

RYDER CAPITAL LIMITED

ABN 74 606 695 854

Annual report

For the year ended 30 June 2017

RYDER CAPITAL LIMITED
Annual report
FOR THE YEAR ENDED 30 JUNE 2017

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RYDER CAPITAL LIMITED
CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear fellow Shareholders,

Before commenting on this year's result, I would like to take the opportunity to remind shareholders of what we are trying to achieve. Our aim is to provide you with a concentrated and benchmark unaware portfolio of securities that are undervalued and under appreciated by the market. We have no interest in building portfolios to track commonly used benchmarks, but to instead, focus on investing in outstanding opportunities. We believe that our disciplined and patient approach will deliver shareholders strong absolute risk adjusted returns over the long term, whilst preserving capital over the medium term.

Your Company has had a successful year, its first full financial year since listing on the ASX in late September 2015. Strong portfolio performance resulted in the Company's Net Asset Value per share appreciating 24.63%, which was materially ahead of the Company's performance benchmarks and more broadly, ahead of all the various fully invested ASX equity market indices. This result has been achieved while the portfolio held an average cash weighting of 29% for the year.

At 30 June 2017, approximately 86% of the Company's capital was deployed in equities and 14% held in cash, term deposits or other liquid investments.

I wrote in the 2016 Annual Report that the Company's performance is best measured by the movement in Net Tangible Assets (NTA) per share before tax. For the 12-month period to 30 June 2017, the Company's NTA per share appreciated 24.63% from a pre-tax NTA of \$0.9738 to \$1.2136 per share.

A detailed portfolio disclosure and discussion is presented in the Portfolio Managers Report which I encourage you to read.

The Manager is aligned to perform in two ways. Firstly, through a performance incentive to increase the Company's NTA above an absolute return benchmark of the RBA cash rate plus 4.25%. For the year, and as reported, the Company's NTA exceeded the performance benchmark by 18.86%, entitling the Manager to a performance fee which has been accrued monthly throughout the financial year and reflected in the Company's full year results and accounts. The second more critical alignment measure, is that both David and myself are the two largest shareholders in the Company. This level of alignment is not common in the funds management industry, which I feel brings enhanced discipline to the management of the Portfolio.

The Company enters FY2017 in a strong position with a portfolio of investments expected to perform well over the medium term, as broader market understanding and/or corporate activity provide catalysts for value to be realised. Cash and equivalents are currently at the lower end of our targeted weighting at approximately 14%, and we therefore expect this cash weighting to be at least maintained looking forward.

On 31 May this year, the Board resolved to commence an on-market share buyback of up to 10% of the issued capital in the Company. Every share bought at a discount to NTA provides all remaining shareholders with an uplift in value per share in addition to greater exposure to an attractive, well researched portfolio of investment opportunities. In the absence of superior risk-adjusted investment opportunities and the availability of cash on hand not falling below what we consider prudent given macro risks, it is our intention to acquire shares available for sale below NTA up to the 10% threshold.

No dividend has been declared by the Board for the FY2017 year. It is the Board's intention to review this position after the 1H FY2018 results.

The Annual General Meeting will be held in Sydney in late October 2017 where the formal business of the Company will be conducted. There will be an opportunity for shareholders to ask questions regarding the investment portfolio, investment markets and the outlook for the Company at that time.

Finally, I would like to welcome new Shareholders who are investing with us for the first time, and to recognise the support and friendship of those Shareholders who have partnered with us since 2008.

Yours faithfully,



Peter Constable
Chairman

RYDER CAPITAL LIMITED
INVESTMENT MANAGERS' REPORT

We are pleased to report a year of strong gross Portfolio performance of 30.16%. This return was achieved whilst holding an arithmetic average cash balance of approximately 29%. It should be noted that these returns are gross of various costs associated with the running and administering of the Company, such as management and performance fees, ASX listing fees and certain other third-party expenses as set out in the Annual Report.

