



## Cadence Capital Limited (ASX: CDM) Record Half Year Profit

**Sydney, 7<sup>th</sup> February 2018:** Cadence Capital Limited (ASX: CDM) today announced a record half year profit after tax of \$32.8m, up 41% on last year. Karl Siegling, Chairman, said “Our portfolio has performed well for the first 6 months of the financial year delivering strong risk adjusted returns for our investors and outperforming the All Ordinaries Accumulation Index by 6.2%.”

“The Company’s domestic and international holdings performed well over the period, generating both strong profits and outperformance. The Company’s top performing holdings were Melbourne IT Ltd, Emeco Holdings Ltd, Macquarie Group Ltd, Janus Henderson Group Plc, Samsung Electronics Co Ltd, Softbank Group Corp, Independence Group, Monadelphous Group Ltd, Longtable Group Ltd and Eclipx Group Ltd.”

### Half Year Results 31<sup>st</sup> December 2017:

- **Record Profit** before tax of \$45.5m, up 56%
- **Record Profit** after tax of \$32.8m, up 41%
- Gross performance for the half year of 15.5%, outperforming All Ordinaries Accumulation Index by 6.2%
- 4.0c fully-franked Interim Dividend payable on the 23 April 2018
- Yield of **6.2% fully-franked** (8.8% gross including franking)

### Fully-franked Interim Dividend

The Board is pleased to announce a 4.0 cent per share fully-franked interim dividend. This equates to a 6.2% annual fully franked yield, or an 8.8% gross yield (grossed up for franking credits) based on the CDM share price at the time of this announcement of \$1.30. The Ex-Date for the dividend is the 9<sup>th</sup> April 2018. The payment date for the dividend is the 23<sup>rd</sup> April 2018.

Karl Siegling said “We are pleased that the Company has delivered a healthy fully franked dividend yield over the past six months. Cadence will be providing investors with the ability to participate in its Dividend Re-Investment Plan (“DRP”) at a 3% discount. As a large shareholder in the Company I will once again participate fully in the DRP.”



## Outlook

“One year ago the market was predominantly ‘bearish’ and ‘fearful’ and a year on we are starting to see the first tentative signs of synchronised global growth and a more ‘bullish’ temperament. Whilst this optimism is not to be overstated, it does appear that the market continues to ‘climb a wall of worry’.”

“Signs of a resources recovery need to be monitored closely with investments in mining and particularly mining services having performed well over the past 6 months.”

“International stocks have delivered strong returns for Cadence Capital Limited with many ‘undervalued’ and ‘under- appreciated’ compared to domestic equivalent valuations. We will continue to implement the Cadence Capital investment process seeking out both undervalued and overvalued investment opportunities, a process that has served us well over time and through different investment cycles.”

**Karl Siegling**  
**Chairman, Cadence Capital Limited**

**Further information:**  
Cadence Capital Limited  
Telephone: +61 2 8298 2450  
Email: [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)  
Web: [www.cadencecapital.com.au](http://www.cadencecapital.com.au)

**CADENCE CAPITAL LIMITED**  
**A.B.N. 17 112 870 096**  
**APPENDIX 4D**  
**HALF-YEAR REPORT**  
**for the half-year ended 31 December 2017**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
*All comparisons to the half-year ended 31 December 2016*

	\$	up/down	% mvmt
Revenue from ordinary activities	55,800,165	Up	41 %
Profit from ordinary activities before tax attributable to members	45,487,891	Up	56 %
Profit from ordinary activities after tax attributable to members	32,778,298	Up	41 %
		<b>Franked amount per share</b>	<b>Tax rate for franking</b>
<b>Dividend Information</b>	<b>Amt per share</b>		
2018 Interim dividend per share	4.0c	4.0c	30%
2017 Final dividend per share	4.0c	4.0c	30%
2017 Interim dividend per share	4.0c	4.0c	30%
2016 Final dividend per share	4.0c	4.0c	30%
<p>The Dividend Re-Investment Plan (“DRP”) is in operation and the half-year dividend of 4.0c per share qualifies. The relevant issue price will be at a 3.0% discount to the price (calculated as the weighted average market price of shares sold on the ASX on the books closing date for the relevant dividend and the 3 trading days preceding that date, less the discount). The closing date for DRP election is the 12<sup>th</sup> April 2018.</p>			
<b>Interim dividend dates</b>			
Ex dividend date			9 <sup>th</sup> April 2018
Record date			10 <sup>th</sup> April 2018
Payment date			23 <sup>rd</sup> April 2018
		<b>31 Dec 2017</b>	<b>31 Dec 2016</b>
Net tangible asset backing after tax		\$1.31	\$1.23
<p><i>This report is based on the Half-Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2017 Annual Financial Report.</i></p>			

