

**CADENCE CAPITAL LIMITED**  
**A.B.N. 17 112 870 096**  
**APPENDIX 4D**  
**HALF-YEAR REPORT**  
**for the half-year ended 31 December 2011**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
*All comparisons to the half-year ended 31 December 2010*

|   | \$                   | up/down                         | % mvmt                       |
|---|----------------------|---------------------------------|------------------------------|
| Revenue from ordinary activities  | 1,076,564            | down                            | 90 %                         |
| Profit from ordinary activities before tax attributable to members  | 536,157              | down                            | 94 %                         |
| Profit from ordinary activities after tax attributable to members   | 1,723,775            | down                            | 74 %                         |
| <b>Dividend Information</b>   | <b>Amt per share</b> | <b>Franked amount per share</b> | <b>Tax rate for franking</b> |
| 2012 Interim dividend per share   | 4.0c                 | 4.0c                            | 30%                          |
| 2012 Special dividend per share   | 0.5c                 | 0.5c                            | 30%                          |
| 2011 Final dividend per share   | 3.0c                 | 3.0c                            | 30%                          |
| 2011 Special dividend per share   | 3.0c                 | 3.0c                            | 30%                          |
| 2011 Interim dividend per share   | 3.0c                 | 3.0c                            | 30%                          |
| <p>The Dividend Re-Investment Plan (“DRP”) is in operation and the recommended Interim and Special Dividend of 4.5c per share qualifies. The DRP will be operating at no discount. The DRP price is calculated as the weighted average market price of shares sold on the ASX on the books closing date for the relevant dividend and the 3 trading days preceding that date.</p> |                      |                                 |                              |
| <b>Interim dividend dates</b>   |                      |                                 |                              |
| Ex dividend date  |                      |                                 | 19 March 2012                |
| Record date   |                      |                                 | 23 March 2012                |
| Payment date  |                      |                                 | 2 April 2012                 |
|   |                      | <b>31 Dec 2011</b>              | <b>31 Dec 2010</b>           |
| Net tangible asset backing after tax  |                      | \$1.42                          | \$1.25                       |
| <p><i>This report is based on the Half-year Financial Report which has been subject to independent review by the Auditors, Moore Stephens Sydney. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2011 Annual Financial Report.</i></p>   |                      |                                 |                              |

# **CADENCE CAPITAL LIMITED**

A.B.N. 17 112 870 096

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2011**

## COMPANY PARTICULARS

### CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

**DIRECTORS:** Karl Siegling (Chairman)  
James Chirnside  
Geoffrey Wilson

**SECRETARY:** Karl Siegling

**MANAGER OF THE FUND:** Cadence Asset Management Pty Limited  
ABN: 68 106 551 062

**REGISTERED OFFICE:** Level 11, 131 Macquarie Street  
Sydney, NSW 2000

**CONTACT DETAILS:** Level 11, 131 Macquarie Street  
Sydney, NSW 2000  
Telephone: (02) 8298 2444  
Fax: (02) 8298 2499  
Email: [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au)  
Website: [www.cadencecapital.com.au](http://www.cadencecapital.com.au)

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to [www.asx.com.au](http://www.asx.com.au) or call (02) 8298 2444

**PRIME BROKER AND CUSTODIAN OF THE FUND:** Citigroup Global Markets Australia Pty Ltd  
Level 21, 2 Park Street Sydney  
Sydney  
New South Wales, 2000

**SHARE REGISTRAR:** Boardroom Pty Limited  
Mail Address: GPO Box 3993  
Sydney NSW 2001  
Telephone: (02) 9290 9600  
Fax: (02) 9279 0664

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

**AUDITORS:** Moore Stephens Sydney  
Level 7  
20 Hunter Street  
Sydney NSW 2000

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

The Directors present their report together with the financial report of Cadence Capital Limited (the Company) for the half-year ended 31 December 2011.

### PRINCIPAL ACTIVITY

The principal activity of the Company was investing primarily in securities listed on the Australian Securities Exchange. The Company also takes short positions and deals in options over listed securities. No significant changes in the nature of these activities occurred during the half-year.

### OPERATING RESULTS

Investment operations over the half-year resulted in an operating profit before tax of \$536,157 (December 2010: operating profit before tax of \$9,469,868) and an operating profit after tax of \$1,723,775 (December 2010: operating profit after tax of \$6,696,150).

### REVIEW OF OPERATIONS

Investments are valued continuously to market value. For the half-year ended 31 December 2011, net investments were valued at \$26,139,413 (June 2011: \$29,897,039).

### FINANCIAL POSITION

The net asset value of the Company for the half-year ended 31 December 2011 was \$44,877,566 (June 2011: \$40,131,337).

