

Aberdeen Leaders Limited

Interim Report
Six months ended 31 December 2015



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Corporate Information

Chairman's Statement

Dear Shareholder

Profit after tax for the half year ended 31 December 2015 was \$1.17 million, an increase on 2014. This reflects slightly higher dividend income received compared to the same period last year due to more focus in the Portfolio to higher yielding shares. Our increased exposure to the healthcare sector had a positive effect from a capital return point-of-view within the Portfolio.

The Banking sector continues to remain robust, with the major banks raising additional capital to boost balance sheets ahead of mandatory regulations from APRA, while also maintaining relatively strong dividend pay-out ratios. With interest rates remaining at all-time lows, the search for yield within the Australian stock market has continued. There appears little prospect of Australian interest rate rises in the short term, despite the Federal Reserve raising rates slightly in the United States towards the end of 2015 on the back of declining unemployment and solid economic growth.

The Reserve Bank of Australia continued to talk down the Australian dollar versus the US dollar, and during the last six months it fell from 77.07 cents to 72.86 cents, a 5.4% decline. This should continue to help exporters and companies that earn US dollars. Property prices have generally remained strong, especially in Sydney and Melbourne, but Queensland and Western Australia continue to see weakness. Recent reports from the big four banks, while giving little indication of deteriorating mortgage arrears exposure, did show a tick-up of stress in sectors exposed to mining services and the agriculture sector. Consumer sentiment seems to have improved with some retailers announcing better Christmas sales numbers, although since then a high-profile retailer has gone into administration due to poor sales.

The Australian share market posted a small negative return during the six months, with the ASX/S&P 200 Accumulation Index falling 0.53%. The Company's gross assets increased by 1.23% over the same period, a slightly improved performance. As at 31 December the NTA per share was \$1.17, two cents down on the 30 June 2015 figure. Net of deferred tax on unrealised gains, the NTA was \$1.13 per share. The share price closed at \$1.045, representing a return of -5.80 per cent*.

*After adding back dividends paid during the period

As at 31 December 2015 the share price stood at a discount to both pre-tax NTA and post-tax NTA.

Interim Dividend

A fully franked dividend of 1.00 cents per share was declared on 23 December 2015, payable on 4 February 2016. The Board will continue to monitor the quantum of dividends received from the Portfolio's investments and bear this in mind (together with other factors such as realised gains from the Portfolio) when determining the overall level of dividends paid in the future.

Dividend Reinvestment Plan

I would like to remind investors of the Company's Dividend Reinvestment Plan (DRP) which allows eligible shareholders to have their dividends automatically reinvested in the Company. If you would like to participate in the DRP or would like more information please phone 02 9290 9600 and we will mail you a DRP booklet containing the relevant information.

Outlook

The New Year has got off to one of the worst starts for a number of years impacted by weak commodity prices and very volatile stock markets in China and globally. We expect both developed and emerging markets to remain under pressure impacted by the high US dollar and weak growth numbers, especially from those economies reliant on oil revenues, and political turmoil in a number of areas. Business confidence remains subdued but improved since Malcolm Turnbull became Prime Minister and an election date remains unset, but will have to take place by January 2017. In Europe, we see the lack of co-ordinated effort by its member countries on the refugee crisis as putting further pressure on an already frail economy, and the US is yet to see much traction from manufacturing or plant capacity expansion. Growth in the Australian economy is forecast to be slightly below trend at approximately 2.5% over the next twelve months and this should underpin some growth in company profits. With the market trading on a P/E of approximately 15x currently it is not expensive in historical terms, but we are generally expecting subdued top-line growth from corporates, with a strong focus on cost control. Our market does not remain unaffected by global turbulence and uncertainty, but our portfolio is defensively positioned in companies generating solid cash-flows with strong balance sheets.