# **CADENCE CAPITAL LIMITED**

A.B.N. 17 112 870 096

## **FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

## COMPANY PARTICULARS

### CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

**DIRECTORS:**

Karl Siegling (Chairman)  
James Chirnside  
Wayne Davies  
Ronald Hancock

**SECRETARY:**

Wayne Davies

**MANAGER OF THE FUND:**

Cadence Asset Management Pty Limited  
ABN: 68 106 551 062

**REGISTERED OFFICE:**

Level 11, 131 Macquarie Street  
Sydney, NSW 2000

**CONTACT DETAILS:**

Level 11, 131 Macquarie Street  
Sydney, NSW 2000  
Telephone: (02) 8298 2444  
Fax: (02) 8298 2499  
Email: [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)  
Website: [www.cadencecapital.com.au](http://www.cadencecapital.com.au)

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to [www.asx.com.au](http://www.asx.com.au) or call (02) 8298 2444

**PRIME BROKER AND CUSTODIAN OF THE FUND:**

Deutsche Bank AG  
Winchester House, 1 Great Winchester Street  
London EC2N 2DB

The Bank of New York Mellon  
160 Queen Victoria Street,  
London EC4V 4LA

**SHARE REGISTRAR:**

Boardroom Pty Limited  
Mail Address: GPO Box 3993  
Sydney NSW 2001  
Telephone: (02) 9290 9600  
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

**AUDITORS:**

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

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

The Directors present their report together with the condensed interim financial report of Cadence Capital Limited (the Company) for the half-year ended 31 December 2017.

### PRINCIPAL ACTIVITY

The principal activity of the Company was investing primarily in securities listed both in Australia and internationally. The Company may take short positions and may also deal in derivatives for hedging purposes. No significant changes in the nature of these activities occurred during the period.

### OPERATING RESULTS

Investment operations over the half-year resulted in an operating profit before tax of \$45,487,891 (December 2016: operating profit before tax of \$29,138,314) and an operating profit after tax of \$32,778,298 (December 2016: operating profit after tax of \$23,274,417).

### REVIEW OF OPERATIONS

For the half-year ended 31 December 2017, Cadence Capital Limited produced a positive gross performance of 15.5% compared to an increase in the All Ordinaries Accumulation Index of 9.3%. Investments are valued continuously to market value. For the half-year ended 31 December 2017, net investments were valued at \$284,087,537 (June 2017: \$205,944,588).

### FINANCIAL POSITION

The net asset value of the Company for the half-year ended 31 December 2017 was \$414,133,284 (June 2017: \$340,290,676).

### DIVIDENDS PAID OR RECOMMENDED

A fully franked interim dividend of 4.0 cents per share has been declared by the Board and will be paid on the 23<sup>rd</sup> April 2018.

Dividends paid are as follows:

	\$
Fully franked 2017 final dividend of 4.0 cents per share was paid on 18 September 2017	10,960,452
Fully franked 2017 interim dividend of 4.0 cents per share was paid on 28 April 2017	10,879,381
Fully franked 2016 final dividend of 4.0 cents per share was paid on 27 October 2016	10,811,403
Fully franked 2016 interim dividend of 5.0 cents per share was paid on 12 May 2016	13,419,163

### DIRECTORS

The names of the Directors in office at any time during or since the end of the half-year are as follows:

Karl Siegling – Chairman  
James Chirnside – Non Executive Director  
Wayne Davies – Non Executive Director  
Ronald Hancock – Non Executive Director

The Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

### AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

### ROUNDING

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

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'K. Siegling', written in a cursive style.

