

**CHESAPEAKE CAPITAL LTD
ABN: 80 106 213 772**

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2015**

This half-year financial report is to be read
in conjunction with the financial report for
the year ended 30 June 2015

**CHESAPEAKE CAPITAL LTD
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 DECEMBER 2015**

TABLE OF CONTENTS

	Page
Director's Report	1-2
Auditor's Independence Declaration	3
Financial Report for the half year ended 31 December 2015	
Condensed Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Statement of Financial Position	5
Condensed Statement of Changes in Equity	6
Condensed Statement of Cash Flows	7
Notes to the Condensed Financial Statements	8-11
Directors' Declaration	12
Independent Auditor's Review Report	13

CHESAPEAKE CAPITAL LTD

DIRECTORS' REPORT

The directors present their report together with the condensed financial report of Chesapeake Capital Ltd for the half-year ended 31 December 2015 and independent auditor's review report thereon. This financial report has been prepared in accordance with AASB 134 Interim Financial Reporting.

Directors Names

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

Name	Period of Directorship
Aaron Constantine	Appointed 31 August 2015
Bernard Romanin	Appointed 30 May 2008
Ian Macliver	Appointed 31 August 2015
James Cullen	Appointed 17 July 2015
Jon Lamb	Appointed 7 November 2007, resigned 31 August 2015
Raymond Schinazi	Appointed 3 August 2007, resigned 31 August 2015

The directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal activities

As a PDF Company, Chesapeake is regulated under the PDF Act, which is administered by Innovation Australia (a Federal Government entity). Innovation Australia approved a revised Investment Plan for Chesapeake on 19 February 2015 that allows it to invest in a wide range of emerging listed and unlisted companies across a variety of sectors.

There has been no significant change in the nature of these activities during the financial year.

Review of Operations

The profit of the company for the half-year after providing for income tax amounted to \$45,215 (2014: \$60,914 loss)

Significant Changes in the State of Affairs

There have been no significant changes in the company's state of affairs during the financial year.

Likely Developments

The company will continue to pursue its operating strategy to create shareholder value. In the opinion of the directors, disclosure of any further information would be likely to result in unreasonable prejudice to the entity.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial period that have significant affect or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

**CHESAPEAKE CAPITAL LTD
DIRECTORS' REPORT**

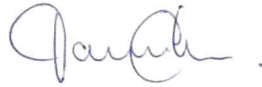
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the directors:



Director
Bernard Romanin



Director
James Cullen

Dated this 15th day of March 2016

CHESAPEAKE CAPITAL LTD

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CHESAPEAKE CAPITAL LTD

In relation to the independent auditor's review for the half-year ended 31 December 2015, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct

This declaration is in respect of Chesapeake Capital Ltd.



P A Jose
Partner



PITCHER PARTNERS
Melbourne

Dated this 15 day of March 2016

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Note	31 Dec 2015 \$	31 Dec 2014 \$
Revenue			
Other income	4	100,729	-
		<u>100,729</u>	<u>-</u>
Less: Expenses			
Travelling expenses		-	7
Administrative Fees		54,126	57,366
Legal Fees		-	1,540
Impairment of loans and investments		-	100
Finance Costs		1,388	1,901
		<u>55,514</u>	<u>60,914</u>
Profit/(Loss) before income tax		<u>45,215</u>	<u>(60,914)</u>
Income tax expense		-	-
Profit/(Loss) from continuing operations		<u>45,215</u>	<u>(60,914)</u>
Other comprehensive income			
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year		<u>45,215</u>	<u>(60,914)</u>
Profit/(Loss) is attributed to:			
Members		<u>45,215</u>	<u>(60,914)</u>
Total comprehensive income attributable to:			
Members		<u>45,215</u>	<u>(60,914)</u>

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	31 Dec 2015	30 June 2015
CURRENT ASSETS		\$	\$
Cash and cash equivalents	5	719,681	1,518,678
Other financial assets	3,6	887,020	-
Other current assets	7	6,683	30,465
TOTAL CURRENT ASSETS		<u>1,613,384</u>	<u>1,549,143</u>
TOTAL ASSETS		<u>1,613,384</u>	<u>1,549,143</u>
CURRENT LIABILITIES			
Trade and other payables		1,497	32,471
TOTAL CURRENT LIABILITIES		<u>1,497</u>	<u>32,471</u>
TOTAL LIABILITIES		<u>1,497</u>	<u>32,471</u>
NET LIABILITIES		<u>1,611,887</u>	<u>1,516,672</u>
 EQUITY			
Share capital	8	16,111,976	16,061,976
Accumulated Losses		(14,500,089)	(14,545,304)
TOTAL EQUITY		<u>1,611,887</u>	<u>1,516,672</u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015**