Brian Sherman AM
Chairman

February 2016

Manager's Review

Dear Shareholder,

The S&P/ASX 200 Accumulation Index decreased 0.53% over the six months to December 2015. It is interesting to look at the breakdown of index and gross portfolio returns over recent periods:

Period to 31 December 2015		
	Portfolio (gross)	Index
Twelve months	5.84%	2.56%
Six months	1.23%	-0.53%
Three months	5.26%	6.48%

As can be seen from the table above, the Portfolio outperformed over the twelve and six month periods, but slightly underperformed in the final quarter of the year. By sector our biggest contributor over the last six months was Healthcare, closely followed by Energy and Utilities. Sectors that detracted include Consumer Staples, Materials and Industrials.

During the last 6 months we initiated two new portfolio holdings: a small weighting in Adelaide Brighton, a cement manufacturer, and Healthscope, an operator of private hospitals in Australia. We reduced our exposure to BHP Billiton and Rio Tinto and slightly increased exposure to Amcor in the Materials sector. We increased exposure to the Healthcare sector, adding to our holdings in Cochlear and CSL. The table below identifies the major contributors and detractors relative to the benchmark during the period:

Key contributors and detractors, six months to 31 December 2015

Top 5 Contributors	Relative weight	Contribution
Stock	(%)	(%)
AGL Energy	3.6	0.68
CSL	3.0	0.61
Cochlear	2.9	0.57
Origin Energy (non-holding)	-0.6	0.53
ASX	5.4	0.48

Top 5 Detractors	Relative weight	Contribution
Stock	(%)	(%)
Rio Tinto	3.9	-0.62
Wesfarmers (non-holding)	-3.4	-0.32
Sydney Airport (non-holding)	-1.0	-0.24
Woodside Petroleum	2.0	-0.22
Transurban (non-holding)	-1.5	-0.21

As can be seen above, Healthcare sector stocks CSL and Cochlear performed well, as did Utility holding AGL Energy. Not holding Origin Energy also contributed positively after the company announced a need to refinance, sending the share price down during the final quarter. Three of the biggest detractors from performance were shares that we do not hold. We will be watching the February results announcements for updates on the companies within the portfolio and any forward guidance given by management.

As usual we believe that identifying good quality companies at reasonable values and holding them for the long term will provide superior returns.

Aberdeen Asset Management Limited

February 2016

Financial Record

Net Tangible Assets

	At 31 December 2015
NTA per share (pre-tax)	1.17
NTA per share (post-tax)	1.13
Share Price	1.045
(Discount) / Premium to NTA (pre-tax)	(10.43)%
(Discount) / Premium to NTA (post-tax)	(7.64)%
Annualised dividend yield* (100% franked)	4.78%**

* Using the share price at the end of the period

** 6.84% gross of franking credits

Performance Summary

	At 31 December 2015			
	3 Months	12 Months	3 Years	5 Years
	%	%	% pa	% pa
Total portfolio*	5.26	5.84	8.00	5.56
Benchmark**	6.48	2.56	9.19	6.97
Net Assets (pre-tax)	7.03	3.19	7.15	3.66
Net Assets (post-tax)	5.33	5.23	6.93	3.97
Share Price	1.94	-0.25	2.19	2.15

All returns assume reinvestment of dividends.

* Performance is calculated based on the change in the value of the total portfolio (excluding the loan and tax liabilities) before deduction of all other fees. Past performance is not a guide to future performance.

** Benchmark: S&P/ASX 200 Accumulation Index.

Portfolio Composition

	At 31 December 2015
Equities	94.9
Cash	5.1
Total	100%

Asset allocation is on gross assets and excludes the loan facility liability.

Dividend

A fully franked dividend of 1.00 cents per share payable for the December quarter was declared on 23rd December 2015, payable on 4th February 2016. Given the uncertain market conditions the Board will continue to review future dividends and will be closely monitoring corporate results, asset values and dividend statements in the months ahead.