Set out in the table below are the Company's gross Portfolio performance and pre-tax NTA performance⁽¹⁾:

	3 Months (%)	6 Months (%)	1 Year (%)	Since Inception ⁽²⁾ (% per annum)
Gross Portfolio Performance	3.19%	8.88%	30.16%	15.80%
NTA Return (Pre Tax)	2.51%	6.95%	24.63%	12.11%
Hurdle (RBA Cash Rate + 4.25% Return)	1.40%	2.81%	5.77%	5.96%
Excess Return NTA Return (Pre Tax) - RBA Cash Rate + 4.25%	1.11%	41.44%	18.86%	6.15%

1. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees

2. Inception Date of 22 September 2015

We believe that the most consistent (and ethical) measure of performance for Shareholders is the pre-tax movement in Net Tangible Assets (NTA) adjusted for any dividends or other distributions. On that measure, the pre tax return for the reporting period was 24.63%, which resulted in the NTA rising from 97.38 cents per share to 121.36 cents per share, a pleasing result given the level of cash held during the period, and also pleasing when compared to a number of commonly followed equity benchmarks, as shown below:

Annual Returns to 30 June 2017	1 Year
Ryder Capital (Pre-tax NTA)	24.63%
S&P/ASX All Ordinaries Accumulation	13.12%
S&P/ASX Small Ordinaries Accumulation	7.01%
RBA Cash Rate	1.52%
Ryder Capital Ltd Hurdle Rate	5.77%

Source: Bloomberg

The Company's opening pre-tax Net Asset Value (NAV) on 30 June 2016 was \$35,857,797 and the closing NAV on 30 June 2017 was \$44,670,578, resulting in an increase in net assets of \$8,812,781 pre-tax but after performance fees and all other expenses.

At 30 June 2017, approximately 86% of the Company's capital had been deployed in equities, with approximately 14% held in cash, term deposits and other liquid investments.

It is important to remember that performance during relatively short periods of time, such as this reporting period, are not overly instructive. High average cash weightings (arithmetic average of ~29% for FY17) were held during a period where long term investments were being initiated, and in the short term, the price of a company's securities can move materially up or down for reasons sometimes entirely divorced from fundamentals. As such, and in line with our key principles, we encourage a long term view and patience, especially so in periods where we may underperform.

RYDER CAPITAL LIMITED
INVESTMENT MANAGERS' REPORT (CONTINUED)

PORTFOLIO

Portfolio Value and Structure at 30 June 2017	ASX Ticker	Market Value \$	% Total
Updater Inc - CDI	UPD	6,213,977	13.54
Codan Ltd	CDA	4,715,746	10.29
NextDC Ltd	NXT	4,059,000	8.85
Billabong International Ltd	BBG	3,792,500	8.27
SRG Ltd	SRG	2,973,297	6.49
Topbeta Holdings Ltd	TBH	2,506,978	5.47
Kogan.com Ltd	KGN	2,505,349	5.47
Flexigroup Ltd	FXL	2,281,250	4.98
Pacific Energy Ltd	PEA	1,949,909	4.25
BC Iron Ltd	BCI	1,451,263	3.17
Veem Ltd	VEE	1,366,788	2.98
Aurelia Metals Ltd	AMI	1,187,983	2.59
Bigtincan Holdings Ltd	BTH	1,150,000	2.51
GeoOP Ltd	GEO NZ	708,766	1.55
Universal Biosensors Inc	UBI	629,585	1.37
AirXpanders Inc-CDI	AXP	600,118	1.31
Biotech Capital Ltd	BTC	518,754	1.13
Comet Ridge Ltd	COI	416,000	0.91
Calidus Resources Ltd	CAI	255,555	0.56
Logicamms Ltd	LCM	89,725	0.20
Calidus Resources Limited Options	CAIO	27,778	0.06
Sub Total Equities		39,400,321	85.95
Cash and Term Deposits net of Forward Contracts		6,438,436	14.05
Total Portfolio Pre Tax		45,838,757	100.00

During the period we added to our holdings in: NextDC Limited, Codan Limited, Billabong International Limited and Flexigroup Limited. Smaller additions were made to positions in Topbeta Holdings Limited and Updater Inc. CDI as the latter two advanced their disruptive/innovator business models.

