



**GARDA CAPITAL LIMITED**

ABN: 53 095 039 366

**AND ITS CONTROLLED ENTITIES**

**AND GARDA CAPITAL TRUST**

ABN 56 468 615 248

**CONSOLIDATED INTERIM FINANCIAL REPORT**  
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by GARDA Capital Limited and GARDA Capital Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Releases, financial reports and other information are available on our website: [www.gardacapital.com.au](http://www.gardacapital.com.au)

The financial statements were approved by the Board of Directors on 21 February 2017.

# 01

## DIRECTORS' REPORT

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The Directors of GARDA Capital Limited (**GCL** or the **Company**) and GARDA Funds Management Limited, the responsible entity of GARDA Capital Trust, present their report together with the consolidated financial statements and the auditor's review report thereon for the half year ended 31 December 2016 of both:

- GARDA Capital Limited and its controlled entities and GARDA Capital Trust (**GARDA Capital Group** or **Group**); and
- GARDA Capital Trust (the **Trust**).

GARDA Capital Limited has been deemed the parent entity of GARDA Capital Trust under Australian Accounting Standards and this financial report is prepared on this basis.

### DIRECTORS

The following persons were directors of GARDA Capital Limited during the half year and up to the date of this report:

<b>MR DAVID USASZ</b>	Independent Chairman (resigned 31 January 2017)
<b>MR MATTHEW MADSEN</b>	Executive Chairman and Managing Director
<b>MR MARK HALLETT</b>	Non-Executive Director
<b>MR PHILIP LEE</b>	Non-Executive Director
<b>MR LEYLAN NEEP</b>	Executive Director

Mr Madsen, the Managing Director of the Group, was appointed as Executive Chairman following the resignation of Mr Usasz on 31 January 2017.

### PRINCIPAL ACTIVITIES

The GARDA Capital Group is an integrated real estate business comprising funds management, real estate debt advisory and property investment.

GARDA Capital Limited is the responsible entity of the ASX listed GARDA Diversified Property Fund (GDF), while other Group entities undertake the related real estate management and leasing for this portfolio. A Group subsidiary, GARDA Funds Management Limited, is the responsible entity of GARDA Capital Trust which is a registered managed investment scheme and is the primary investment vehicle for the GARDA Capital Group. GARDA Capital Trust currently holds a substantial investment of 10 million units in GDF (9% of issued units).

GARDA Finance Pty Ltd is the Group's debt advisory business, which provides intermediary services to borrowers, and arranges commercial real estate debt facilities for both investors and developers.

GARDA Property Finance Pty Ltd is the vehicle in which the GARDA Capital Group currently invests into real estate via debt positions with third parties.

There were no changes in the nature of the Group's activities during the financial period except as stated below in the 'Significant Changes in the State of Affairs' section.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Following the successful capital raising as part of the Group's initial public offering (IPO) on 13 July 2016, GARDA Capital Group was admitted to the official list of the Australian Securities Exchange (ASX) and on 14 July 2016, GARDA Capital Group began trading on the ASX. The listed GARDA Capital Group is a stapled security structure comprising GARDA Capital Limited and the GARDA Capital Trust, and their respective subsidiaries. One unit in GARDA Capital Trust is stapled to one share in GARDA Capital Limited and they cannot be traded separately. Each entity forming part of the GARDA Capital Group continues as a separate legal entity in its own right under the *Corporations Act 2001*.

As part of the IPO and Group restructure, GARDA Capital Group issued 16,030,000 stapled securities at an offer price of \$1.00 per stapled security. The market capitalisation of the GARDA Capital Group at the offer price of \$1.00 was \$24,030,000. All steps as part of the Group's restructure were completed by 19 July 2016, which included using \$2,430,000 of funds raised under the IPO to repay debt.

Further to this, on 20 July 2016, \$500,000 of Group debt was repaid from working capital. The only Group debt remaining is the capital adequacy loan of approximately \$2,000,000 which is subject to ASIC deed of subordination.

## DIRECTORS' REPORT (continued)

### REVIEW AND RESULTS OF OPERATIONS

The performance of the GARDA Capital Group for the half year, as represented by the results of operations, was as follows:

	GARDA CAPITAL GROUP CONSOLIDATED		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
Revenue and other income	<b>2,551,234</b>	2,904,481	<b>635,615</b>	-
Net profit before tax	<b>834,194</b>	151,095	<b>482,521</b>	-
Net profit after tax	<b>1,410,016</b>	123,598	<b>482,521</b>	-

The key financial and operating highlights and achievements for the half year ended 31 December 2016 include:

- Net profit after tax of \$1,410,016, an increase of \$1,286,418 from the prior half year;
- Earnings per stapled security of 6.1 cents;
- Increase in market capitalisation to \$24,030,000 following the Group's IPO;
- Increase in assets under management (AUM) to \$183,000,000 representing a 19% increase in AUM from 30 June 2016;
- Strong underlying investment returns from the Group's co-investment in GDF (9% of issued units);
- Completion of a private placement for GDF of \$20,000,000 at an 8% premium to the 5 day VWAP, increasing its market capitalisation to approximately \$120,000,000; and
- Repayment to the Group of a \$2,000,000 junior debt investment in August 2016, and the subsequent redeployment of lending capital through a new loan facility of \$1,580,000 in January 2017.

### GARDA CAPITAL GROUP

Revenue and other income of the Group for the half year ended 31 December 2016 was \$2,551,234 which is a decrease of \$353,247 compared to \$2,904,481 in prior period.

The net profit after tax of the Group for the half year ended 31 December 2016 was \$1,410,016 which is an increase of \$1,286,418 compared to \$123,598 in prior year. Profit before tax of \$834,194 was an increase of \$683,099 from the prior period, largely due to a decline in interest costs as a result of the conversion of \$9,350,000 Group loans and repayment of a \$2,430,000 shareholder loan in July 2016 following the completion of the restructure and listing of GARDA Capital Group.

The net asset position as at 31 December 2016 was \$17,597,031 which is an increase of \$16,407,238 compared to \$1,189,793 as at 30 June 2016. The increase is a result of the restructure and listing of GARDA Capital Group in July 2016 whereby an issue of 16,030,000 of stapled securities was made at an offer price of \$1.00.