Franking Credits

As at 31st December 2015 the Company franking account had a franking credits balance of \$9.9m

Portfolio of Investments

The full portfolio of the Company at market value at 31 December 2015 is shown below:

Sector	Company	Quantity	Market value \$	%
Finance Ex Property Trusts	ANZ Banking Group	144,500	4,031,550	4.03
	ASX Ltd	141,200	5,972,760	5.98
	AMP LTD	788,000	4,586,160	4.59
	Commonwealth Bank	74,400	6,353,760	6.36
	Medibank Private Ltd	496,600	1,067,690	1.07
	QBE Insurance Group	271,000	3,387,500	3.39
	Westpac Banking Corp	190,800	6,401,340	6.41
			31,800,760	31.83
Property Trusts	Westfield Corp Npv Stapled Units	476,000	4,526,760	4.53
	Scentre Grp Npv	906,800	3,790,424	3.79
			\$8,317,184	8.32
Consumer Discretionary	Tattersall's Limited	423,400	1,846,024	1.85
			\$1,846,024	1.85
Consumer Staples	Coca-Cola Amatil	222,300	2,056,275	2.06
	Woolworths Limited	55,100	1,346,644	1.35
			\$3,402,919	3.41
Health Care	Cochlear Limited	34,100	3,221,768	3.22
	CSL Limited	62,100	6,536,025	6.54
	Healthscope Ltd	402,000	1,065,300	1.07
	Resmed Inc	427,500	3,172,050	3.17
			\$13,995,143	14.01
Energy	AGL Energy Limited	249,700	4,484,612	4.49
	Caltex Australia	70,000	2,632,000	2.63
	Woodside Petroleum	121,900	3,498,530	3.50
			\$10,615,142	10.62
Materials	Adelaide Brighton Ltd	366,200	1,735,788	1.74
	AMCOR Limited	206,600	2,747,780	2.75
	BHP Billiton Limited	263,000	4,694,550	4.70
	Brambles Limited	153,000	1,768,680	1.77
	Incitec Pivot Limited	628,100	2,480,995	2.48
	Rio Tinto	119,100	5,299,950	5.30
	South32 Limited	460,900	490,859	0.49
			\$19,218,602	19.23
Telecommunication Services	Telstra Corporation Limited	839,700	4,702,320	4.71
			\$4,702,320	4.71
Utilities	Ausnet Services	2,155,700	3,168,879	3.17
			\$3,168,879	3.17
Equity Total			\$97,066,973	97.15
Net Liquidity including dtl			\$2,848,098	2.85
Total Assets excluding Debt			\$99,915,070	100.00
Loan Facility			(\$30,000,000)	-30.03
Total Equity			\$69,915,070	69.97

Statement of Comprehensive Income

	Notes	31 December 2015 \$'000	31 December 2014 \$'000
Investment income from ordinary activities	4	2,250	2,104
Expenses			
Management fees		(386)	(464)
Performance fees		(7)	-
Share registry fees		(41)	(48)
Custody fees		(47)	(48)
Directors' fees		(104)	(104)
Directors' liability insurance fees		(19)	(20)
ASX fees		(45)	(48)
Audit fees		(41)	(41)
Other expenses		(16)	(12)
Interest expense		(667)	(670)
		(1,373)	(1,455)
Profit before income tax		877	649
Income tax benefit		293	255
Net profit for the period		1,170	904
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges		156	(256)
Income tax relating to changes in fair value of cash flow hedges		(47)	77
<i>Items that will not be reclassified to profit or loss</i>			
Net unrealised (loss)/gains on financial assets taken to equity		(2,756)	1,083
Income tax benefit/(expense) relating to unrealised gains on financial assets taken to equity		827	(325)
Net realised gains on financial assets taken to equity		1,945	952
Income tax expense relating to realised gains on financial assets taken to equity		(583)	(286)
Other comprehensive income for the period, net of tax		(458)	1,245
Total comprehensive income for the period		712	2,149
Earnings per share for profit attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share	9	1.90	1.47
Diluted earnings per share	9	1.90	1.47