New long term high conviction positions added to or substantially increased during the period were SRG Limited, Kogan.com Limited and Pacific Energy Limited.

The only material liquidation during the period was the sale of Oneview Healthcare Limited due to a change in outlook for US healthcare system spending post the election of the Trump Administration. To date, this decision has preserved capital as the securities have underperformed.

Several smaller positions were actively managed during the period. Such lower exposures can reflect timing, liquidity constraints and/or lower levels of conviction.

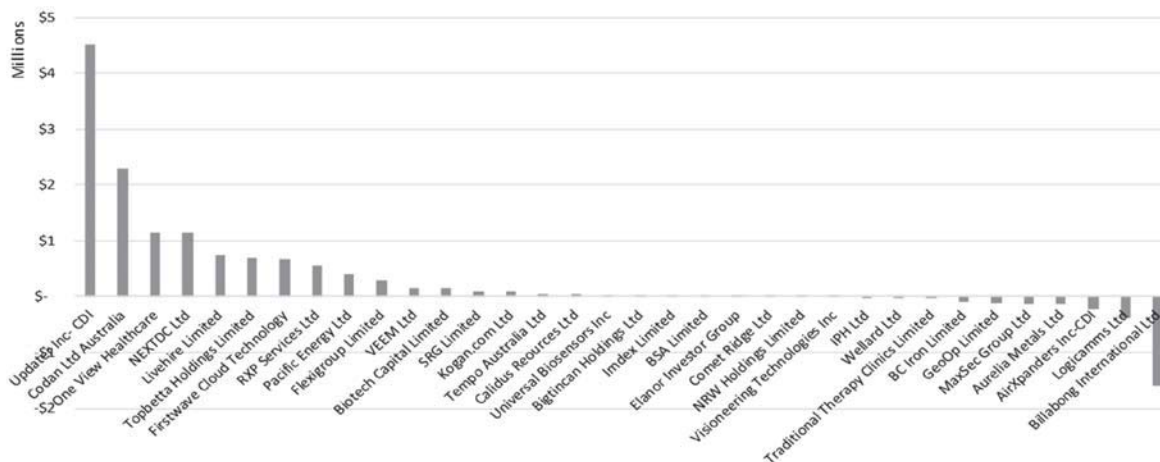
RYDER CAPITAL LIMITED
INVESTMENT MANAGERS' REPORT (CONTINUED)

Portfolio Performance

Gross Portfolio's performance of 30.16% was achieved during the period with the following bar chart illustrating all realised and unrealised mark to market profit contributors for the year from 30 June 2016 to 30 June 2017.

The following bar chart illustrates all realised and unrealised mark to market profit contributors for the year from 30 June 2016 to 30 June 2017.

FY2017 Realised and Unrealised Profit Dispersion



The Portfolios top five contributors to performance during the period came from Updater Inc. CDI, Codan Limited, Oneview Healthcare Limited (realised), NextDC Limited and Livehire Limited (realised). The five largest detractors for the period came from Billabong International Limited, Logicamms Limited (partly realised), AirXpanders Inc CDI, Aurelia Metals Limited, and MaxSec Group Limited (realised).

Strike Rate Analysis

Some Shareholders will recall our interest in following what we call “strike rate” analysis – an analysis that highlights an investment managers ‘wins’ versus ‘losses’ for a period. Ordinarily, this analysis should be done on realised investments to reduce future revisions. However, due to the fact that the Portfolio has just completed its first full financial year of operations and given we are a long-term investor, and therefore have only realised a small percentage of accumulated profits, we are going to use both realised and unrealised performance data to analyse our strike rate for the 12 months to 30 June 2017.

