

# DAWNEY & Co LTD

ACN 138 270201

Interim Financial Report  
For the Half-Year Ended 31 December 2022

*DAWNEY & CO LIMITED*

*A.C.N. 138 270 201*

*INTERIM FINANCIAL REPORT*

*FOR THE HALF-YEAR ENDED 31 DECEMBER 2022*

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The information contained in this report is to be read in conjunction with Dawney & Co Limited's 2022 annual report and any announcements to the market by Dawney & Co Limited during the half-year period ended 31 December 2022.

DAWNEY & CO LIMITED

A.C.N. 138 270 201

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## DIRECTORS' REPORT

Your directors present their report on the company for the half-year ended 31 December 2022.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of each person who has been a director during the period and to the date of this report are:

- Kerry John Daly
- Mitchell David Dawney
- Giles Cameron Craig

### Review of operations

The company made a loss after tax of \$257,121 for the half-year ended 31 December 2022.

The main contributor to the loss, was Jindalee Resources which was down 37% over the half.

On 12 December 2022, DWY (No. 1) Pty Ltd, a wholly owned subsidiary of the company, announced the intention to make a takeover offer for all of the ordinary shares in ICSGlobal Ltd for 20 cents per share. Prior to the announcement, the company owned 281,012 ICS shares. These initial shares were held in prior periods at 35c, however, upon announcing the offer, we revised the value of this holding to the bid price of 20 cents per share.

There is a tax liability of \$170,884 included in current liabilities.

The board continues to review investment opportunities.

As at 31 December 2022 the company held \$1,591,310 in cash and securities with a market value of \$3,170,934. The company had no borrowings.

Holdings of note at 31 December 2022:

<b>Ticker</b>	<b>No. of Units</b>	<b>Market Value (\$)</b>
BHD.AX	2,907,892	668,815
BRB.AX	1,500,000	480,000
CZR.AX	2,058,105	432,202
JRL.AX	200,000	377,000
AIS.AX	571,429	322,857
FND.AX/FNDOB.AX	375,000	241,875

These holdings represent approximately 80% of the total holdings of the company.

### Auditor's Independence Declaration

The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the half-year ended 31 December 2022 is set out on page 3.

Signed in accordance with a resolution of the board of directors.

M. D. Dawney

Director

17 February 2023

## DAWNEY & CO 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 Dawney & Co Limited.

As lead audit partner for the review of the financial statements of Dawney & Co Limited for the half-year ended 31 December 2022, 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

17 FEBRUARY 2023  
NEWCASTLE, NSW

DAWNEY & CO LIMITED

A.C.N. 138 270 201

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31/12/2022 \$	Half-year ended 31/12/2021 \$
Interest Received	-	-
Dividends / Distributions Received	-	349,633
Realised and unrealised investment gains/(losses)	(172,181)	252,238
<b>Total (loss) income from ordinary activities</b>	<b>(172,181)</b>	<b>601,871</b>
Administration expenses	(97,085)	(81,450)
Non-executive directors' fees	(30,000)	(30,000)
Executive director's remuneration	(69,063)	(68,750)
<b>Operating (loss)/profit before income tax</b>	<b>(368,329)</b>	<b>421,671</b>
Income tax benefit (expense) relating to ordinary activities	111,208	(120,455)
<b>(Loss)/profit attributable to members of the company</b>	<b>(257,121)</b>	<b>301,216</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(257,121)</b>	<b>301,216</b>
<b>Overall operations</b>		
Basic earnings per share (cents per share)	(1.07)	1.56
Diluted earnings per share (cents per share)	(1.07)	1.56

The accompanying notes form part of these financial statements.

DAWNEY & CO LIMITED

A.C.N. 138 270 201

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	31/12/2022 \$	30/06/2022 \$
<b>ASSETS</b>			
Cash and cash equivalents		1,591,310	2,114,636
Financial assets at fair value through profit and loss		3,170,934	3,012,745
Deferred tax asset		64,032	-
<b>TOTAL ASSETS</b>		<b><u>4,826,276</u></b>	<b><u>5,127,381</u></b>
<b>LIABILITIES</b>			
Trade and other payables		14,911	18,056
Deferred tax liability		-	47,175
Current tax liability		170,884	170,884
<b>TOTAL LIABILITIES</b>		<b><u>185,795</u></b>	<b><u>236,115</u></b>
<b>NET ASSETS</b>		<b><u>4,640,481</u></b>	<b><u>4,891,266</u></b>
<b>EQUITY</b>			
Issued capital	2	4,127,024	4,120,688
Retained earnings		513,457	770,578
<b>TOTAL EQUITY</b>		<b><u>4,640,481</u></b>	<b><u>4,891,266</u></b>

The accompanying notes form part of these financial statements.