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Notes	31 December 2015 \$'000	30 June 2015 \$'000
Assets			
Current assets			
Cash and cash equivalents		3,562	3,626
Trade and other receivables		244	364
Other current assets		13	32
Total current assets		3,819	4,022
Non-current assets			
Financial assets at fair value through other comprehensive income	2	97,067	98,645
Deferred tax assets		2,565	2,915
Total non-current assets		99,632	101,560
Total assets		103,451	105,582
Liabilities			
Current liabilities			
Trade and other payables		240	241
Dividends payable		616	1,231
Total current liabilities		856	1,472
Non-current liabilities			
Borrowings	6	30,000	30,000
Derivative financial instruments	2	393	550
Deferred tax liabilities		2,287	3,125
Total non-current liabilities		32,680	33,675
Total liabilities		33,536	35,147
Net assets		69,915	70,435
Equity			
Issued capital	7	59,090	59,091
Reserves		4,932	6,752
Retained earnings		5,893	4,592
Total equity		69,915	70,435

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Notes	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2014		58,809	7,152	2,240	68,201
Net profit for the period		-	-	904	904
Other comprehensive income for the period					
Changes in fair value of cash flow hedges		-	(256)	-	(256)
Income tax on changes in fair value of cash flow hedges		-	77	-	77
Net unrealised gains/losses on financial assets taken to equity		-	1,083	-	1,083
Income tax on net unrealised gains/losses on financial assets taken to equity		-	(325)	-	(325)
Net realised gains/losses on financial assets taken to equity		-	952	-	952
Income tax on net realised gains/losses on financial assets taken to equity		-	(286)	-	(286)
Total other comprehensive income for the period, net of tax		-	1,245	-	1,245
Total comprehensive income for the period		-	1,245	904	2,149
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	7	283	-	-	283
Net realised gains/losses transferred to retained earnings (net of income tax)		-	(666)	666	-
Dividends provided for or paid	8	-	-	(1,231)	(1,231)
		283	(666)	(565)	(948)
Balance at 31 December 2014		59,092	7,731	2,579	69,402
Balance at 1 July 2015		59,091	6,752	4,592	70,435
Net profit for the period		-	-	1,170	1,170
Other comprehensive income for the period					
Changes in fair value of cash flow hedges		-	156	-	156
Income tax on changes in fair value of derivative financial instruments		-	(47)	-	(47)
Net unrealised gains/losses on financial assets taken to equity		-	(2,756)	-	(2,756)
Income tax on net unrealised gains/losses on financial assets taken to equity		-	827	-	827
Net realised gains/losses on financial assets taken to equity		-	1,945	-	1,945
Income tax on net realised gains/losses on financial assets taken to equity		-	(583)	-	(583)
Total other comprehensive income for the period, net of tax		-	(458)	-	(458)
Total comprehensive income for the period		-	(458)	1,170	712
Transactions with owners in their capacity as owners:					
Shares bought back	7	(1)	-	-	(1)
Net realised gains/losses transferred to retained earnings (net of income tax)		-	(1,362)	1,362	-
Dividends provided for or paid	8	-	-	(1,231)	(1,231)
		(1)	(1,362)	131	(1,232)
Balance at 31 December 2015		59,090	4,932	5,893	69,915

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Notes	31 December 2015 \$'000	31 December 2014 \$'000
Cash flows from operating activities			
Dividends and trust distributions received		2,536	2,418
Interest received		34	42
Management fees paid		(381)	(574)
Performance fees paid		(42)	-
Finance costs paid		(664)	(664)
Payments for other expenses		(258)	(344)
Net cash inflow from operating activities		1,225	878
Cash flows from investing activities			
Payments for purchase of investments		(8,033)	(9,991)
Proceeds from sale of investments		8,590	9,443
Net cash inflow/(outflow) from investing activities		557	(548)
Cash flows from financing activities			
Dividends paid		(1,846)	(1,559)
Net cash (outflow) from financing activities		(1,846)	(1,559)
Net (decrease) in cash and cash equivalents		(64)	(1,229)
Cash and cash equivalents at the beginning of the half-year		3,626	3,096
Cash and cash equivalents at end of period		3,562	1,867

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity Aberdeen Leaders Limited.