Strike Rate

	<u>Portfolio</u>
Gross Profits	\$13,150,441
Gross Losses	(\$2,682,267)
Net Portfolio Profit	\$10,468,174 79.6%

Strike Rate (Profits to losses) 4.9x

Note: analysis ignores interest, dividends and relies on unaudited management analysis

Referring to the table above, the Portfolio segment identifies the securities generating a positive cumulative aggregated capital profit (realised and unrealised) of \$13,150,441 for the period compared to the group of securities that generated a cumulative aggregated capital loss (realised and unrealised) of (\$2,682,267) for the period. The net of these two gross capital movement amounts resulted in a Gross Capital Portfolio Profit for the period of \$10,468,174.

Two useful conclusions are:

1. The Net Capital Portfolio Profit of \$10,468,174 is 79.6% of the Gross Capital Portfolio Profit, meaning we retained ~79.6% of gains, with approximately ~20.4% being eroded by our losses (defined as market to market and/or realised losses);
2. Another way to think about the analysis is that a strike rate of 4.9x indicates we made 4.9x profits to losses or for every \$4.90 we made in profit, we lost \$1.

We recognise that any analysis in isolation has weaknesses, but over time, this will become an important ratio to analyse our own performance or to benchmark ourselves against our peers/similar managers in the market. It is our intention to report this to you annually, and in time, other performance measures that we think are insightful.

RYDER CAPITAL LIMITED
INVESTMENT MANAGERS' REPORT (CONTINUED)

Outlook (continued)


Our number one focus is to look for and invest in undervalued and underappreciated companies that meet our high return hurdles. However, whilst we are a bottom up stock picker, we remain mindful of macro market risks that could impact on the equity market as a whole. The topic du jour right now (aside from Trump and other geopolitical events), is the potential cessation of central bank liquidity support by way of synchronised interest rate increases. At some point, any rise in global interest rates may have unintended consequences for equity market confidence and broader asset prices. Our goal is to have sufficient Portfolio quality to capitalise on such possible events, whilst recognising that whilst such events may be possible, that does not necessarily make them probable.

We continue to advance our understanding and implications for the use of technology in business, its ability to enhance and disrupt existing business models, while allowing new business to flourish in ever shortening time frames. We recognise our investment models and tools need to remain flexible to mitigate Portfolio isolation from technology rich investment opportunities. The Portfolio has benefitted materially in the past and is likely to continue to benefit from this approach as we continue to review a rich pipeline of investment opportunities.

Broadly, the Portfolio is in good health with a number of high conviction investments that are likely to underpin another solid year of returns, absent any macro environment shocks to asset prices. Of course, we cannot guarantee what will happen in the future but are confident in the investment thesis for each of our largest positions, which will be the key drivers of our performance.

On that note, we have chosen to avoid articulating the various investment thesis that underpin the Portfolio in this report. However, we recognise Shareholders desire to understand more, and so, we intend to provide registered Shareholders of the Company an opportunity to hear more about the Portfolio's holdings at the conclusion of the AGM in October this year, details of which will be sent to all Shareholders.

Finally, I would like to welcome new Shareholders who are investing with us for the first time, and to recognise the support and friendship of those Shareholders who have partnered with us since 2008.



Peter Constable
Chief Investment Officer / Portfolio Manager



David Bottomley
Portfolio Manager

RYDER CAPITAL LIMITED
ABN 74 606 695 854
DIRECTORS' REPORT

Your directors present their report on Ryder Capital Limited ("Company") for the year ended 30 June 2017.

Information on directors

The following persons were directors of the Company from registration date and up to the date of this report (unless otherwise indicated):

Peter Constable - BEc **Chairman**

Experience and Expertise

Peter has over 20 years' experience in both Australian and international equity capital markets. He holds a Bachelor of Economics from Macquarie University and has broad investment experience covering identification, evaluation, strategic analysis and management of capital.

Peter began his career in 1993 as a graduate funds manager with the United Bank of Kuwait, London. Peter established AM Constable Limited in 1999 which merged with MMC Asset Management Ltd in 2003 (MMC). In his capacity as Chief Investment Officer and Executive Director Peter was responsible for over \$500m of shareholder and third party capital invested in the Australian markets. Peter resigned in June 2008 as an Executive and as a Non-Executive Director of MMC Contrarian Ltd in August 2009.