### GARDA CAPITAL TRUST

The Trust commenced operations in July 2016 as part of the Group restructure and listing on the ASX. The primary income of the Trust are the distributions it receives from its co-investment in GDF. Distribution income of the Trust for the half year ended 31 December 2016 was \$470,222. Other income of the Trust comprises mark to market adjustments of its investments in GDF of \$150,077. Expenses of the Trust are primarily recharges by GARDA Capital Limited for IPO expenses, and other operating expenses.

The following distributions were paid/payable by the Trust during the period:

	DATE PAID / PAYABLE	CENTS PER SECURITY	AMOUNT PAID / PAYABLE
September 2016 Quarter	24 October 2016	0.978	\$235,013
December 2016 Quarter	31 January 2017	0.978	\$235,013

## DIRECTORS' REPORT (continued)

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### SUBSEQUENT EVENTS

On 19 January 2017, GARDA Property Finance Pty Ltd provided a debt facility of \$1,580,000 to an external party and on 20 January 2017, advanced the first tranche of \$760,000 for a term of 12 months. The funds were deployed from capital which was repaid to the Group in August 2016 from a prior debt investment.

There are no other significant matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

### 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 6.

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'M. B. Madsen', enclosed within a hand-drawn oval. A horizontal line extends from the right side of the oval.

**Mr Matthew Madsen**

Executive Chairman

21 February 2017

# 02

## AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
[www.bdo.com.au](http://www.bdo.com.au)

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

### DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF GARDA CAPITAL LIMITED AND THE DIRECTORS OF GARDA FUNDS MANAGEMENT LIMITED AS RESPONSIBLE ENTITY OF GARDA CAPITAL TRUST

As lead auditor for the review of GARDA Capital Group for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of GARDA Capital Group which comprises both GARDA Capital Limited and the entities it controlled during the half-year and GARDA Capital Trust and the entities it controlled during the half year.

A handwritten signature in black ink, appearing to read 'T R Mann', is written over a thin horizontal line.

**T R Mann**  
Director

**BDO Audit Pty Ltd**

Brisbane, 21 February 2017

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# 03

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	NOTES	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
		31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
Revenue	3(a)	<b>2,201,069</b>	2,392,925	<b>485,539</b>	-
Other income	3(b)	<b>350,165</b>	511,556	<b>150,077</b>	-
Employee benefits expense		<b>(663,898)</b>	(598,430)	-	-
Professional costs		<b>(432,872)</b>	(427,252)	<b>(132,920)</b>	-
Facilities management costs		<b>(65,353)</b>	(107,040)	-	-
Depreciation		<b>(8,514)</b>	(8,805)	-	-
Amortisation of intangibles		<b>(46,384)</b>	(49,151)	-	-
Insurance		<b>(63,725)</b>	(64,219)	<b>(5,000)</b>	-
Occupancy costs		<b>(130,799)</b>	(121,321)	-	-
Finance costs	4	<b>(171,519)</b>	(677,782)	-	-
Net loss on fair value of financial assets		-	(534,763)	-	-
Other expenses		<b>(133,976)</b>	(164,623)	<b>(15,175)</b>	-
<b>Profit before income tax</b>		<b>834,194</b>	151,095	<b>482,521</b>	-
Income tax benefit (expense)	5	<b>575,822</b>	(27,497)	-	-
<b>Profit after income tax for the half year</b>		<b>1,410,016</b>	123,598	<b>482,521</b>	-
Other comprehensive income for the half year, net of tax		-	-	-	-
<b>Total comprehensive income for the half year</b>		<b>1,410,016</b>	123,598	<b>482,521</b>	-

#### **Total profit and other comprehensive income for the half year attributable to:**

Members of GARDA Capital Limited		<b>779,627</b>	123,598	-	-
Unitholders of GARDA Capital Trust		<b>630,389</b>	-	<b>482,521</b>	-
<b>Profit and total comprehensive income for the half year</b>		<b>1,410,016</b>	123,598	<b>482,521</b>	-

#### **Earnings per stapled security:**

Basic and diluted earnings per stapled security (cents)	6	<b>6.1</b>	6.3	<b>n/a</b>	n/a
Basic and diluted earnings per unit (cents)	6	<b>n/a</b>	n/a	<b>2.1</b>	-

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# 04

## STATEMENTS OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2016

	NOTES	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
		31 DECEMBER 2016 \$	30 JUNE 2016 \$	31 DECEMBER 2016 \$	30 JUNE 2016 \$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	6,511,480	1,678,525	2,766,515	-
Trade and other receivables		817,610	2,844,006	235,111	-
<b>Total current assets</b>		<b>7,329,090</b>	<b>4,522,531</b>	<b>3,001,626</b>	<b>-</b>
<b>Non current assets</b>					
Property, plant and equipment		42,039	35,585	-	-
Financial assets	9	10,604,993	10,254,828	10,604,993	-
Investment properties	8	1,201,000	1,201,000	-	-
Intangible assets		691,823	738,207	-	-
Deferred tax asset		483,416	-	-	-
<b>Total non current assets</b>		<b>13,023,271</b>	<b>12,229,620</b>	<b>10,604,993</b>	<b>-</b>
<b>Total assets</b>		<b>20,352,361</b>	<b>16,752,151</b>	<b>13,606,619</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		638,062	695,369	241,340	-
Borrowings	10	-	1,500,000	490,039	-
Financial liabilities held at fair value through profit and loss	11	-	9,600,000	-	-
Provisions		79,319	165,995	-	-
Current tax liability		-	251,631	-	-
<b>Total current liabilities</b>		<b>717,381</b>	<b>12,212,995</b>	<b>731,379</b>	<b>-</b>
<b>Non current liabilities</b>					
Deferred tax liability		-	135,396	-	-
Borrowings	10	2,027,818	3,208,458	-	-
Provisions		10,131	5,509	-	-
<b>Total non current liabilities</b>		<b>2,037,949</b>	<b>3,349,363</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>2,755,330</b>	<b>15,562,358</b>	<b>731,379</b>	<b>-</b>
<b>Net assets</b>		<b>17,597,031</b>	<b>1,189,793</b>	<b>12,875,240</b>	<b>-</b>
<b>EQUITY</b>					
<b>Equity attributable to members of the Company</b>					
Contributed equity	12	4,546,924	1,942,421	-	-
Retained earnings/(losses)		26,999	(752,628)	-	-
		<b>4,573,923</b>	<b>1,189,793</b>	<b>-</b>	<b>-</b>
<b>Equity attributable to unitholders of the Trust</b>					
Contributed equity	12	12,392,719	-	12,392,719	-
Retained earnings		630,389	-	482,521	-
		<b>13,023,108</b>	<b>-</b>	<b>12,875,240</b>	<b>-</b>
<b>Total equity</b>		<b>17,597,031</b>	<b>1,189,793</b>	<b>12,875,240</b>	<b>-</b>