KARL SIEGLING Director  
Dated at Sydney this 7<sup>th</sup> day of February 2018

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CADENCE CAPITAL LIMITED  
ABN 17 112 870 096**

In relation to the independent auditor's review for the half-year ended 31 December 2017, 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 Cadence Capital Limited during the period.



C I CHANDRAN  
Partner

PITCHER PARTNERS  
Sydney

7 February 2018



# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	December 2017 \$	December 2016 \$
<b>INCOME</b>			
Net realised and unrealised gain on investments		47,438,826	25,467,656
Dividends received		7,529,287	13,207,042
Interest received		804,192	998,926
Other Income		27,860	18,566
<b>Total Income</b>		<b>55,800,165</b>	<b>39,692,190</b>
<b>EXPENSES</b>			
Management fees		(1,818,385)	(1,592,783)
Performance fees		(3,955,055)	-
Directors fees		(30,000)	(30,000)
Brokerage expenses on share purchases		(309,845)	(382,671)
Audit and taxation fees		(34,862)	(29,879)
Stock loan fees		(251,439)	(189,339)
Registry fees		(77,736)	(66,745)
Dividends on shorts		(2,487,416)	(6,843,401)
Finance costs		(1,178,972)	(1,283,198)
Legal fees		-	(3,277)
Custody fees		(53,065)	(30,687)
ASX fees		(81,195)	(68,927)
Other expenses from ordinary activities		(34,304)	(32,969)
<b>Total Expenses</b>		<b>(10,312,274)</b>	<b>(10,553,876)</b>
<b>Profit before income tax</b>		<b>45,487,891</b>	<b>29,138,314</b>
Income tax expense		(12,709,593)	(5,863,897)
<b>Profit attributable to members of the Company</b>	<b>4 (c)</b>	<b>32,778,298</b>	<b>23,274,417</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>32,778,298</b>	<b>23,274,417</b>
<b>Basic earnings per share</b>		<b>11.4 cents</b>	<b>8.6 cents</b>
<b>Diluted earnings per share</b>		<b>11.4 cents</b>	<b>8.6 cents</b>

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	December 2017 \$	June 2017 \$
<b>ASSETS</b>			
Cash and cash equivalents		185,867,906	151,961,930
Trade and other receivables		967,267	22,709,727
Financial assets	5	370,737,372	302,249,468
Current tax asset		-	1,408,760
Deferred tax asset		11,940,356	19,863,607
<b>TOTAL ASSETS</b>		<b>569,512,901</b>	<b>498,193,492</b>
<b>LIABILITIES</b>			
Cash overdrafts		61,534,802	54,242,004
Trade and other payables		7,135,708	7,355,932
Financial liabilities	5	86,649,835	96,304,880
Current tax liability		59,272	-
<b>TOTAL LIABILITIES</b>		<b>155,379,617</b>	<b>157,902,816</b>
<b>NET ASSETS</b>		<b>414,133,284</b>	<b>340,290,676</b>
<b>EQUITY</b>			
Issued capital	3	424,464,460	372,439,698
Profits reserve	4 (b)	43,505,043	21,687,197
Accumulated losses	4 (c)	(53,836,219)	(53,836,219)
<b>TOTAL EQUITY</b>		<b>414,133,284</b>	<b>340,290,676</b>

