7,626,902 (2018: \$5,435,089) and an operating profit after tax of \$6,634,149 (2018: \$4,376,909).

Net Tangible Assets backing (NTA) for each ordinary share as at 31 December 2019 before tax amounted to \$1.13 per share (2018: \$1.08). The NTA backing per share after tax was \$1.12 (2018: \$1.08).

### 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 2019.

### 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 2020

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

Postal Address  
GPO Box 1615  
Sydney NSW 2001

**p.** +61 2 9221 2099  
**e.** [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

**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 2019, I declare 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.



**C I Chandran**  
Partner

**Pitcher Partners**  
Sydney

14 February 2020

**QV Equities Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2019**

**Statement of Comprehensive Income**

	31 December 2019	31 December 2018
Notes	\$	\$
<b>Investment income</b>		
Dividend/distribution income	6,742,464	5,686,712
Interest income	329,042	548,485
Other income	6,700	4,471
Realised gains on options	1,620,289	782,266
Unrealised gains on options	551,315	80,437
<b>Total investment income</b>	<u>9,249,810</u>	<u>7,102,371</u>
<b>Expenses</b>		
Management fees	1,326,562	1,366,970
Directors' fees	50,000	50,000
ASX fees	44,553	40,560
Registry fees	36,856	93,724
Other expenses	164,937	116,028
<b>Total expenses</b>	<u>1,622,908</u>	<u>1,667,282</u>
<b>Profit before income tax</b>	<b>7,626,902</b>	5,435,089
Income tax expense	6 <u>992,753</u>	1,058,180
<b>Profit after income tax</b>	<u>6,634,149</u>	<u>4,376,909</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	(2,961,940)	(24,422,044)
<b>Items that will be reclassified to profit and loss</b>		
Movement in fair value of floating rate notes, net of tax	<u>(13,355)</u>	<u>62,474</u>
<b>Other comprehensive income, net of tax</b>	<u>(2,975,295)</u>	<u>(24,359,570)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u>3,658,854</u>	<u>(19,982,661)</u>
<b>Earnings per share</b>		
Basic and diluted earnings per share (cents per share)	5 <b>2.42</b>	1.59

*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 2019**

**Statement of Financial Position**

	<b>31 December 2019</b>	<b>30 June 2019</b>
Notes	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	47,795,051	40,070,290
Receivables	451,135	954,094
Prepayments	<u>218,358</u>	<u>85,542</u>
<b>Total current assets</b>	<b><u>48,464,544</u></b>	<b><u>41,109,926</u></b>
<b>Non-current assets</b>		
Long term equity investments	3 260,939,600	279,725,315
Deferred tax assets	<u>100,644</u>	<u>134,635</u>
<b>Total non-current assets</b>	<b><u>261,040,244</u></b>	<b><u>279,859,950</u></b>
<b>Total assets</b>	<b><u>309,504,788</u></b>	<b><u>320,969,876</u></b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade creditors and other payables	652,767	1,165,335
Current tax liabilities	2,398,216	1,631,044
Financial liabilities held at fair value	3 <u>619,605</u>	<u>1,835,635</u>
<b>Total current liabilities</b>	<b><u>3,670,588</u></b>	<b><u>4,632,014</u></b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<u>1,348,111</u>	<u>4,588,095</u>
<b>Total non-current liabilities</b>	<b><u>1,348,111</u></b>	<b><u>4,588,095</u></b>
<b>Total liabilities</b>	<b><u>5,018,699</u></b>	<b><u>9,220,109</u></b>
<b>Net assets</b>	<b><u>304,486,089</u></b>	<b><u>311,749,767</u></b>
<b>Equity</b>		
Issued capital	8 277,686,669	282,529,624
Asset revaluation reserve	2,210,505	9,189,720
Capital profits reserve	17,954,766	15,019,704
Profits reserve	<u>6,634,149</u>	<u>5,010,719</u>
<b>Total equity</b>	<b><u>304,486,089</u></b>	<b><u>311,749,767</u></b>