The above statements of financial position should be read in conjunction with the accompanying notes.



# 05

## STATEMENTS OF CHANGES IN EQUITY

### FOR THE HALF YEAR ENDED 31 DECEMBER 2016

GARDA CAPITAL GROUP CONSOLIDATED	ATTRIBUTABLE TO MEMBERS OF THE COMPANY			ATTRIBUTABLE TO UNITHOLDERS OF THE TRUST			TOTAL EQUITY \$
	CONTRIBUTED EQUITY \$	RETAINED EARNINGS \$	TOTAL \$	CONTRIBUTED EQUITY \$	RETAINED EARNINGS \$	TOTAL \$	
<b>Balance at 1 July 2015</b>	<b>1,942,421</b>	<b>(866,198)</b>	<b>1,076,223</b>	-	-	-	<b>1,076,223</b>
Profit for the half year	-	123,598	123,598	-	-	-	123,598
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the half year</b>	-	123,598	123,598	-	-	-	123,598

#### Transactions with owners in their capacity as owners

Security issue	-	-	-	-	-	-	-
Total transaction with owners in their capacity as owners	-	-	-	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>1,942,421</b>	<b>(742,600)</b>	<b>1,199,821</b>	-	-	-	<b>1,199,821</b>
<b>Balance at 1 July 2016</b>	<b>1,942,421</b>	<b>(752,628)</b>	<b>1,189,793</b>	-	-	-	<b>1,189,793</b>
Profit for the half year	-	779,627	779,627	-	630,389	630,389	1,410,016
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the half year	-	779,627	779,627	-	630,389	630,389	1,410,016

#### Transactions with owners in their capacity as owners

Security issue	2,725,100	-	2,725,100	13,304,900	-	13,304,900	16,030,000
Security issue transaction costs	(120,597)	-	(120,597)	(442,155)	-	(442,155)	(562,752)
Distributions paid and payable	-	-	-	(470,026)	-	(470,026)	(470,026)
Total transaction with owners in their capacity as owners	2,604,503	-	2,604,503	12,392,719	-	12,392,719	14,997,222
<b>Balance at 31 December 2016</b>	<b>4,546,924</b>	<b>26,999</b>	<b>4,573,923</b>	<b>12,392,719</b>	<b>630,389</b>	<b>13,023,108</b>	<b>17,597,031</b>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

## STATEMENTS OF CHANGES IN EQUITY (continued)

### FOR THE HALF YEAR ENDED 31 DECEMBER 2016

GARDA CAPITAL TRUST	CONTRIBUTED EQUITY \$	RETAINED EARNINGS \$	TOTAL \$
<b>Balance at 1 July 2015</b>	-	-	-
Profit for the half year	-	-	-
Other comprehensive income	-	-	-
<b>Total comprehensive income for the half year</b>	-	-	-

#### Transactions with owners in their capacity as owners

Unit issue	-	-	-
Total transaction with owners in their capacity as owners.	-	-	-
<b>Balance at 31 December 2015</b>	-	-	-
<b>Balance at 1 July 2016</b>	-	-	-
Profit for the half year	-	482,521	482,521
Other comprehensive income	-	-	-
<b>Total comprehensive income for the half year</b>	-	482,521	482,521

#### Transactions with owners in their capacity as owners

Unit issue	13,304,900	-	13,304,900
Unit issue transaction costs	(442,155)	-	(442,155)
Distributions paid and payable	(470,026)	-	(470,026)
Total transaction with owners in their capacity as owners	12,392,719	-	12,392,719
<b>Balance at 31 December 2016</b>	12,392,719	482,521	12,875,240

The above statements of changes in equity should be read in conjunction with the accompanying notes.

# 06

## STATEMENTS OF CASH FLOWS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
<b>Cash flows from operating activities</b>				
Receipts from customers	1,951,466	1,960,481	-	-
Cash payments in the course of operations	(2,033,009)	(2,061,149)	(1,624)	-
Interest received	84,729	150,751	15,317	-
Distributions received	460,217	225,361	235,111	-
Interest paid	(397,223)	(397,499)	-	-
Income tax (paid)/refunded	(251,631)	17,787	-	-
GST paid	(23,774)	(152,705)	147	-
Net cash (used in)/provided by operating activities	(209,225)	(256,973)	248,951	-
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(14,968)	-	-	-
Payments for improvements to inventories	-	(24,652)	-	-
Funds transferred for wind up expenses	-	1,004,515	-	-
Wind up expenses paid	(86,728)	(360,332)	-	-
Return of unit capital	-	120	-	-
Repayment of loan receivable from external parties	2,000,000	-	-	-
Net cash provided by investing activities	1,898,304	619,651	-	-
<b>Cash flows from financing activities</b>				
Funding from loans from related parties	-	250,000	-	-
Repayment of unsecured loans	(500,000)	-	-	-
Repayment of shareholder loans	(2,430,000)	-	-	-
Proceeds from security issue	6,680,000	-	2,750,000	-
Payment of security issue costs	(373,688)	-	-	-
Distributions paid	(232,436)	-	(232,436)	-
Net cash provided by financing activities	3,143,876	250,000	2,517,564	-
<b>Net increase in cash held</b>	<b>4,832,955</b>	<b>612,678</b>	<b>2,766,515</b>	<b>-</b>
Cash at beginning of the half year	1,678,525	2,426,668	-	-
<b>Cash at end of the half year</b>	<b>6,511,480</b>	<b>3,039,346</b>	<b>2,766,515</b>	<b>-</b>

The above statements of cash flows should be read in conjunction with the accompanying notes.