DAWNEY & CO LIMITED

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INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Retained Earnings	Total
	\$	\$	\$
<b>Balance as at 01/07/2021</b>	<b>3,172,854</b>	<b>595,514</b>	<b>3,768,368</b>
Profit for the period	-	301,216	301,216
Shares issued – directors' fees	30,000	-	30,000
<b>Balance as at 31/12/2021</b>	<b>3,202,854</b>	<b>896,730</b>	<b>4,099,584</b>
<b>Balance as at 01/07/2022</b>	<b>4,120,688</b>	<b>770,578</b>	<b>4,891,266</b>
Profit (loss) for the period	-	(257,121)	(257,121)
Shares issued – directors' fees	30,000	-	30,000
Shares bought back	(23,664)	-	(23,664)
<b>Balance as at 31/12/2022</b>	<b>4,127,024</b>	<b>513,457</b>	<b>4,640,481</b>

DAWNEY & CO LIMITED

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INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31/12/2022 \$	Half-year ended 31/12/2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received	-	349,633
Bank charges	(157)	(68)
Employment costs	(68,906)	(146,777)
Professional fees	(35,585)	(38,995)
Payments to suppliers	(64,644)	(41,796)
Net cash provided by / (used in) operating activities	<u>(169,292)</u>	<u>121,997</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets	345,293	3,245,882
Payments made for purchase of financial assets	(675,663)	(2,506,687)
Net cash provided by / (used in) investing activities	<u>(330,370)</u>	<u>739,195</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments made for share buy back	(18,617)	-
Share buy back costs	(5,047)	-
Net cash provided by / (used in) financing activities	<u>(23,664)</u>	<u>-</u>
Net increase / (decrease) in cash held	(523,326)	861,192
Cash at beginning of period	2,114,636	300,743
<b>Cash at end of period</b>	<b><u>1,591,310</u></b>	<b><u>1,161,934</u></b>



DAWNEY & CO LIMITED

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INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A) Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with the Corporations Act 2001 and AABS 134: Interim Financial Reporting. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards, Accounting Standards and Interpretations and comply with other requirements of the law.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Dawney & Co Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2022, together with any public announcements made during the following half-year.

The financial statements were authorised for issue by the directors on 17 February 2023.

#### B) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

#### C) New and Amended Standards Adopted by the company

There were no new standards, interpretations or amendments to existing accounting standards that had a material effect on the company's accounting policies.

### NOTE 2: ISSUED CAPITAL

#### Issued Capital

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

Date	Details	Ordinary shares	Price \$	Issued Capital \$
01/07/2022	Opening Balance	<b>24,020,182</b>	Average 0.17	<b>4,120,688</b>
13/09/2022	Buy Back of Shares	(95,470)	0.195	(23,664)
02/11/2022	Shares issued	73,171	0.20	15,000
02/11/2022	Shares issued	73,171	0.20	15,000
<b>31/12/2022</b>	<b>Closing Balance</b>	<b>24,071,054</b>		<b>4,127,024</b>

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.

DAWNEY & CO LIMITED

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INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

NOTE 3: EARNINGS PER SHARE

	Half-year ended 31/12/2022 Number	Half-year ended 31/12/2021 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	23,999,582	19,281,374
Weighted average number of options outstanding	-	-
Weighted average number of ordinary shares used in calculation of dilutive earnings per share	23,999,582	19,281,374
	<b>\$</b>	<b>\$</b>
(Loss)/profit attributable to members of the company	(257,121)	301,216
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.07)	1.56
Diluted earnings per share	(1.07)	1.56

NOTE 4: 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 cash and securities for the purpose of providing shareholders with attractive risk-adjusted 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.

	Half-year ended 31/12/2022 Cents	Half-year ended 31/12/2021 Cents
<b>Net asset backing per share</b>	<b>19.28</b>	<b>21.14</b>

(c) Other Segment Information

The company is domiciled in Australia and all the company's income is derived from Australian entities.

NOTE 5: RELATED PARTY TRANSACTIONS

There were no related party transactions during the half year to 31 December 2022.

NOTE 6: DIRECTORS AND EXECUTIVES DISCLOSURE

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

NOTE 7: SUBSEQUENT EVENTS

On 25 January 2023, DWY (No. 1) Pty Ltd, a wholly owned subsidiary of Dawney & Co Ltd, increased the takeover offer for all of the ordinary shares in ICSGlobal Ltd to 21 cents per share, and extended the offer period to 28 February 2023.

DAWNEY & CO LIMITED

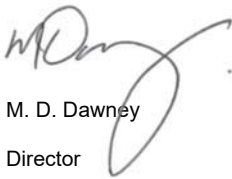
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INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Dawney & Co Limited, the directors of the company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the company's financial position as at 31 December 2022 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.



M. D. Dawney

Director

17 February 2023

# INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DAWNEY & CO LIMITED

## Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Dawney & Co Limited (the company), which comprises the statement of financial position as at 31 December 2022, 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 Dawney & Co 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 2022, 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 2019 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 Dawney & Co Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

## 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

17 FEBRUARY 2023  
NEWCASTLE, NSW

DAWNEY & CO LIMITED

A.C.N. 138 270 201

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## CORPORATE DIRECTORY

<b>Directors</b>	- Giles Craig Kerry Daly Mitchell Dawney
<b>Company Secretary</b>	- Kerry Daly Mitchell Dawney
<b>Registered Office</b>	- C/- Hopgood Ganim Lawyers Level 8, 1 Eagle Street BRISBANE QLD 4000 Telephone 07 3024 0000 Facsimile 07 3024 0300
<b>Business Office</b>	- C/- Hopgood Ganim Lawyers Level 8, 1 Eagle Street BRISBANE QLD 4000 Telephone 07 3024 0000 Facsimile 07 3024 0300
<b>Share Registry</b>	- Automic Level 5, 126 Phillip Street SYDNEY NSW 2000 Telephone 02 9698 5414
<b>Stockbroker</b>	- Ord Minnett Limited Level 8, 225 George Street SYDNEY NSW 2001 Telephone 02 8216 6300 Facsimile 02 8216 6311
<b>Auditor</b>	- PKF Newcastle 755 Hunter Street NEWCASTLE WEST NSW 2302 Telephone 02 4962 2688 Facsimile 02 4962 3245