### DIVIDENDS PAID OR RECOMMENDED

An interim fully franked dividend of 4.0 cents and a special fully franked dividend of 0.5 cents per share has been declared by the Board and will be paid on the 2 April 2012.

|   |         |
|---|---------|
| Dividends paid are as follows:  | \$      |
| Fully franked 2011 final dividend of 3.0 cents per share was paid on 25 August 2011   | 928,255 |
| Fully franked 2011 special dividend of 3.0 cents per share was paid on 25 August 2011 | 928,255 |
| Fully franked 2011 interim dividend of 3.0 cents per share was paid on 14 March 2011  | 819,649 |
| Fully franked 2010 final dividend of 2.0 cents per share was paid on 24 June 2010     | 542,966 |
| Fully franked 2010 interim dividend of 2.0 cents per share was paid on 18 March 2010  | 540,917 |

### DIRECTORS

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

Karl P. Siegling – Chairman  
Geoffrey J. Wilson – Non Executive Director  
James M. Chirnside – Non Executive Director

The Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

### AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Board of Directors.



K. SIEGLING Director  
Dated at Sydney this 20<sup>th</sup> of February 2012

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Sydney NSW 2000

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**Auditor's Independence Declaration  
to the Directors of Cadence Capital Limited**

As lead auditor for the review of Cadence Capital Limited for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cadence Capital Limited during the period.



**Moore Stephens Sydney**  
Chartered Accountants



**Scott Whiddett**  
Partner

Dated in Sydney this 20<sup>th</sup> day of February 2012.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

|   | Notes        | December<br>2011<br>\$  | December<br>2010<br>\$   |
|---|--------------|-------------------------|--------------------------|
| <b>INCOME</b>   |              |                         |                          |
| Proceeds from sale of investments                     |              | 6,823,496               | 14,467,851               |
| Cost of investments sold                              |              | <u>(6,754,740)</u>      | <u>(16,124,527)</u>      |
| Realised gain /(loss) on investments                  |              | 68,757                  | (1,656,676)              |
| Unrealised (loss)/ gain on investments                |              | (3,913,413)             | 12,553,618               |
| Capital returns on investments                        |              | 80,000                  | -                        |
| Dividends received                                    |              | 4,536,054               | 248,191                  |
| Interest received                                     |              | 299,086                 | 28,674                   |
| Underwriting fees                                     |              | <u>6,080</u>            | <u>7,601</u>             |
| <b>Total Income</b>                                   |              | <b>1,076,564</b>        | <b>11,181,408</b>        |
| <b>EXPENSES</b>                                       |              |                         |                          |
| Finance costs   |              | -                       | (17,323)                 |
| Management and performance fees                       |              | (398,060)               | (1,592,120)              |
| Directors fees  |              | (15,000)                | (15,000)                 |
| Brokerage expenses on share purchases                 |              | (16,784)                | (22,908)                 |
| Other expenses from ordinary activities               |              | <u>(110,563)</u>        | <u>(64,189)</u>          |
| <b>Total Expenses</b>                                 |              | <b>(540,407)</b>        | <b>(1,711,540)</b>       |
| <b>Profit before income tax</b>                       |              | <b>536,157</b>          | <b>9,469,868</b>         |
| Income tax benefit /(expense)                         |              | <u>1,187,619</u>        | <u>(2,773,718)</u>       |
| <b>Profit attributable to members of the Company</b>  | <b>4 (c)</b> | <b><u>1,723,775</u></b> | <b><u>6,696,150</u></b>  |
| <b>Other comprehensive income</b>                     |              |                         |                          |
| Other comprehensive income for the period, net of tax |              | <u>-</u>                | <u>-</u>                 |
| <b>Total comprehensive income for the period</b>      |              | <b><u>1,723,775</u></b> | <b><u>6,696,150</u></b>  |
| <b>Basic earnings per share</b>                       |              | <b><u>5.6 cents</u></b> | <b><u>24.5 cents</u></b> |
| <b>Diluted earnings per share</b>                     |              | <b><u>5.6 cents</u></b> | <b><u>24.5 cents</u></b> |

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

|                             | Note  | December<br>2011<br>\$ | June<br>2011<br>\$ |
|-----------------------------|-------|------------------------|--------------------|
| <b>ASSETS</b>               |       |                        |                    |
| Cash and cash equivalents   |       | 16,174,645             | 11,423,139         |
| Trade and other receivables |       | 19,955                 | 277,641            |
| Financial assets            |       | 26,139,413             | 29,897,039         |
| Deferred tax asset          |       | 2,829,299              | 1,641,680          |
| <b>TOTAL ASSETS</b>         |       | <b>45,163,312</b>      | <b>43,239,499</b>  |
| <b>LIABILITIES</b>          |       |                        |                    |
| Trade and other payables    |       | 285,746                | 3,108,162          |
| <b>TOTAL LIABILITIES</b>    |       | <b>285,746</b>         | <b>3,108,162</b>   |
| <b>NET ASSETS</b>           |       | <b>44,877,566</b>      | <b>40,131,337</b>  |
| <b>EQUITY</b>               |       |                        |                    |
| Issued capital              | 3     | 34,728,755             | 29,849,791         |
| Reserves                    | 4 (b) | 10,148,811             | -                  |
| Retained earnings           | 4 (c) | -                      | 10,281,546         |
| <b>TOTAL EQUITY</b>         |       | <b>44,877,566</b>      | <b>40,131,337</b>  |