# 07

## NOTES TO THE INTERIM FINANCIAL REPORT

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Group Restructure and Listing on the Australian Securities Exchange

Following the successful capital raising as part of the Group's initial public offering (IPO), on 13 July 2016, GARDA Capital Group was admitted to the official list of the Australian Securities Exchange (ASX) and on 14 July 2016, GARDA Capital Group began trading on the ASX. The listed GARDA Capital Group is a stapled security structure comprising GARDA Capital Limited (**Company** or **GCL**) and the GARDA Capital Trust (**Trust** or **GCT**), and their respective subsidiaries (**GARDA Capital Group** or **Group**). One unit in GARDA Capital Trust is stapled to one share in GARDA Capital Limited and they cannot be traded separately.

As part of the IPO and Group restructure, GARDA Capital Group issued 16,030,000 stapled securities at an offer price of \$1.00 per stapled security. The offer comprised of a general offer raising \$6,680,000 through the issue of GARDA stapled securities and a conversion offer \$9,350,000 whereby the existing Group loans was converted into stapled securities.

Due to the restructure, the half year financial statements includes separate financial statements for GARDA Capital Group and GARDA Capital Trust as a stand-alone entity. GARDA Capital Limited has been deemed the parent entity of the Trust.

GARDA Capital Group has presented consolidated financial statements in accordance with Class Order 13/1050.

#### Statement of Compliance

These general purpose financial statements for the half year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the GARDA Capital Group as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by GARDA Capital Group and GARDA Capital Trust during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

#### Basis of Preparation

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements. There has been no new accounting policies adopted for the first time in these financial statements except for the following:

##### **Segment reporting**

Following the completion of the restructure and listing of the GARDA Capital Group in July 2016 and subsequent changes in internal management reporting to the Managing Director (Chief Operating Decision Maker), four reportable segments of the GARDA Capital Group business has been identified for segment reporting in the financial statements in accordance with AASB 8 *Operating Segments*. Comparatives have been included to conform with the current half year segment reporting. Segment reporting has been disclosed in Note 15.

##### **Income tax for trusts**

Under the current income tax legislation, the Trust is not liable for Australian income tax, provided its taxable income and taxable realised gain are fully distributed to security holders each financial year. The Trust distributes its distributable income, calculated in accordance with its Constitution and the applicable taxation legislation, to securityholders who are presently entitled to the income under the Constitution.

##### **Ordinary units in trusts**

Ordinary units are classified as unitholders funds or equity. Incremental costs directly attributable to the issue of new units are shown in equity as deduction from the proceeds received.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Significant Judgments and Accounting Estimates

The preparation of the interim financial report required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying Group accounting policies were same as those applied to the annual financial report for the year ended 30 June 2016.

### New Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the interim reporting period. The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the Group for the current or prior periods.

New accounting standards and interpretations that not mandatory for the interim reporting period have not been early adopted. The new standards and amendments to standards that are not mandatory for the interim financial report are not expected to have a material impact to the GARDA Capital Group in the current or future reporting periods.

## NOTE 2 - DISTRIBUTIONS PAID AND PAYABLE TO SECURITY HOLDERS

	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
<b>Distributions paid or provided for by the Trust during the period were:</b>		
Quarter ended 30 September 2016, 0.978 cents per unit (2015:Nil cents)	<b>235,013</b>	-
Quarter ended 31 December 2016, 0.978 cents per unit (2015:Nil cents)	<b>235,013</b>	-
	<b>470,026</b>	-

Distributions declared for the quarter ended 31 December 2016, but not paid until after half-year end, have been provided for.

## NOTE 3 (a) - REVENUE

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
<b>Operating revenue</b>				
Management fees - responsible entity	583,077	524,506	-	-
Management fees - property management	285,426	362,904	-	-
Management fees - facilities management	78,654	116,574	-	-
Leasing fees	72,037	65,954	-	-
Recovery of expenses	142,708	136,979	-	-
Registry costs	-	13,500	-	-
Capital works fee	163,615	57,472	-	-
Interest	52,628	131,071	-	-
Procurement fees	149,603	382,889	-	-
Trail fees	159,904	119,929	-	-
	<b>1,687,652</b>	<b>1,911,778</b>	<b>-</b>	<b>-</b>
<b>Non-operating revenue</b>				
Interest	32,106	19,680	15,317	-
Distributions received	470,222	450,467	470,222	-
Sundry income	11,089	11,000	-	-
	<b>513,417</b>	<b>481,147</b>	<b>485,539</b>	<b>-</b>
<b>Total revenue</b>	<b>2,201,069</b>	<b>2,392,925</b>	<b>485,539</b>	<b>-</b>

## NOTE 3 (b) - OTHER INCOME

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
Fair value gain on financial assets	350,165	-	150,077	-
Fair value gain on investments properties	-	511,556	-	-
<b>Total other income</b>	<b>350,165</b>	<b>511,556</b>	<b>150,077</b>	<b>-</b>
<b>Total revenue and other income</b>	<b>2,551,234</b>	<b>2,904,481</b>	<b>635,616</b>	<b>-</b>

## NOTE 4 - FINANCE COSTS

Finance costs for GARDA Capital Group for the half year ended 31 December 2016 are \$171,519 compared to \$677,782 in prior year. The decrease of \$506,263 is attributable to conversion of \$9,350,000 group loans and repayment of \$2,430,000 of the shareholder loan in July 2016 following the completion of the restructure and listing of GARDA Capital Group.

## NOTE 5 - INCOME TAX

The income tax benefit of \$575,822 has arisen as a result of the utilisation of available capital losses against capital gains arising during the half year ending 31 December 2016. The capital gains arose as a result of certain capital transactions of the GARDA Capital Group which were completed immediately following the listing of the Group in July 2016.