*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 2019

**Statement of Changes in Equity**

Notes	Issued capital \$	Asset revaluation reserve \$	Capital profits reserve \$	Profits reserve \$	Retained profits \$	Total \$
<b>Balance at 1 July 2019</b>	<u>282,529,624</u>	<u>9,189,720</u>	<u>15,019,704</u>	<u>5,010,719</u>	-	<u>311,749,767</u>
Profit for the period	-	-	-	-	6,634,149	6,634,149
<b>Other comprehensive income:</b>						
Net revaluation of investments	-	<u>(2,975,295)</u>	-	-	-	<u>(2,975,295)</u>
<b>Total comprehensive income for the period</b>	-	<u>(2,975,295)</u>	-	-	6,634,149	<u>3,658,854</u>
<b>Transactions with equity holders in their capacity as owners:</b>						
Shares issued from dividend reinvestment plan	8 365,148	-	-	-	-	365,148
Dividends provided for or paid	-	-	(1,068,858)	(5,010,719)	-	(6,079,577)
Shares buyback - redemption	8 (5,208,103)	-	-	-	-	(5,208,103)
<b>Other</b>						
Realised profits on sale of investments transferred to capital profits reserves	-	<u>(4,003,920)</u>	4,003,920	-	-	-
Transfer to profits reserve	-	-	-	<u>6,634,149</u>	<u>(6,634,149)</u>	-
<b>Balance at 31 December 2019</b>	<u>277,686,669</u>	<u>2,210,505</u>	<u>17,954,766</u>	<u>6,634,149</u>	-	<u>304,486,089</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 2019**  
**(continued)**

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

	Notes	Issued capital \$	Asset revaluation reserve \$	Capital profits reserve \$	Profits reserve \$	Retained profits \$	Total \$
Balance at 1 July 2018		<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
Other comprehensive income:							
Net revaluation of investments		-	<u>(24,359,570)</u>	-	-	-	<u>(24,359,570)</u>
Total comprehensive income for the period		-	<u>(24,359,570)</u>	-	-	4,376,909	<u>(19,982,661)</u>
Transactions with equity holders in their capacity as owners:							
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>
Other							
Realised profits on sale of investments transferred to capital profits reserves		-	<u>(1,599,687)</u>	1,599,687	-	-	-
Transfer to profits reserves		-	-	-	<u>4,376,909</u>	<u>(4,376,909)</u>	-
Balance at 31 December 2018		<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 Cash Flow**  
**For the half-year ended 31 December 2019**

**Statement of Cash Flow**

	<b>31 December 2019</b>	31 December 2018
	\$	\$
<b>Cash flows from operating activities</b>		
Dividends/distributions received	6,996,089	5,860,492
Interest received	349,441	504,128
Net realised gains on exchange traded options	955,574	128,533
Other income	10,081	4,471
Payments for other expenses	(1,788,020)	(1,838,560)
Income tax paid	(1,874,987)	(4,003,311)
<b>Net cash inflow from operating activities</b>	<u>4,648,178</u>	<u>655,753</u>
<b>Cash flows from investing activities</b>		
Payments for investments	(26,628,810)	(54,415,404)
Proceeds from sale of investments	40,627,925	40,134,072
<b>Net cash inflow/(outflow) from investing activities</b>	<u>13,999,115</u>	<u>(14,281,332)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(5,714,429)	(8,046,610)
Payments for redemptions by share buyback	(5,208,103)	-
<b>Net cash outflow from financing activities</b>	<u>(10,922,532)</u>	<u>(8,046,610)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	7,724,761	(21,672,189)
Cash and cash equivalents at the beginning of the period	<u>40,070,290</u>	<u>55,310,602</u>
<b>Cash and cash equivalents at the end of the period</b>	<u>47,795,051</u>	<u>33,638,413</u>
<b>Non-cash transactions:</b>		
Shares issued via dividend reinvestment plan	<u>365,148</u>	<u>495,030</u>

*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 interim financial statements were authorised for issue by the Board on 14 February 2020.

## **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 continuous disclosure 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 2019 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 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 2019.

There are no 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**

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

Long term equity investments and financial liabilities 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.

The Company holds call options. These derivative financial instruments are classified as financial liabilities 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 and financial liabilities 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. Realised gains or losses on long term equity investments are transferred from the asset revaluation reserve to the capital profits reserve.

## 2 Basis of preparation (continued)

### (b) Investments (continued)

#### (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 2019 and 30 June 2019:

<b>As at 31 December 2019</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	231,528,800	-	-	231,528,800
Listed unit trusts	25,237,000	-	-	25,237,000
Floating rate notes	4,173,800	-	-	4,173,800
<b>Total</b>	<u>260,939,600</u>	<u>-</u>	<u>-</u>	<u>260,939,600</u>

<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Options	619,605	-	-	619,605
<b>Total</b>	<u>619,605</u>	<u>-</u>	<u>-</u>	<u>619,605</u>

<b>As at 30 June 2019</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	259,379,605	-	-	259,379,605
Listed unit trusts	16,151,000	-	-	16,151,000
Floating rate notes	4,194,710	-	-	4,194,710
<b>Total</b>	<u>279,725,315</u>	<u>-</u>	<u>-</u>	<u>279,725,315</u>

<b>Financial liabilities</b>				
Financial liabilities held for trading:				
Options	1,835,635	-	-	1,835,635
<b>Total</b>	<u>1,835,635</u>	<u>-</u>	<u>-</u>	<u>1,835,635</u>

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.