Peter co-founded Ryder Investment Management in July 2008 where he is Executive Chairman and Chief Investment Officer.

Other Current Directorships

Peter is not currently serving a directorship for any other listed companies.

Former directorships in the last 3 years

Peter has previously served on the Boards of Onterran Limited.

Special responsibilities

Chairman of the Board, member of the Nomination and Corporate Governance Committee, member of the Audit Committee.

Interests in shares and options

Details of Peter's interests in shares of the Company are included later in this report.

Interest in contracts

Peter has no interests in contracts of the Company.

David Bottomley - BA LLB (Hons) F Fin **Director and Company Secretary**

Experience and Expertise

David has over 20 years' experience in company valuation and M&A and equity capital markets advisory. He holds a BA (Economic History) from Sydney University, LLB from Bond University and is a Fellow of the Financial Services Institute of Australasia.

David previously held executive positions at Kleinwort Benson (UK Corporate Finance division), Merrill Lynch & Co (London) investment banking division and was managing director, Australia of US investment bank GMCG, LLC from 2004 until June 2008.

David co-founded Ryder Investment Management in July 2008.

Other Current Directorships

David is not currently serving a directorship for any other listed companies.

Former directorships in the last 3 years

David has previously served on the Board of Onterran Limited.

Special responsibilities

Member of the Nomination and Corporate Governance Committee, member of the Audit Committee.

Interests in shares and options

Details of David's interests in shares of the Company are included later in this report.

Interest in contracts

David has no interests in contracts of the Company.

**RYDER CAPITAL LIMITED
ABN 74 606 695 854
DIRECTORS' REPORT**

Ray Kellerman - BEc , LLB, MBA, F Fin

Non-Executive Director

Experience and Expertise

Ray has over 29 years of experience in the funds management and corporate and structured finance industries. Ray was with Perpetual Trustees Australia for 10 years before establishing his own compliance consulting and advisory business in 2001.

He currently acts as a director and audit, risk and compliance committee member for a number of major unlisted fund managers and financial institutions.

Ray is an owner and Executive Director of Quentin Ayers, an implemented asset consultant specialising in alternative private market investments.

Other Current Directorships

Other than acting as Chairman of Countplus Limited, Ray does not act as a director for any other listed companies.

Former directorships in the last 3 years

Nil.

Special responsibilities

Chair of the Nomination and Corporate Governance Committee, Chair of the Audit Committee.

Interests in shares and options

Details of Ray's interests in shares of the Company are included later in this report.

Interest in contracts

Ray has no interests in contracts of the Company.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
DIRECTORS' REPORT

Attendance at Meetings

Board of Directors Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Peter Constable	3	3
David Bottomley	3	3
Ray Kellerman	3	3

Nomination and Corporate Governance Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Peter Constable	1	1
David Bottomley	1	1
Ray Kellerman	1	1

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Peter Constable	2	2
David Bottomley	2	2
Ray Kellerman	2	2

Principal activity

The principal activity of the Company during the period was investing in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term growth in capital and income.

Review of Operations

The Company's opening pre-tax Net Asset Value (NAV) on 30 June 2016 was \$35,857,797 and the closing NAV on 30 June 2017 was \$44,670,578 resulting in lift in gross assets of \$8,812,781 pre-tax but after performance fees and all other expenses.

Net Tangible Assets (NTA) per share before tax rose from 97.38 cents per share to 121.36 cents per share during the reporting period.

At 30 June 2017, approximately 86% of the Company's capital had been deployed in equities with approximately 14% held in cash, term deposits and net receivables.

The Directors are conscious of shareholders interest in not only the performance of the portfolio but also its ongoing construction. The Company releases its Net Tangible Asset position (NTA Statement) within fourteen days of the conclusion of each calendar month. In addition to value changes per share, it also outlines the portfolio weightings split between equities, bonds and cash. The Directors consider the month to month performance assessment as inconsequential when compared with measuring long term investment performance which the Portfolio Manager is focussed on.