## NOTE 6 - EARNINGS PER STAPLED SECURITY

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
<b>Earnings used in calculating earnings per stapled security</b>				
Net profit after tax attributable to security holders	<b>1,410,016</b>	123,598	<b>482,521</b>	-
	<b>NUMBER</b>	NUMBER	<b>NUMBER</b>	NUMBER
Weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security	<b>23,158,804</b>	1,955,050	<b>23,158,804</b>	-
Basic and diluted earnings per stapled security/unit (cents per security)	<b>6.1</b>	6.3	<b>2.1</b>	-

## NOTE 7 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents for GARDA Capital Group as at 31 December 2016 has increased by \$4,832,955 to \$6,511,480 compared to \$1,678,525 as at 30 June 2016. The increase is as a result of the \$2,750,000 of funds raised as part of the IPO in July 2016, together with the proceeds from the repayment of an external party loan receivable of \$2,000,000 during the period.

## NOTE 8 - INVESTMENT PROPERTIES

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
Land at Palmer Street, Townsville	<b>1,201,000</b>	1,201,000	-	-
<b>Total investment properties</b>	<b>1,201,000</b>	1,201,000	-	-

Fair value as at 31 December 2016 is based on an internal valuation which has been adopted by the directors and is consistent with the independent valuation undertaken in December 2015.

## NOTE 9 - FINANCIAL ASSETS

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	30 JUNE 2016 \$	31 DECEMBER 2016 \$	30 JUNE 2016 \$
<b>Financial assets measured as at fair value through profit or loss</b>				
Units in GARDA Diversified Property Fund	<b>10,604,993</b>	10,254,828	<b>10,604,993</b>	-
<b>Movements during the period</b>				
Balance at beginning of year	<b>10,254,828</b>	10,004,704	-	-
Additions	-	6	-	-
Transfer from GARDA REIT Holdings Unit Trust	-	-	<b>10,454,916</b>	-
Fair value movement	<b>350,165</b>	250,118	<b>150,077</b>	-
<b>Balance at end of half year</b>	<b>10,604,993</b>	10,254,828	<b>10,604,993</b>	-

## NOTE 10 - BORROWINGS

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	30 JUNE 2016 \$	31 DECEMBER 2016 \$	30 JUNE 2016 \$
<b>Current</b>				
Shareholder loan (unsecured)	-	200,000	-	-
Related party loan (unsecured)	-	750,000	-	-
Unsecured loans	-	550,000	-	-
Loan from GARDA Capital Limited	-	-	<b>35,123</b>	-
Loan from GARDA REIT Holdings Unit Trust	-	-	<b>454,916</b>	-
	-	1,500,000	<b>490,039</b>	-
<b>Non-Current</b>				
Shareholder loan (secured)	<b>2,070,001</b>	3,293,520	-	-
Establishment fee	<b>(42,183)</b>	(85,062)	-	-
	<b>2,027,818</b>	3,208,458	-	-

The approximate fair value of financial liabilities is determined to be the carrying value.



## NOTE 10 - BORROWINGS (continued)

### Shareholder Loan

#### Current

The shareholder loan balance of \$200,000 was converted to equity on 11 July 2016 as part of the restructure of the Group and listing on the ASX.

#### Non-Current

This loan facility has been advanced to the Group by the major shareholder, M3SIT Pty Ltd as trustee for the M3 Solutions Investment Trust. The original facility was advanced in 2012, with subsequent variations in 2014 and 2016. Interest is payable at 8% per annum, and the current expiry date of the loan is 31 December 2019.

\$1,180,000 of the total loan balance of \$3,293,520 was converted to equity on 11 July 2016 as part of the restructure of the Group and listing on the ASX.

The shareholder loan is fully drawn and secured by a registered fixed and floating charge over all the assets of GARDA Capital Group. There are no covenants imposed.

### Related Party Loans

As part of the restructure of the Group and listing on the ASX, on 15 July 2016, \$250,000 of the total loan balance of \$750,000 was converted to equity. The remaining related party loan of \$500,000 was repaid from working capital on 20 July 2016.

### Unsecured Loans

The unsecured loans were converted to equity on 15 July 2016 as part of the restructure of the Group and listing on the ASX.

## NOTE 11 - FINANCIAL LIABILITIES HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	30 JUNE 2016 \$	31 DECEMBER 2016 \$	30 JUNE 2016 \$
<b>Current</b>				
Shareholder loan (unsecured)	-	8,666,667	-	-
Related party loans (unsecured)	-	933,333	-	-
	-	9,600,000	-	-

Financial liabilities have been designated at fair value through profit or loss on inception.

As part of the restructure of the Group and listing on the ASX, on 15 July 2016, \$7,170,000 of the total loan balance of \$9,600,000 has been converted to equity. Of the funds raised from the IPO, \$2,430,000 was repaid in cash on 19 July 2016.

## NOTE 12 - CONTRIBUTED EQUITY

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	30 JUNE 2016 \$	31 DECEMBER 2016 \$	30 JUNE 2016 \$
Ordinary stapled securities – fully paid	<b>16,939,643</b>	1,942,421	<b>12,392,719</b>	-

### Half year ended 31 December 2016

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	NUMBER	\$	NUMBER	\$

During the half year the following movements in ordinary issued securities occurred:

#### Contributed equity attributable to members of the Company

On issue at 1 July 2016	8,000,000	1,942,421	-	-
Security issue <sup>1</sup>	16,030,000	2,725,100	-	-
Security issue transaction costs	-	(120,597)	-	-
Distributions paid/payable	-	-	-	-
On issue at 31 December 2016	24,030,000	4,546,924	-	-

#### Contributed equity attributable to members of the Trust

On issue at 1 July 2016	-	-	-	-
Issue of bonus units	8,000,000	1,942,421	8,000,000	-
Security issue <sup>1</sup>	16,030,000	16,030,000	16,030,000	13,304,900
Security issue transaction costs	-	(562,752)	-	(442,155)
Distributions paid/payable	-	(470,026)	-	(470,026)
On issue at 31 December 2016	24,030,000	16,939,643	24,030,000	12,392,719

<sup>1</sup> On 11 July 2016 16,030,000 stapled securities were issued as part of the Group's IPO, resulting in a current total issued capital of 24,030,000 stapled securities. Refer Note 1 for further details.