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued capital	Accumulated losses	Profits reserve	Total equity
Note	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	367,999,928	(53,836,219)	6,425,738	320,589,447
Profit for the half-year	-	23,274,417	-	23,274,417
Transfer to profits reserve	-	(23,274,417)	23,274,417	-
Other comprehensive income for the year	-	-	-	-
Shares issued via dividend reinvestment plan	2,027,290	-	-	2,027,290
Dividends paid	-	-	(10,811,403)	(10,811,403)
<b>2</b>				
<b>Balance at 31 December 2016</b>	<b>370,027,218</b>	<b>(53,836,219)</b>	<b>18,888,752</b>	<b>335,079,751</b>
<b>Balance at 1 July 2017</b>	372,439,698	(53,836,219)	21,687,197	340,290,676
Profit for the half-year	-	32,778,298	-	32,778,298
Transfer to profits reserve	-	(32,778,298)	32,778,298	-
Other comprehensive income for the year	-	-	-	-
Shares issued via dividend reinvestment plan	2,441,398	-	-	2,441,398
Shares issued via SPP and placement	50,060,598	-	-	50,060,598
Capitalised share issue cost	(681,763)	-	-	(681,763)
Deferred tax on Capitalised share issue cost	204,529	-	-	204,529
Dividends paid	-	-	(10,960,452)	(10,960,452)
<b>2</b>				
<b>Balance at 31 December 2017</b>	<b>424,464,460</b>	<b>(53,836,219)</b>	<b>43,505,043</b>	<b>414,133,284</b>

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	December 2017 \$	December 2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from the sale of investments	303,110,751	272,893,204
Payments for the purchase of investments	(317,886,315)	(172,930,777)
Dividends received	9,720,563	16,086,664
Interest received	804,192	998,926
Other income received	27,860	18,566
Management and performance fees paid	(4,157,562)	(1,424,751)
Brokerage expenses on share purchases	(309,845)	(382,671)
Dividends on shorts	(2,969,379)	(8,083,325)
Finance costs	(1,178,972)	(1,283,198)
Income tax paid	(683,781)	(497,279)
Payments for administration expenses	(724,115)	(530,345)
<b>NET CASH (USED BY)/ PROVIDED BY OPERATING ACTIVITIES</b>	<b>(14,246,603)</b>	<b>104,865,014</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issued	50,060,598	-
Share issue transaction costs	(681,763)	-
Dividends paid, net of the DRP	(8,519,054)	(8,784,112)
<b>NET CASH PROVIDED BY/ (USED BY) FINANCING ACTIVITIES</b>	<b>40,859,781</b>	<b>(8,784,112)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>	<b>26,613,178</b>	<b>96,080,902</b>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	97,719,926	(1,311,044)
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	<b>124,333,104</b>	<b>94,769,858</b>

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The condensed half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue on 7th February 2018 by the Board of Directors.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and any public announcements made by Cadence Capital Limited (“the Company”) during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs with the exception of “held for trading” financial assets and certain other financial assets and liabilities which have been measured at fair value.

#### Rounding

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

#### (b) Accounting Policies

There are no new and revised accounting requirements significantly affecting the half-year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2017 Annual Financial Report.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

#### (c) Details of Reporting Period

The current reporting period is the half-year ended 31 December 2017. For the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow, the previous corresponding period is the period ended 31 December 2016. For the Statement of Financial Position, the previous corresponding date is 30 June 2017.

#### (d) Segment Reporting

The Company has only one segment. The Company operates predominately in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its financial assets at fair value through profit or loss, however the Company has foreign exposures as it invests in companies which operate internationally.

	December 2017	December 2016
<b>2. DIVIDENDS</b>	\$	\$
<b>(a) Dividends paid during the period</b>		
4.0 cents per share final dividend fully franked paid 18 September 2017 (4.0 cents per share final dividend fully franked paid 27 October 2016).	<u>10,960,452</u>	<u>10,811,403</u>

#### (b) Dividends not recognised during the period

Since the end of the half-year the Directors have declared a fully franked interim dividend of 4.0 cents per share payable on 23<sup>rd</sup> April 2018. (2016: 4.0 cents per share interim dividend fully franked paid 28<sup>th</sup> April 2017)

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

<b>3. ISSUED CAPITAL</b>	<b>December 2017</b>	<b>June 2017</b>
<b>Paid-up Capital</b>	<b>\$</b>	<b>\$</b>
315,712,225 shares fully paid (June 2017: 274,011,321)	427,360,889	374,858,893
Share issue transaction costs	(4,137,756)	(3,455,993)
Deferred tax asset on share issue transaction costs	1,241,327	1,036,798
	<u><b>424,464,460</b></u>	<u><b>372,439,698</b></u>