In addition to the Monthly NTA Statements the Directors have determined that the Company will provide a report from the Portfolio Manager including the investment holdings and associated commentary in this annual report.

The directors are mindful of any investment activity disclosure that may disadvantage the Company and as such there is no commitment to the extent of such disclosure, its completeness or continuance except as required by the ASX or the Corporations Law.

Dividends

No dividends were declared or paid during the year.

Net Assets

As at 30 June 2017 the net assets of the Company were \$42,661,318 (30 June 2016: \$36,167,349). Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial period there was no significant change in the state of affairs of the Company.

Events Subsequent to Balance Date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Likely Developments

The Company will be managed in accordance with the Constitution and investment objectives as detailed in the Prospectus dated 12 August 2015. Please refer to the Chairman's and Investment Manager's reports for further guidance.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
DIRECTORS' REPORT

Insurance of officers

During the financial period, the Company paid a premium for an insurance policy insuring all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

Environmental Regulations

The Company's operations are not subject to any significant environmental regulations.

Rounding of amounts to nearest dollar

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2017, under the requirements of Section 300A(1) of the Corporations Act.

Key management personnel

The directors and other key management personnel of the Company during the whole of the financial period, and up to the date of this report are (unless otherwise indicated):

Peter Constable - Chairman
David Bottomley - Director and Company Secretary
Ray Kellerman - Non-executive Director

Directors' Remuneration

The Company has a Nomination and Corporate Governance Committee which reviews and advises the Board on the composition of the Board and its committees.

Directors' base fees are set out in the Constitution at an amount that must not be more in aggregate than the maximum amount approved by the Company in a general meeting.

Directors' remuneration received or receivable was as follows:

Year ended 30 June 2017		Short-term employee benefits Cash salary	Post- employment benefits Superannuation	Total
Director	Position	\$	\$	\$
Peter Constable	Chairman	-	-	-
David Bottomley	Director	-	-	-
Ray Kellerman ¹	Non-executive Director	27,397	2,603	30,000
		27,397	2,603	30,000

Period ended 30 June 2016		Short-term employee benefits Cash salary	Post- employment benefits Superannuation	Total
Director	Position	\$	\$	\$
Peter Constable	Chairman	-	-	-
David Bottomley	Director	-	-	-
Ray Kellerman	Non-executive Director	14,786	1,952	16,738
		14,786	1,952	16,738

Director Related Entity Remuneration

The Company has outsourced its investment management function to Ryder Investment Management Pty Limited (the "Manager"). The Manager is privately owned and was incorporated in November 2008. Executive Director and Chief Investment Officer Peter Constable holds (together with his investment entities) 50% of the issued capital of the Manager. Executive Director and Portfolio Manager David Bottomley holds (together with his investment entities) 50% of the issued capital of the Manager.

(a) Management fee

The Manager is entitled to be paid a management fee equal to 1.25% p.a. (plus GST) of the Portfolio Net Asset Value. The management fee is paid monthly in arrears.

¹ Director fees (for the sole non-executive Director) total \$30,000 per annum including superannuation in accordance with the Prospectus dated 12 August 2015 and are unchanged from period ended 30 June 2016. Fee values are reported differently between prior financial year and year ended 30 June 2017 due to timing differences.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
DIRECTORS' REPORT

Remuneration Report (continued)

Director Related Entity Remuneration (continued)

(b) Performance fee

The Manager is entitled to receive a performance fee of 20% (plus GST) of the outperformance of the Portfolio above the Benchmark. The Benchmark is the RBA Cash Rate plus 4.25%. The performance fee is accrued monthly but is not paid until the end of each 12 month period ending on 30 June (Performance Calculation Period).

