

# FORM: Half yearly/preliminary final report

Name of issuer

Hamilton Securities Limited

ACN or ARBN

138 270 201

Half yearly  
(tick)

✓

Preliminary  
final (tick)

Half year/financial year ended  
(‘Current period’)

31<sup>st</sup> December 2017

## For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Operating Revenue (item 1.1)	Down	3%	To	12,403
Operating Profit (loss) before abnormal items and tax	Down	51%	To	(38,636)
Operating Profit (loss) for the period after tax but before minority equity interests (item 1.9)	Up	17%	To	(69,220)
Profit (loss) for the period attributable to security holders (item 1.11)	Up	17%	To	(69,220)
Income Distributions		Current period		Previous corresponding period
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

**Annual meeting**

*(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available


**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.

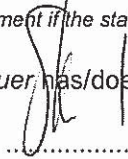
3. This statement does/does not\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).

4. This statement is based on financial statements to which one of the following applies:

- The financial statements have been audited.       The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- The financial statements are in the process of being audited or subject to review.       The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer has/does not have\* (*delete one*) a formally constituted audit committee.

Sign here:  .....

(Director)

Date: 13/3/2018

Print name: Steven Peter

**HAMILTON SECURITIES LIMITED**

ABN 59 138 270 201

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

## Hamilton Securities Limited

ABN 59 138 270 201

### Interim Financial Report

#### DIRECTORS' REPORT

Your directors submit the financial report of the company for the half-year ended 31 December 2017. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

##### Directors

The directors who held office during or since the end of the half-year are:

Steven Shane Pritchard

Giles Cameron Craig

Frederick Raymond Woollard

Gordon Bradley Elkington

##### Review of Operations

The company incurred a net loss after tax for the half-year ended 31 December 2017 of \$69,220.

As at 31 December 2017 the company held \$310,831 in cash and had no borrowings.

During 2017, the board decided that Hamilton's previous strategy was no longer optimal, and that the best course for shareholders was to wind up the company. Before we could do this, we needed to remove all the options. We hoped that if we made a generous offer to option holders then all option holders would accept.

The company bought back almost all of its options for \$0.08 per option, or \$128,326 in total. However some options remained outstanding, making it difficult to wind up the company.

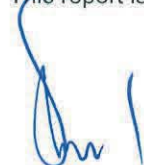
We then decided to repay most of Hamilton's cash to shareholders by making a capital repayment of \$0.90 per share or \$1,924,947.90 in total. This was paid in December.

Since then, we have been considering various options for Hamilton's future. We will make an announcement once a decision has been made.

##### Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act* for the half-year ended 31 December 2017 is set out on page 2.

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



Steven Pritchard

Director

12 March 2018

## HAMILTON SECURITIES LIMITED

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

I am pleased to provide the following declaration of independence to the directors of Hamilton Securities Limited.

As lead audit partner for the review of the financial statements of Hamilton Securities Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



PKF



MARTIN MATTHEWS  
PARTNER

12 MARCH 2018  
NEWCASTLE, NSW

**PKF(NS) Audit & Assurance Limited Partnership** Sydney

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approved under Professional  
Standards Legislation

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# Hamilton Securities Limited

ABN 59 138 270 201

## Interim Financial Report

### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31.12.2017	31.12.2016
		\$	\$
Income from deposits	2	12,403	12,724
<b>Total income from ordinary activities</b>		<b>12,403</b>	<b>12,724</b>
Share of net loss of equity accounted investment		-	(11,163)
Administration expenses		(51,039)	(41,272)
Directors fees		-	(40,000)
<b>Operating loss before income tax</b>		<b>(38,636)</b>	<b>(79,711)</b>
Income tax (expense)/ benefit relating to ordinary activities		(30,584)	20,564
<b>Loss attributable to members of the company</b>		<b>(69,220)</b>	<b>(59,147)</b>
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<b>(69,220)</b>	<b>(59,147)</b>
<b>Overall Operations</b>			
Basic earnings per share (cents)		(3.24)	(2.71)
Diluted earnings per share (cents)		(3.24)	(2.71)

The accompanying notes form part of these condensed financial statements.