(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>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>
	<b>cents</b>	<b>cents</b>
<b>(a) Basic and diluted earnings per share</b>		
Total earnings per share attributable to the ordinary equity holders of the Company	<b>2.42</b>	1.59
<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 2019 and 31 December 2018	<b>274,334,934</b>	275,688,573

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 2019</b>	31 December 2018
	\$	\$
Prima Facie tax on profit from ordinary activities before income tax of 30% (2018: 30%)	<b>2,288,071</b>	1,630,526
<b>Increase/(decrease) in income tax expense due to:</b>		
Gross up of imputation credits received	<b>532,164</b>	358,429
Imputation credits on dividends received	<b>(1,773,878)</b>	(1,194,763)
Gross up of foreign income tax offsets	<b>42,951</b>	31,025
Foreign income tax offsets	<b>(143,171)</b>	(103,418)
Impact of retrospective tax change	<b>-</b>	336,381
Under/(over) provisions in previous year	<b>46,616</b>	-
	<b>992,753</b>	1,058,180

## 7 Dividends

Dividends paid fully franked at 30% (2018: 30%) tax rate.

### (a) Dividend paid during the period

	<b>Dividend Rate</b>	<b>Total Amount</b>	<b>Date of Payment</b>	<b>% Franked</b>
<b>2019</b>				
<b>Ordinary shares - final 2019</b>	<b>2.2 cents</b>	<b>\$6,079,577</b>	<b>20/09/2019</b>	<b>100</b>
	Dividend Rate	Total Amount	Date of Payment	% Franked
2018				
Ordinary shares - final 2018	2.1 cents	\$5,786,275	31/10/2018	100
Special dividend - final 2018	1.0 cents	\$2,755,365	31/10/2018	100

## 7 Dividends (continued)

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

**31 December  
2019**  
\$

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 17 March 2020 out of the profits of the Company at 31 December 2019, but not recognised as a liability at period end is:

5,967,766

## 8 Issued Capital

### (a) Share capital

	<b>31 December 2019</b>	<b>31 December 2019</b>	30 June 2019	30 June 2019
	<b>Number of Shares</b>	<b>Total amount \$</b>	Number of Shares	Total amount \$
Fully paid ordinary shares	<u>271,486,051</u>	<u>277,686,669</u>	<u>276,344,417</u>	<u>282,529,624</u>

### (b) Movements in ordinary share capital

2019

Date	Number of shares	Issue price* \$	Total amount \$
01/07/2019 Opening balance	276,344,417		282,529,624
20/09/2019 Shares issued under DRP	380,059	0.96	365,148
31/10/2019 Shares buyback - redemption	<u>(5,238,425)</u>	0.99	<u>(5,208,103)</u>
31/12/2019 Closing balance	<u>271,486,051</u>		<u>277,686,669</u>

2018

Date	Number of shares	Issue price* \$	Total amount \$
01/07/2018 Opening balance	275,536,547		281,680,091
31/10/2018 Ordinary shares issued under dividend reinvestment plan - final 2018	458,570	1.08	495,030
29/03/2019 Ordinary shares issued under dividend reinvestment plan - interim 2019	349,300	1.01	354,503
30/06/2019 Closing balance	<u>276,344,417</u>		<u>282,529,624</u>

\* Rounded to two decimal places.

## **8 Issued Capital (continued)**

### **(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 2019 (2018: nil).

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

Since the end of the financial period, the Directors declared a fully franked interim dividend of 2.2 cents per fully paid ordinary share payable on 17 March 2020. The Company bought back 223,968 shares for \$230,083 since 31 December 2019.

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.

## Directors' Declaration

In the Directors' opinion:

1. 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 2019 and of its performance for the half-year ended on that date.
2. 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 2020

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

**Report on the Half Year Financial Report**

We have reviewed the accompanying half year financial report QV Equities Limited ("the Company"), which comprises the statement of financial position as at 31 December 2019, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a summary of significant accounting policies, 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 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 *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2019 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 half year 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 half year 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 Company's financial position as at 31 December 2019 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*.



**C I Chandran**  
Partner

14 February 2020



**Pitcher Partners**  
Sydney