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

|   | Notes        | December<br>2011<br>\$ | December<br>2010<br>\$ |
|---|--------------|------------------------|------------------------|
| <b>Total equity as at 1 July 2011</b>   |              | <b>40,131,337</b>      | <b>27,506,039</b>      |
| Profit for the half-year attributable to members of the Company                   | <b>4 (c)</b> | 1,723,775              | 6,696,150              |
| Shares issued in the period   | <b>4 (a)</b> | 4,878,964              | -                      |
| Shares bought back in buy-back programs during the period                         | <b>4 (a)</b> | -                      | (14,966)               |
| Total other comprehensive income for the period                                   |              | -                      | -                      |
|   |              | <b>46,734,076</b>      | <b>34,187,223</b>      |
| Dividends paid or provided for  | <b>2</b>     | (1,856,510)            | -                      |
| <b>Total equity as at 31 December 2011 attributable to members of the Company</b> |              | <b>44,877,566</b>      | <b>34,187,223</b>      |

The accompanying notes form part of these financial statements.



# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

|   | December<br>2011<br>\$ | December<br>2010<br>\$ |
|---|------------------------|------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                        |                        |
| Dividends received  | 4,617,718              | 565,823                |
| Interest received   | 299,086                | 28,674                 |
| Other income received                                       | 6,653                  | 15,171                 |
| Management fees paid  | (198,835)              | (139,168)              |
| Performance fees paid                                       | (2,430,457)            | (347,658)              |
| Brokerage expenses on share purchases                       | (16,784)               | (22,908)               |
| Interest paid   | -                      | (17,323)               |
| Payments for administration expenses                        | (141,299)              | (44,083)               |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>            | <b>2,136,082</b>       | <b>38,528</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |                        |                        |
| Proceeds from the sale of investments                       | 6,823,496              | 14,739,347             |
| Payments for the purchase of investments                    | (7,310,521)            | (10,672,620)           |
| Capital return on investments                               | 80,000                 | -                      |
| <b>NET CASH (USED IN)/ PROVIDED BY INVESTING ACTIVITIES</b> | <b>(407,025)</b>       | <b>4,066,727</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                        |                        |
| Payments for share buy backs                                | -                      | (14,965)               |
| Proceeds from shares issued                                 | 4,175,036              | -                      |
| Dividends paid  | (1,152,585)            | -                      |
| <b>NET CASH PROVIDED BY /(USED IN) FINANCING ACTIVITIES</b> | <b>3,022,451</b>       | <b>(14,965)</b>        |
| <b>NET INCREASE IN CASH HELD</b>                            | <b>4,751,508</b>       | <b>4,090,290</b>       |
| <b>CASH AS AT BEGINNING OF THE PERIOD</b>                   | <b>11,423,139</b>      | <b>7,690,016</b>       |
| <b>CASH AS AT END OF THE PERIOD</b>                         | <b>16,174,647</b>      | <b>(98,118)</b>        |

The accompanying notes form part of these financial statements.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue on 20 February 2012 by the Board of Directors.

It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2011 and any public announcements made by Cadence Capital Limited ("the Company") during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs with the exception of "held for trading" financial assets and certain other financial assets and liabilities which have been measured at fair value.

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2011 Annual Financial Report.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

#### (b) Details of Reporting Period

The current reporting period is the half-year ended 31 December 2011. For the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow, the previous corresponding period is the period ended 31 December 2010. For the Statement of Financial Position, the previous corresponding date is 30 June 2011.

#### (c) Segment Reporting

The half-year financial report is for the individual entity Cadence Capital Limited. It is a publicly listed company limited by shares, incorporated and domiciled in Australia. The Company is engaged in investment activities conducted predominantly in Australia and derives revenue and investment income from listed and unlisted securities and fixed interest securities.

The Company has a diversified portfolio of investments, with only the Company's investments in RHG Limited and Alacer Gold Corporation comprising more than 10% of the company's income in six months to December 2011. (2010: RHG Limited, Bravura Solutions Limited and South Boulder Mines Limited)

### 2. DIVIDENDS

#### (a) Ordinary dividends paid during the period

6.0 cents per share fully franked dividends paid 25<sup>th</sup> August 2011.