(a) Basis of preparation of half-year report

These interim financial statements for the half-year reporting period ended 31 December 2015 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Aberdeen Leaders Limited is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do 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 2015 and any public announcements made by Aberdeen Leaders Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim financial statements have been prepared on an accrual basis, and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Except as described below, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(i) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(ii) Impact of standards issued but not yet applied by the Company

There are no standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(b) Investments and other financial assets

Classification

(i) *Financial assets at fair value through other comprehensive income*

The Company has designated long-term investments as "fair value through other comprehensive income". All gains and losses on long-term investments and tax thereon are presented in other comprehensive income as part of the Statement of Comprehensive Income.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset and liabilities at fair value.

Transactions costs of financial assets carried at fair value through other comprehensive income are directly attributable to the acquisition of the financial asset.

Subsequent changes in fair value are recognised through the investment portfolio revaluation reserve after deducting a provision for the potential deferred capital gains tax liability as these investments are long-term holding of equity investments.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is transferred from the investment portfolio revaluation reserve to retained earnings.

Determination of Fair Value

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Under AASB 13, if an investment has a bid price and an ask price, the price within the bid-ask spread that is more representative of fair value in the circumstances shall be used to measure fair value. Accordingly, the Company uses the last bid price as a basis of measuring fair value.

(c) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is based upon temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates derivatives as:

- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

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2 Fair value measurements

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income (FVTOCI)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 31 December 2015				
Financial assets				
Financial assets at FVTOCI				
Equity securities	97,067	-	-	97,067
Total financial assets	97,067	-	-	97,067
Financial liabilities				
Derivatives used for hedging	-	(393)	-	(393)
Total financial liabilities	-	(393)	-	(393)
At 30 June 2015				
Financial assets				
Financial assets at FVTOCI				
Equity securities	98,645	-	-	98,645
Total financial assets	98,645	-	-	98,645
Financial liabilities				
Derivatives used for hedging	-	(550)	-	(550)
Total financial liabilities	-	(550)	-	(550)

There were no transfers between levels for recurring fair value measurements during the period (2014: nil).

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying value approximates fair value.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

The fair value of borrowings approximates the carrying amount.

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income, interest income and from the sale of its investments.

4 Revenue

	31 December 2015 \$'000	31 December 2014 \$'000
Dividends on long term investments held at the end of the period	2,106	2,003
Dividends on long term investments sold during the period	27	60
Distributions on long term investments held at the end of the period	83	-
Interest	34	41
	<u>2,250</u>	<u>2,104</u>

5 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 December 2015 is -33%, compared to -39% for the six months ended 31 December 2014.

6 Borrowings

	31 December 2015			30 June 2015		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Secured						
Bank loans	-	30,000	30,000	-	30,000	30,000
Total secured borrowings	-	30,000	30,000	-	30,000	30,000

The Directors have entered into a \$30 million revolving cash advance facility with Westpac Banking Corporation. In 2014, the term of the debt facility was extended to 10 April 2017.

The facility is secured by a fixed and floating charge over the Company's assets. The carrying amount of the assets pledged as security at 31 December 2015 is \$100,886,000 (30 June 2015: \$102,667,000). The facility is fully drawn to \$30 million at balance date.

7 Issued capital

(a) Shared Capital

	31 December 2015 Shares	30 June 2015 Shares	31 December 2015 \$'000	30 June 2015 \$'000
Ordinary shares	61,573,821	61,574,450	59,090	59,091

(b) Movements in ordinary share capital

Date	Details		Number of shares	Issue price	\$'000
1 July 2014	Opening balance		61,339,314		58,809
	Dividend reinvestment plan issues	7(d)	235,779		283
	Shares bought back	7(c)	(643)		(1)
30 June 2015	Closing balance		<u>61,574,450</u>		<u>59,091</u>
1 July 2015	Opening balance		61,574,450		59,091
	Shares bought back	7(c)	(629)		(1)
31 December 2015	Closing balance		<u>61,573,821</u>		<u>59,090</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(c) Share buy-back

The Company renewed the share buy-back for 12 months from 27 February 2015 and bought back 629 shares during the half-year ended 31 December 2015 (for the year ended 30 June 2015: 643 shares).