# Hamilton Securities Limited

ABN 59 138 270 201

## Interim Financial Report

### CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	31.12.2017	30.06.2017
		\$	\$
<b>ASSETS</b>			
Cash and cash equivalents		310,831	2,358,089
Trade and other receivables		2,545	1,086
Deferred tax asset		-	30,584
<b>TOTAL ASSETS</b>		<b>313,376</b>	<b>2,389,759</b>
<b>LIABILITIES</b>			
Trade and other payables		49,101	25,827
<b>TOTAL LIABILITIES</b>		<b>49,101</b>	<b>25,827</b>
<b>NET ASSETS</b>		<b>264,275</b>	<b>2,363,932</b>
<b>EQUITY</b>			
Issued capital	3	272,835	2,303,272
Retained earnings		(8,560)	60,660
<b>TOTAL EQUITY</b>		<b>264,275</b>	<b>2,363,932</b>

The accompanying notes form part of these condensed financial statements.

**Hamilton Securities Limited**

**ABN 59 138 270 201**

**Interim Financial Report**

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

	Issued capital	Retained earnings/ (accumulated losses)	Total
	\$	\$	\$
<b>Balance at 01.07.2016</b>	<b>2,388,243</b>	<b>(79,059)</b>	<b>2,309,184</b>
Loss for the period	-	(59,147)	(59,147)
Other comprehensive income for the year (net of tax)	-	-	-
Total comprehensive income for the period	-	(59,147)	(59,147)
Shares issued during the year	13,187		
Shares bought back	(58,806)	-	(58,806)
<b>Balance at 31.12.2016</b>	<b>2,344,624</b>	<b>(138,206)</b>	<b>2,206,418</b>
<b>Balance at 01.07.2017</b>	<b>2,303,272</b>	<b>60,660</b>	<b>2,363,932</b>
Loss for the period	-	(69,220)	(69,220)
Other comprehensive income for the year (net of tax)	-	-	-
Total comprehensive income for the period	-	(69,220)	(69,220)
Return of capital to shareholders	(1,924,948)	-	(1,924,948)
Options bought back during the period	(105,489)	-	(105,489)
<b>Balance at 31.12.2017</b>	<b>272,835</b>	<b>(8,560)</b>	<b>264,275</b>

The accompanying notes form part of these condensed financial statements.



**Hamilton Securities Limited**  
**ABN 59 138 270 201**  
**Interim Financial Report**

**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31.12.2017	31.12.2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		12,423	12,724
Other receipts		2,011	3,394
		<u>14,434</u>	<u>16,118</u>
Administration expenses		(27,157)	(49,202)
Bank charges		(130)	(130)
<b>Net cash used in operating activities</b>		<b><u>(12,853)</u></b>	<b><u>(33,214)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the capital reduction of financial assets		-	-
Purchases to acquire financial assets		-	-
<b>Net cash provided by investing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares		-	13,187
Payment for buy back of options		(109,457)	(56,807)
Payment of return of capital		(1,924,948)	-
<b>Net cash used in financing activities</b>		<b><u>(2,034,405)</u></b>	<b><u>(43,620)</u></b>
Net decrease in cash held		(2,047,258)	(76,834)
Cash at beginning of period		2,358,089	1,862,542
<b>Cash at end of period</b>		<b><u>310,831</u></b>	<b><u>1,785,708</u></b>

The accompanying notes form part of these condensed financial statements.

## Hamilton Securities Limited

ABN 59 138 270 201

### Interim Financial Report

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

##### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

###### Basis of Preparation of the Condensed Financial Statements

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standard *AASB 134: Interim Financial Reporting*, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards *IAS 34 Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and must be read in conjunction with the most recent annual financial report.

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The company has not applied any Australian Accounting Standards or AASB interpretations that have been issued at balance date but are not yet operative for the half year ended 31 December 2017 ("the inoperative standards"). The impact of the inoperative standards has been assessed and has been identified as not being material. The company only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the company's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The company does not intend to adopt any of these pronouncements before their effective dates.

**Hamilton Securities Limited**

**ABN 59 138 270 201**

**Interim Financial Report**

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

	31.12.2017	31.12.2016
	\$	\$
<b>NOTE 2: REVENUE</b>		
<b>Income from deposits</b>		
Deposit income	12,403	12,724
<b>Total income from deposits</b>	<b>12,403</b>	<b>12,724</b>
<b>Total revenue</b>	<b>12,403</b>	<b>12,724</b>

**NOTE 3: ISSUED CAPITAL**

Movements in issued capital of the company during the half year were as follows:

**Shares**

Date	Details	Ordinary Shares	Purchase Price	Issued Capital
			\$	\$
01.07.2017	Opening balance	2,138,831	Various	2,326,687
15.12.2017	Return of capital	-	0.90	(1,924,948)
31.12.2017	Balance	<u>2,138,831</u>		<u>401,739</u>

All ordinary shares rank equally *inter se* for all purposes of participation in profits or capital of the company.