(2010: No dividends were paid during the period)

|  | December<br>2011 | December<br>2010 |
|--|------------------|------------------|
|  | \$               | \$               |
|  | <u>1,856,510</u> | <u>-</u>         |

#### (b) Dividends not recognised during the period

Since the end of the half-year the Directors have declared an interim fully franked dividend of 4.0c per share and a special fully franked dividend of 0.5c per share payable on 2 April 2012.

(2010: 3.0c per share payable on 14 March 2011)

|  |                  |                |
|--|------------------|----------------|
|  | <u>1,419,643</u> | <u>819,649</u> |
|--|------------------|----------------|

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

### 3. ISSUED CAPITAL

|  | December<br>2011  | June<br>2011      |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Paid-up Capital</b>                                 |                   |                   |
| 31,547,629 shares fully paid (June 2011: 27,601,814)   | 35,053,862        | 30,174,898        |
| Costs of share issue                                   | (464,437)         | (464,437)         |
| Deferred tax asset on capitalised costs of share issue | 139,330           | 139,330           |
|  | <u>34,728,755</u> | <u>29,849,791</u> |

### 4. MOVEMENTS IN EQUITY

#### (a) Movement in ordinary share capital December 2011

| Date                                    | Details<br>of issue | Share<br>Price<br>\$ | No. of<br>Shares  | Issue value<br>\$ |
|---|---------------------|----------------------|-------------------|-------------------|
| Balance at the beginning of<br>the year |                     |                      | 27,601,814        | 30,174,898        |
| 6 October 2011                          | DRP                 | \$1.16199            | 605,789           | 703,928           |
| 2 to 21 September 2011                  | Exercise of Options | \$1.2500             | 3,340,026         | 4,175,036         |
| <b>At reporting date</b>                |                     |                      | <u>31,547,629</u> | <u>35,053,862</u> |

#### June 2011

| Date                                    | Details<br>of issue      | Share Price<br>\$ | No. of<br>Shares  | Issue value<br>\$ |
|---|--------------------------|-------------------|-------------------|-------------------|
| Balance at the beginning of<br>the year |                          |                   | 27,341,628        | 29,878,076        |
| July 2010                               | On-Market Share Buy-Back | \$0.7483          | (20,000)          | (14,966)          |
| 14 March 2011                           | DRP                      | \$1.11279         | 280,186           | 311,788           |
|   |                          |                   | <u>27,601,814</u> | <u>30,174,898</u> |

#### (b) Reserves

|                | December<br>2011  | June<br>2011 |
|----------------|-------------------|--------------|
|                | \$                | \$           |
| Profit Reserve | 10,148,811        | -            |
|                | <u>10,148,811</u> | <u>-</u>     |

#### (c) Movement in Retained Earnings

|   | \$           | \$                |
|---|--------------|-------------------|
| Opening balance                               | 10,281,546   | (2,601,991)       |
| Profit attributable to members of the company | 1,723,775    | 13,148,125        |
| Transfer (to)/ from Profit Reserve            | (10,148,811) | 555,061           |
| Dividends paid                                | (1,856,510)  | (819,649)         |
|   | <u>-</u>     | <u>10,281,546</u> |

A Profits Reserve has been created representing an amount allocated from retained earnings that is preserved for future dividend payments.

# CADENCE CAPITAL LIMITED

A.B.N. 17 112 870 096

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

### 5. EVENTS SUBSEQUENT TO REPORTING DATE

The Board declared a 4.0 cent fully franked interim dividend and a 0.5 cent fully franked special dividend per share on 20 February 2012 payable on 2 April 2012. The Ex Date for the dividend is 19 March 2012.

Other than the above, there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

### 6. CAPITAL COMMITMENTS

|  | <b>December<br/>2011</b> | <b>June<br/>2011</b> |
|--|--------------------------|----------------------|
|  | <b>\$</b>                | <b>\$</b>            |
| Capital commitments exist for placements entered into before<br>31 December 2012, which settle after balance sheet date. | 192,000                  | -                    |

# CADENCE CAPITAL LIMITED

ABN: 17 112 870 096

## DIRECTORS' DECLARATION

The Directors of Cadence Capital Limited declare that:

1. The financial statements and notes, as set out on pages 7 to 12, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
  - (b) giving a true and fair view of the financial position of the Company as at 31 December 2011 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



K. SIEGLING  
Director

Dated at Sydney this 20<sup>th</sup> of February 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF CADENCE CAPITAL LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Cadence Capital Limited (the company), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration.

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

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 an Interim 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 financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 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 Cadence Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

### **Independence**

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

### **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 Cadence Capital Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*.



**Moore Stephens Sydney**  
Chartered Accountants



**Scott Whiddett**  
Partner

Dated in Sydney, this 20<sup>th</sup> day of February 2012.