### Year ended 30 June 2016

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	NUMBER	\$	NUMBER	\$

During the year the following movements in ordinary issued securities occurred:

#### Contributed equity attributable to members of the Company

On issue at 1 July 2015	1,955,050	1,942,421	-	-
Share split <sup>1</sup>	6,044,950	-	-	-
On issue at 30 June 2016	8,000,000	1,942,421	-	-

<sup>1</sup> On 11 February 2016 a share split of 1:4.091 occurred.

#### Contributed equity attributable to members of the Trust

On issue at 1 July 2015	-	-	-	-
Share split	-	-	-	-
On issue at 30 June 2016	-	-	-	-

## NOTE 13 - RELATED PARTY TRANSACTIONS

The related parties that exist are key management personnel, entities which GARDA Capital Limited acts as the responsible entity for and other related parties, which includes entities over which key management personnel have significant influence. Key management personnel receive compensation in the form of short term employee benefits, post-employment benefits and share based payments.

Billings are made to the funds and trusts that GARDA Capital Limited acts as the responsible entity for on an arm's length basis. Repayment terms are on normal terms and conditions being payment within 30 days with no interest being charged. Transactions between related parties are on normal terms and conditions and are no more favourable than those available to other parties, unless otherwise stated.

	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	30 JUNE 2016 \$	31 DECEMBER 2016 \$	30 JUNE 2016 \$

### Amounts receivable

Trade and other receivables	<b>128,815</b>	153,664	-	-
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	GARDA CAPITAL GROUP		GARDA CAPITAL TRUST	
	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$

### Transactions with related parties

Responsible entity fees	<b>583,077</b>	524,506	-	-
Property management fees	<b>285,426</b>	343,590	-	-
Facility management fees	<b>78,654</b>	111,217	-	-
Project management fees	<b>70,041</b>	63,136	-	-
Leasing commissions	<b>72,037</b>	65,954	-	-
Recovery of expenses	<b>142,708</b>	136,979	-	-
Registry costs	-	9,000	-	-
Capital works fee	<b>163,615</b>	57,472	-	-
Investment income	<b>470,222</b>	450,467	<b>470,222</b>	-
	<b>1,865,780</b>	1,762,321	<b>470,222</b>	-

### Registered charges

In its capacity as responsible entity GARDA Capital Limited has entered into a number of registered charges in relation to borrowings of the trusts/funds. The liability in relation to these charges is limited and enforceable to the extent to which it can be satisfied out of the property of the scheme to which the charge relates.

## NOTE 13 - RELATED PARTY TRANSACTIONS (continued)

### Other related parties

Hallett Legal Pty Ltd, a law firm in which Mark Hallett is a Director, provided legal services to the GARDA Capital Group during the half year. Fees of \$401 (31 December 2015: \$3,327) were paid for these services. These transactions were entered into on normal commercial terms. As at 31 December 2016 the Group owed \$nil (30 June 2016: \$nil) to Hallett Legal Pty Ltd.

As at 31 December 2016, loan facilities existed with M3SIT Pty Ltd as trustee for the M3 Solutions Investment Trust, being a major shareholder in the company, and Mr Hallett also being a director of M3SIT Pty Ltd. The amount outstanding under the secured facility at 31 December 2016 was \$2,070,001 (30 June 2016: \$3,293,520). The terms of this facility and repayments for the year are disclosed in Note 10, interest of \$87,240 has been paid (2015: \$127,036) for the period.

\$1,180,000 of the total loan balance of \$3,293,520 was converted to equity on 15 July 2016 as part of the restructure of the Group and listing on the ASX.

During the period GARDA Finance Pty Ltd received rent of \$5,000 (2015: \$5,000) from Madsen Advisory Pty Ltd (a related entity of Managing Director – Mathew Madsen) for sublet office space.

GARDA Property Finance Pty Ltd, a subsidiary of GCL, is the vehicle in which the Group currently invests into real estate via debt positions with third parties. Capital had been advanced from a number of parties to fund the Group's initial investment. One of these entities is a related party to Matthew Madsen, the GARDA Capital Group Managing Director and one is a shareholder of GARDA Capital Group.

### Details of the lenders and the amounts are detailed in the table below

LENDER	AMOUNT OWING 31 DECEMBER 2016 \$	AMOUNT OWING 30 JUNE 2016 \$	INTEREST PAID 31 DECEMBER 2016 \$	INTEREST PAID 31 DECEMBER 2015 \$
MB & PM Madsen Investments Pty Ltd	-	250,000	753	12,603
M3SIT Pty Ltd ATF M3 Solutions Investment Trust	-	200,000	603	10,082

The loan balances were converted to equity on 15 July 2016 as part of the restructure of the Group and listing on the ASX.

GARDA REIT Holdings Unit Trust, a subsidiary of GARDA Capital Limited, was incorporated to hold the units in GARDA Diversified Property Fund (GDF). The acquisition of the units in GDF was funded via a number of related entity loans. Interest is payable at a rate equivalent to the respective annual distributions from GDF. As part of the restructure of the GARDA Capital Group, these units were transferred to GARDA Capital Trust. Refer to Note 8 for further details.

### Details of the lenders and the amounts are detailed in the table below

LENDER	AMOUNT OWING 31 DECEMBER 2016 \$	AMOUNT OWING 30 JUNE 2016 \$	INTEREST PAID 31 DECEMBER 2016 \$	INTEREST PAID 31 DECEMBER 2015 \$
MB & PM Madsen Investments Pty Ltd	-	666,667	1,889	15,000
MB & PM Madsen ATF MB & PM Madsen Superfund	-	266,666	755	6,000
M3SIT Pty Ltd ATF M3 Solutions Investment Trust	-	7,416,667	18,628	168,875
M3SIT Pty Ltd ATF M3 Solutions Investment Trust	-	1,250,000	3,139	28,125

As part of the restructure of the Group and listing on the ASX, on 15 July 2016, \$7,170,000 of the total loan balance of \$9,600,000 was converted to equity whilst on 19 July 2016, \$2,430,000 was repaid.