(d) Dividend reinvestment plan

A Dividend Reinvestment Plan has been in operation for the period ended 31 December 2015.

Company has a Dividend Reinvestment Plan (DRP) which is in operation for this dividend. Securities received as part of participation in the DRP rank equally with other ordinary shares and their price is calculated in accordance with the DRP documentation. A DRP form must be received before 5.00pm on the business day after the Record Date to be effective in respect of those dividends. During the year ended 30 June 2015, the Company issued 235,779 shares under the DRP.

The financial effect of these dividends has been brought to account in the financial statements for the half-year ended 31 December 2015.

8 Dividends

(a) Ordinary Shares

	31 December 2015 \$'000	31 December 2014 \$'000
Dividends provided for or paid in respect of the half-year ended	1,231	1,231

(b) Dividend rate

Dividends paid fully franked at 30% tax rate

	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2015				
Ordinary shares - interim	1.00cps	\$616	04/02/2016	100%
Ordinary shares - interim	1.00cps	\$615	30/10/2015	100%
2014				
Ordinary shares - interim	1.00cps	\$616	05/02/2015	100%
Ordinary shares - interim	1.00cps	\$615	31/10/2014	100%

9 Earnings per share

(a) Basic earnings per shares

	31 December 2015 \$'000	31 December 2014 \$'000
From continuing operations attributable to the ordinary equity holders of the Company	1.90	1.47
Total basic earnings per share attributable to the ordinary equity holders of the Company	1.90	1.47

(b) Diluted earnings per share

	31 December 2015 \$'000	31 December 2014 \$'000
From continuing operations attributable to the ordinary equity holders of the Company	1.90	1.47
Total diluted earnings per share attributable to the ordinary equity holders of the Company	1.90	1.47

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NOTES TO THE FINANCIAL STATEMENTS CONTINUED

(c) Weighted average number of shares used as denominator

	31 December 2015 Number	31 December 2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	61,574,028	61,492,623
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	61,574,028	61,492,623

10 Contingencies

The Investment Management Agreement entered into by the Company with Aberdeen Asset Management Limited may be terminated by either party giving to the other no less than three-months written notice of its intention to do so.

The Company had no contingent liabilities at 31 December 2015 (30 June 2015: nil).

11 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

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Directors' Declaration

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 6 to 15 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date, and
- (b) 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 Directors under section 303(5) of the Corporations Act 2001.

Augustine Mark Daniels
Director



Sydney
15 February 2016

Corporate Information

Aberdeen Asset Management Limited, Australia, is the Manager of the Company. It is a subsidiary of Aberdeen Asset Management PLC ("Aberdeen") whose group of companies as at 31 December 2015 managed a combined A\$588.6 billion for institutions, unit trusts, listed investment companies, offshore funds and private clients.

Aberdeen has its headquarters in Aberdeen, Scotland, and operates 37 offices in 25 countries around the world. Clients access Aberdeen's investment expertise across the three asset classes of equities, fixed income and property as well as tailored solutions. Aberdeen follows a predominantly long-only approach, based on fundamentally sound investments. Aberdeen's investment teams are based in the markets or regions in which they invest.

Global reach, local understanding

We know global markets from the local level upwards. We believe our focus, size and approach enable us to provide effective asset management and superior client service.

Our teams champion original thinking and knowledge, so investment decisions are based only on our own research.

As a group, we have the scale to provide global coverage of financial markets, yet we are small enough to focus on each and every portfolio decision.

Close-knit teams, clear investment processes and flat structures are important to us. We seek to grow our clients' assets in a way that is manageable and sustainable over the longer term.

Aberdeen in Australia

Aberdeen commenced its Australian operations in December 2000, and as at 31 December 2015 had A\$15.4 billion in assets under management and advice. In addition to managing the investments of a number of Australian registered funds, Aberdeen in Australia also manages the Aberdeen Group's Australian and New Zealand assets for a range of global and domestic clients.

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Aberdeen Leaders Limited Interim Report Six months ended 31 December 2015

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