	Share Capital \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2014	14,073,155	(14,296,682)	(223,527)
Loss for the half-year as reported in 2014 financial statements	-	(60,914)	(60,914)
Total comprehensive income for the half- year	-	(60,914)	(60,914)
Transactions with owners in their capacity as owners:			
Contributions	-	-	-
	-	-	-
Balance as at 31 December 2014	14,073,155	(14,357,596)	(284,441)
Balance as at 1 July 2015	16,061,976	(14,545,304)	1,516,672
Profit for the half-year as reported in 2015 financial statements	-	45,215	45,215
Total comprehensive income for the half- year	-	45,215	45,215
Transactions with owners in their capacity as owners:			
Contributions	50,000	-	50,000
	50,000	-	50,000
Balance as at 31 December 2015	16,111,976	(14,500,089)	1,611,887

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	31 Dec 2015 \$	31 Dec 2014 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	14,228	-
Payments to suppliers and employees	(60,841)	(17,358)
Interest received	7,875	-
Finance costs	(1,388)	(1,901)
Net cash used in operating activities	<u>(40,126)</u>	<u>(19,259)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net Proceeds from sale of investments	191,129	-
Payment for investments	(1,000,000)	-
Net cash used in investing activities	<u>(808,871)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	50,000	-
Proceeds from borrowings	-	10,700
Net cash provided by financing activities	<u>50,000</u>	<u>10,700</u>
Net decrease in cash and cash equivalents	(798,997)	(8,559)
Cash and cash equivalents at beginning of half year	1,518,678	8,574
Cash and cash equivalents at end of the half-year	<u>719,681</u>	<u>15</u>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Chesapeake Capital Ltd during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

Chesapeake Capital Ltd is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors at the date of the directors' report.

(a) Basis of preparation of the half-year financial report

This condensed half year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting', as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

The half year financial report has been prepared under the historical cost convention, as modified by revaluation to fair value for certain classes of assets as described in the accounting policies.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2015 and the corresponding half-year except as described below in Note 1(b).

(b) Summary of the significant accounting policies

All accounting policies applied in this half-year financial report are the same as those used in the annual financial report for the year ended 30 June 2015.

NOTE 2: DIVIDENDS

No dividend was declared by the Directors.

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTE 3: FAIR VALUE MEASUREMENTS

Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Inputs for the asset or liability that are not based on observable market data

The following table provides the fair value classification of those assets and liabilities held by the Company that are measured either on a recurring or non-recurring basis at fair value

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2015				
<i>Recurring Fair Value Measurement</i>				
<i>Financial assets</i>				
Financial assets at fair value through profit and loss	887,020	-	-	887,020
Total financial assets	887,020	-	-	887,020

30 June 2015

Recurring Fair Value Measurement

Financial assets

Financial assets at fair value through profit and loss	-	-	-	-
Total financial assets	-	-	-	-

31 Dec	31 Dec
2015	2014
\$	\$

NOTE 4: OTHER INCOME

Fair value gains on financial assets designated at fair value through profit or loss	78,149	-
Interest	7,875	-
Other	14,705	-
	<u>100,729</u>	<u>-</u>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2015

	31 Dec 2015 \$	30 Jun 2015 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash at bank and on hand	719,681	1,518,678
	<u>719,681</u>	<u>1,518,678</u>

NOTE 6: OTHER FINANCIAL ASSETS

CURRENT

Financial assets designated at fair value through profit and loss

Shares In listed entities	887,020	-
	<u>887,020</u>	<u>-</u>

NOTE 7: OTHER CURRENT ASSETS

CURRENT

Sundry debtors	6,683	30,465
	<u>6,683</u>	<u>30,465</u>

NOTE 8: SHARE CAPITAL

	31 December 2015		30 June 2015	
	No. of Shares	\$	No. of Shares	\$
Issued and paid up capital				
– Ordinary shares	8,921,263	16,111,976	2,180,295,710	16,061,976
Movement in shares on issue - Ordinary shares				
Opening balance	2,180,295,710	16,061,976	110,295,710	14,703,155
Issue of ordinary shares	50,000,000	50,000	2,070,000,000	1,988,821
Share Consolidation (b)	(2,221,374,447)	-	-	-
Closing balance (a)	<u>8,921,263</u>	<u>16,111,976</u>	<u>2,180,295,710</u>	<u>16,061,976</u>

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS 31 DECEMBER 2015

NOTE 8: SHARE CAPITAL (CONTINUED)

Ordinary shares

(a) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) On 4 September 2015 the entity completed a capital restructure involving a consolidation of its shares on a 250 : 1 basis (i.e. for every 250 shares held by a Shareholder, that Shareholder, after the consolidation holds one share).

NOTE 9: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period that have significant affect or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

DIRECTORS DECLARATION

The directors declare that the financial statements and notes set out on pages 4 to 11 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the entity as at 31 December 2015 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Chesapeake Capital Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Bernard Romanin
Director



James Cullen
Director

Melbourne
Dated this 15th day of March 2016

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CHESAPEAKE CAPITAL LTD**

We have reviewed the accompanying half-year financial report of Chesapeake Capital Ltd, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' 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 Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Chesapeake Capital Ltd, 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CHESAPEAKE CAPITAL LTD

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 Chesapeake Capital Ltd 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 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



P A JOSE
Partner
15 March 2016



PITCHER PARTNERS
Melbourne