Loan entered into by GARDA TSV Unit Trust, a subsidiary of GARDA Capital Limited, with MB & PM Madsen Investments Pty Ltd for \$500,000 was repaid on 20 July 2016.

## NOTE 14 - FAIR VALUE MEASUREMENT

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)

There are various methods used in estimating the fair values of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

	LEVEL 1 \$	LEVEL 2 \$	LEVEL 3 \$	TOTAL \$
<b>31 December 2016</b>				
<b>Assets</b>				
Financial assets held at fair value through profit or loss	10,604,993	-	-	10,604,993
	10,604,993	-	-	10,604,993
<b>Liabilities</b>				
Financial liabilities held at fair value through profit or loss	-	-	-	-
	-	-	-	-
<b>30 June 2016</b>				
<b>Assets</b>				
Financial assets held at fair value through profit or loss	10,254,828	-	-	10,254,828
	10,254,828	-	-	10,254,828
<b>Liabilities</b>				
Financial liabilities held at fair value through profit or loss	-	-	9,600,000	9,600,000
	-	-	9,600,000	9,600,000

There were no transfers during the period between Level 1 and Level 3 for recurring fair value measurements.

## NOTE 14 - FAIR VALUE MEASUREMENT (continued)

### Disclosed fair values

Due to their short-term nature, the carrying amount of trade and other receivables and payables are assumed to approximate their fair values.

The fair value of financial assets and financial liabilities held at fair value through profit or loss were determined by reference to share price in an active market (Level 1).

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

DESCRIPTION	VALUATION APPROACH	UNOBSERVABLE INPUTS	RANGE OF INPUTS	RELATIONSHIP BETWEEN UNOBSERVABLE INPUTS AND FAIR VALUE
Financial liabilities held at fair value through profit or loss	Based on net asset value of the funds	Net asset value of the fund	N/A	The higher the net asset value of the fund the higher the investment value.

## NOTE 15 - SEGMENT REPORTING

Operating segments are distinct business activities from which an entity earns revenues and incurs expenses and the results of which are regularly reviewed by the chief operating decision maker (CODM). GARDA Capital Group has four operating segments which are regularly reviewed by the Managing Director, who is the CODM, in order to make decisions about resource allocation and to assess the performance of the GARDA Capital Group.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The accounting policies of the reporting segments are the same as the GARDA Capital Group's accounting policies.

GARDA Capital Group comprises of the following core operating segments:

CORE OPERATING SEGMENTS	BUSINESS ACTIVITY
Funds Management	Fund management includes establishment and management of real estate funds, facility management, leasing and project management.
Equity Co-Investment	Aligning interest of the Group with underlying fund investors and providing income through distributions and capital growth in equity values.
Property Debt Advisory	Arrangement of commercial real estate debt for a range of property investors and developers.
Real Estate Debt Investment	Debt investment through direct real estate debt positions.

## NOTE 15 - SEGMENT REPORTING (continued)

### Segment results for the year ended 31 December 2016

	FUNDS MANAGEMENT \$	EQUITY CO- INVESTMENT \$	PROPERTY DEBT ADVISORY \$	REAL ESTATE DEBT INVESTMENT \$	TOTAL \$
<b>Segment Revenue and other Income</b>					
Responsible entity fees	583,077	-	-	-	583,077
Property management fees	285,426	-	-	-	285,426
Facilities management fees	78,654	-	-	-	78,654
Leasing fee	72,037	-	-	-	72,037
Recovery of expenses	142,708	-	-	-	142,708
Capital works fee	163,615	-	-	-	163,615
Procurement fees	-	-	149,603	-	149,603
Trail fees	-	-	159,904	-	159,904
Interest	16,790	15,316	-	52,628	84,734
Distributions	-	470,222	-	-	470,222
Other revenue	-	-	11,089	-	11,089
<b>Total segment revenue</b>	<b>1,342,307</b>	<b>485,538</b>	<b>320,596</b>	<b>52,628</b>	<b>2,201,069</b>
<b>Total segment expense</b>	<b>369,892</b>	<b>32,322</b>	<b>4,394</b>	<b>20,110</b>	<b>426,718</b>
<b>Segment profit</b>	<b>972,415</b>	<b>453,216</b>	<b>316,202</b>	<b>32,518</b>	<b>1,774,351</b>

Segment profit/loss excludes specific non-cash expenses such as depreciation and amortisation expenses and fair value adjustments. These non-cash expenses form part of unallocated revenue and expenses in the reconciliation of segment profit to profit before income tax.

## NOTE 15 - SEGMENT REPORTING (continued)

### Segment Results for the year ended 31 December 2015

	FUNDS MANAGEMENT \$	EQUITY CO- INVESTMENT \$	PROPERTY DEBT ADVISORY \$	REAL ESTATE DEBT INVESTMENT \$	TOTAL \$
<b>Segment Revenue and other Income</b>					
Responsible entity fees	524,506	-	-	-	524,506
Property management fees	362,904	-	-	-	362,904
Facilities management fees	116,574	-	-	-	116,574
Leasing fee	65,954	-	-	-	65,954
Recovery of expenses	136,979	-	-	-	136,979
Registry costs	13,500	-	-	-	13,500
Capital works fee	57,472	-	-	-	57,472
Procurement fees	-	-	382,889	-	382,889
Trail fees	-	-	119,929	-	119,929
Interest	19,680	-	-	131,071	150,751
Distributions	-	450,467	-	-	450,467
Other revenue	-	-	11,000	-	11,000
<b>Total segment revenue</b>	<b>1,297,569</b>	<b>450,467</b>	<b>513,818</b>	<b>131,071</b>	<b>2,392,925</b>
<b>Total segment expense</b>	<b>394,071</b>	<b>450,000</b>	<b>9,490</b>	<b>72,742</b>	<b>926,303</b>
<b>Segment profit</b>	<b>903,498</b>	<b>467</b>	<b>504,328</b>	<b>58,329</b>	<b>1,466,622</b>

Segment profit excludes specific non-cash expenses such as depreciation and amortisation expenses and fair value adjustments. These non-cash expenses form part of unallocated revenue and expenses in the reconciliation of segment profit to profit before income tax.