### 4. MOVEMENTS IN EQUITY

#### (a) Movement in ordinary share capital December 2017

<b>Date</b>	<b>Details of issue</b>	<b>Share Price \$</b>	<b>No. of Shares</b>	<b>Issue value \$</b>
Balance at the beginning of the period			<b>274,011,321</b>	<b>374,858,893</b>
18 September 2017	DRP	\$1.25929	1,938,714	2,441,398
3 November 2017	SPP	\$1.25900	14,131,997	17,792,184
10 November 2017	Placement	\$1.25900	25,630,193	32,268,414
<b>At reporting date</b>			<u><b>315,712,225</b></u>	<u><b>427,360,889</b></u>

#### June 2017

<b>Date</b>	<b>Details of issue</b>	<b>Share Price \$</b>	<b>No. of Shares</b>	<b>Issue value \$</b>
Balance at the beginning of the period			<b>270,285,076</b>	<b>370,419,123</b>
27 October 2016	DRP	\$1.19290	1,699,462	2,027,291
28 April 2017	DRP	\$1.19030	2,026,783	2,412,479
			<u><b>274,011,321</b></u>	<u><b>374,858,893</b></u>

#### (b) Profits reserve

	<b>December 2017</b>	<b>June 2017</b>
Opening balance	21,687,197	6,425,738
Transfer from retained earnings	32,778,298	36,952,243
Dividends paid	(10,960,452)	(21,690,784)
	<u><b>43,505,043</b></u>	<u><b>21,687,197</b></u>

A Profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

	<b>December 2017</b>	<b>June 2017</b>
<b>(c) Movement in Accumulated losses</b>	<b>\$</b>	<b>\$</b>
Opening balance	(53,836,219)	(53,836,219)
Profit attributable to members of the Company	32,778,298	36,952,243
Transfer to profits reserve	(32,778,298)	(36,952,243)
	<u><b>(53,836,219)</b></u>	<u><b>(53,836,219)</b></u>

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

### 5. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

In valuing unlisted investments, included in Level 2 of the hierarchy, valuation techniques such as those using comparisons to similar investments for which market observable prices are available or the last sale price have been adopted to determine the fair value of these investments.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2017:

<b>31 December 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial assets	370,225,497	511,875	-	370,737,372
Financial liabilities	(86,649,835)	-	-	(86,649,835)
<b>Total</b>	<b>283,575,662</b>	<b>511,875</b>	<b>-</b>	<b>284,087,537</b>

<b>30 June 2017</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial assets	301,879,346	370,122	-	302,249,468
Financial liabilities	(96,304,880)	-	-	(96,304,880)
<b>Total</b>	<b>205,574,466</b>	<b>370,122</b>	<b>-</b>	<b>205,944,588</b>

### 6. EVENTS SUBSEQUENT TO REPORTING DATE

The Board declared a 4.0 cents fully franked interim dividend per share on 7<sup>th</sup> February 2018 payable on 23<sup>rd</sup> April 2018. The Ex Date for the dividend is 9<sup>th</sup> April 2018.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

### 7. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments for placements entered into before 31 December 2017 which settle after this date. There were no contingent liabilities as at 31 December 2017. (June 2017: Capital commitments of \$291,600 and nil contingent liabilities).

# CADENCE CAPITAL LIMITED

ABN: 17 112 870 096

## DIRECTORS' DECLARATION

The Directors of Cadence Capital Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 13, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



K. SIEGLING  
Director

Dated at Sydney this 7<sup>th</sup> day of February 2018



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF CADENCE CAPITAL LIMITED  
ABN 17 112 870 096**

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

We have reviewed the accompanying half-year financial report of Cadence Capital Limited ("the company"), which comprises the statement of financial position as at 31 December 2017, statement of comprehensive income, statement of changes in equity and statement of cash flow for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

**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 *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 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 Cadence Capital 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 Cadence Capital 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 2017 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



PITCHER PARTNERS  
Sydney

7 February 2018