Ordinary shares confer on their holder the right to receive notices, reports and accounts and to attend and speak and vote at general meetings of the company.

**Options**

As at 1 July 2017 the company had on issue 1,333,900 B class options, each of which entitled the holder to the issue of one share upon payment of \$1.00 at any time up to 30 November 2019.

During the half year ended 31 December 2017 the company bought back 1,301,629 of these options at 8 cents each, leaving a balance of 32,271 options.

On 21 December 2017 the company implemented an equal capital reduction by returning 90 cents per ordinary share to each shareholder as recorded at 7:00pm on 6 December 2017. As a result of the capital reduction the exercise price of each B class option was adjusted from \$1.00 to \$0.10.

Date	Details		Purchase Price	Issued Capital
			\$	\$
01.07.2017	Opening balance	1,333,900	Various	(23,415)
Various	Buy back of options	<u>(1,301,629)</u>		<u>(105,489)</u>
31.12.2017	Balance	<u>32,271</u>	-	<u>(128,904)</u>

# Hamilton Securities Limited

ABN 59 138 270 201

## Interim Financial Report

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

<b>NOTE 4: EARNINGS PER SHARE</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per share	2,138,831	2,185,280
Weighted average number of options outstanding	214,940	1,624,349
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted earnings per share	2,138,831	2,185,280
<b>Basic and diluted earnings per share</b>	<b>\$</b>	<b>\$</b>
Loss attributable to members of the company	(69,220)	(59,147)
	Cents	Cents
Basic earnings per share	(3.24)	(2.71)
Diluted earnings per share	(3.24)	(2.71)

#### NOTE 5: SEGMENT REPORTING

##### (a) Description of segments

The Board makes the strategic resource allocations for the company. The company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the company's performance is evaluated on an overall basis.

The company invests in distressed debt securities and other instruments for the purpose of providing shareholders with attractive investment returns.

##### (b) Segment information provided to the Board

The internal reporting provided to the Board for the company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards.

The Board considers the company's net asset backing per share after tax to be a key measure of the company's performance.

	<b>Cents</b>	<b>Cents</b>
Net asset backing per share	12.35	102.29

# Hamilton Securities Limited

ABN 59 138 270 201

## Interim Financial Report

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

	31.12.2017	31.12.2016
	\$	\$
<b>NOTE 6: RELATED PARTY TRANSACTIONS</b>		
Transactions with related parties:		
— Fees paid to Rees Pritchard Pty. Limited for accounting and company secretarial services	20,113	11,502
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Rees Pritchard Pty Limited.		
— Fees paid to Newcastle Capital Markets Registries Pty Limited for share registry services	4,363	4,444
Steven Pritchard is interested in the above transactions as a director and a beneficial shareholder of Newcastle Capital Markets Registries Pty Limited.		

Transactions with related parties are on normal commercial terms and conditions no less favourable than those available to other parties.

#### NOTE 7: DIRECTORS AND EXECUTIVES DISCLOSURE

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

#### NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2017 to the date of this report there has been no event specific to the company of which the directors are aware which has had a material effect on the company or its financial position.

#### NOTE 9: COMPANY DETAILS

The registered office of the company is:

10 Murray Street

Hamilton NSW 2303

**Hamilton Securities Limited**

**ABN 59 138 270 201**

**Interim Financial Report**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes set out on pages 3 to 10:
  - a. comply with Accounting Standards and the Corporations Regulations; and
  - b. give 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.
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.

This declaration is made in accordance with a resolution of the Board of Directors in accordance with section 303(5) of the *Corporations Act 2001*.



Steven Shane Pritchard

12 March 2018

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HAMILTON SECURITIES LIMITED

### Report on the Half-Year Financial Report

#### Conclusion

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

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 Hamilton Securities 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 2017, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence 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 the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year 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 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 Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Hamilton Securities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

#### PKF(NS) Audit & Assurance Limited Partnership

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### Auditor's Responsibility (cont'd)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



MARTIN MATTHEWS  
PARTNER

12 MARCH 2018  
NEWCASTLE, NSW