### Reconciliation of reportable segment revenues and profit before income tax

	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
<b>Total revenue for reportable segments</b>	<b>2,201,069</b>	2,392,925
Unallocated amounts		
Fair value gain on financial assets	<b>350,165</b>	-
Fair value gain on investment property	-	511,556
<b>Total revenue (Note 3)</b>	<b>2,551,234</b>	<b>2,904,481</b>



## NOTE 15 - SEGMENT REPORTING (continued)

### Reconciliation of reportable segment profit before income tax to profit before tax

	31 DECEMBER 2016 \$	31 DECEMBER 2015 \$
<b>Reportable segment profit before income tax</b>	<b>1,774,351</b>	1,466,622
Unallocated amounts		
Fair value gain on financial assets	<b>350,165</b>	-
Fair value gain on investment properties	-	511,556
Depreciation and amortisation of intangible assets	<b>(54,898)</b>	(57,956)
Employee benefit expense	<b>(663,898)</b>	(598,430)
Professional costs	<b>(358,477)</b>	(351,188)
Occupancy costs	<b>(130,799)</b>	(121,321)
Other expenses	<b>(82,250)</b>	(163,425)
Net loss on fair value of financial assets	-	(534,763)
<b>Profit before income tax</b>	<b>834,194</b>	<b>151,095</b>

### Segment assets and liabilities as at 31 December 2016

	FUNDS MANAGEMENT \$	EQUITY CO- INVESTMENT \$	PROPERTY DEBT ADVISORY \$	REAL ESTATE DEBT INVESTMENT \$	TOTAL \$
Segment assets	3,684,711	10,840,104	260,137	36,395	14,821,347
Segment liabilities	(2,173,641)	(241,340)	(61,923)	-	(2,476,904)
<b>Net Assets</b>	<b>1,511,070</b>	<b>10,598,764</b>	<b>198,214</b>	<b>36,395</b>	<b>12,344,443</b>

### Segment assets and liabilities as at 30 June 2016

	FUNDS MANAGEMENT \$	EQUITY CO- INVESTMENT \$	PROPERTY DEBT ADVISORY \$	REAL ESTATE DEBT INVESTMENT \$	TOTAL \$
Segment assets	1,856,535	10,479,994	90,642	2,033,940	14,461,111
Segment liabilities	(3,531,026)	(9,825,106)	(5,153)	(1,000,000)	(14,361,285)
<b>Net Assets</b>	<b>(1,674,491)</b>	<b>654,888</b>	<b>85,489</b>	<b>1,033,940</b>	<b>99,826</b>

## **NOTE 16 - CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets or contingent liabilities as at 31 December 2016.

## **NOTE 17 - EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

On 19 January 2017, GARDA Property Finance Pty Ltd provided a debt facility of \$1,580,000 to an external party and on 20 January 2017, advanced the first tranche of \$760,000 for a term of 12 months. The funds were deployed from capital which was repaid to the Group in August 2016 from a prior debt investment.

There are no other significant matters or circumstances that have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

# 08

## DIRECTORS' DECLARATION

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### For the half year ended 31 December 2016

The Directors of GARDA Capital Limited and GARDA Funds Management Limited as Responsible Entity for GARDA Capital Trust declare that they are of the opinion that:

- (a) the attached financial statements, comprising the Statements of Profit or Loss and Other Comprehensive Income, Statements of Financial Position, Statements of Changes in Equity and Statements of Cash Flows, and accompanying notes, comply with the *Corporations Act 2001*, Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) the attached financial statements and accompanying notes give a true and fair view of the GARDA Capital Group's and the Trust's financial position as at 31 December 2016 and of their performance for the half year ended on that date; and
- (c) there are reasonable grounds to believe that GARDA Capital Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolutions of the Boards of Directors of GARDA Capital Limited and GARDA Funds Management Limited made pursuant to section 303(5) of the *Corporations Act 2001*.



**Mr Matthew Madsen**

Executive Chairman

21 February 2017

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS



Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
www.bdo.com.au

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

### INDEPENDENT AUDITOR'S REVIEW REPORT

To the security holders of GARDA Capital Group

#### Report on the Half-Year Financial Report

GARDA Capital Group comprises both GARDA Capital Limited ("Parent Entity") and the entities it controlled during the financial year, and GARDA Capital Trust ("The Trust").

We have reviewed the accompanying half-year financial report of GARDA Capital Group, which comprises the statements of financial position as at 31 December 2016 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the parent entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year, and the directors' declaration of GARDA Funds Management Limited as Responsible Entity of GARDA Capital Trust.

#### Directors' Responsibility for the Half-Year Financial Report

The Directors of the parent entity and the Directors of GARDA Funds Management Limited as Responsible Entity of GARDA Capital Trust 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 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 GARDA Capital Group's and the Trust's financial position as at 31 December 2016 and their 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 GARDA Capital Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of both GARDA Capital Limited and the Directors of GARDA Funds Management Limited as Responsible Entity of GARDA Capital Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

### 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 GARDA Capital Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of GARDA Capital Group's and the Trust's financial position as at 31 December 2016 and of their performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**BDO Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'T R Mann', is written over a faint, stylized 'BDO' logo.

**T R Mann**  
Director

Brisbane, 21 February 2017

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## CORPORATE DIRECTORY

### Company Name

GARDA Capital Group  
Level 21, 12 Creek Street  
Brisbane QLD 4000  
T: +61 7 3002 5300  
F: +61 7 3002 5311  
[www.gardacapital.com.au](http://www.gardacapital.com.au)

### Registrar

Link Market Services Limited  
Level 12, 680 George Street  
Sydney South NSW 1235  
T: +61 1300 554 474  
F: +61 2 9287 0303

### Auditor

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane QLD 4000  
T: +61 7 3237 5999  
F: +61 7 3221 9227