Management and performance fees paid to the Manager during the year/period were as follows:

	Year ended 30 June 2017 \$	Period from 26 June 2015 to 30 June 2016 \$
Management fees paid and payable during the year/period	585,551	387,536
Performance fees paid and payable during the year/period	1,035,193	-
Management fees payable at year/period end	48,203	40,460

Equity Instrument Disclosures Relating to Directors

The relevant interests of the Directors and their related entities in the Securities of the Company were:

Shares as at 30 June 2017	Balance at 30 June 2016	Acquisitions/ Options Exercised	Disposals	Number of shares
Director				
Peter Constable ¹	4,978,500	-	-	4,978,500
David Bottomley ¹	1,967,500	-	-	1,967,500
Ray Kellerman	510,000	-	-	510,000
	7,456,000	-	-	7,456,000

Options as at 30 June 2017	Balance at 30 June 2016	Acquisitions	Disposals	Number of options
Director				
Peter Constable	4,962,500	-	-	4,962,500
David Bottomley	1,967,500	-	-	1,967,500
Ray Kellerman	510,000	-	-	510,000
	7,440,000	-	-	7,440,000

Shares as at 30 June 2016	Balance at 26 June 2015	Acquisitions/ Options Exercised	Disposals	Number of shares
Director				
Peter Constable ¹	-	4,978,500	-	4,978,500
David Bottomley ¹	-	1,967,500	-	1,967,500
Ray Kellerman	-	510,000	-	510,000
	-	7,456,000	-	7,456,000

Options as at 30 June 2016	Balance at 26 June 2015	Acquisitions	Disposals	Number of options
Director				
Peter Constable	-	4,962,500	-	4,962,500
David Bottomley	-	1,967,500	-	1,967,500
Ray Kellerman	-	510,000	-	510,000
	-	7,440,000	-	7,440,000

¹ As at the date of incorporation one share in the Company was held by Ryder Investment Management Pty Ltd, a company controlled by Peter Constable and David Bottomley.

There is also a contingent second option available to directors which is under the same terms and conditions offered to all other option holders.

Unissued shares

Upon the exercise of an Initial Option, the Company will issue holders a Secondary Option over one Share, with each Secondary Option exercisable at \$1.50 on or before 10 December 2021. As at the date of this report no Initial Options have been exercised.

End of remuneration report.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
DIRECTORS' REPORT

Proceedings on behalf of the company

There are no proceedings that the directors have brought, or intervened in, on behalf of the Company.

Non-Audit services

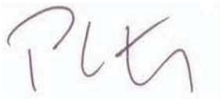
The Board of Directors, in accordance with Advice from the Audit Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 13 did not compromise the external auditor's independence for the following reasons:

- (a) all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- (b) none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

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 12.

Signed in accordance with a resolution of the directors.



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 15 August 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RYDER CAPITAL LIMITED
ABN 74 606 695 854**

In relation to the independent audit for the year ended 30 June 2017, 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 Ryder Capital Limited.



S M WHIDDETT
Partner

PITCHER PARTNERS
Sydney

15 August 2017

RYDER CAPITAL LIMITED
ABN 74 606 695 854
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year ended 30 June 2017 \$	Period from 26 June 2015 to 30 June 2016 \$
Investment income			
Interest income		318,729	600,712
Dividend income		413,674	67,944
Net unrealised gain/(loss) on net financial liabilities at fair value through profit or loss		(6,197)	(77,723)
Net foreign exchange realised gain		48	6,498
Other income		7,708	-
Total investment income		733,962	597,431
Expenses			
Management fees	15	(545,627)	(361,113)
Directors' fees	15	(29,677)	(16,738)
Performance fees	15	(1,035,193)	-
Other operating expenses		(283,619)	(136,560)
Total expenses		(1,894,116)	(514,411)
(Loss)/profit for the year/period before income tax expense		(1,160,154)	83,020
Income tax benefit/(expense)	4(a)	432,714	(6,460)
(Loss)/profit for the year/period		(727,440)	76,560
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Movement in fair value of long term equity investments, net of tax	12(d)	7,053,082	(500,293)
Total comprehensive income/(loss) for the year/period		6,325,642	(423,733)
Basic earnings per share	5	(1.98) cents	0.28 cents
Diluted earnings per share	5	(1.98) cents	0.28 cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	As at 30 June 2017 \$	As at 30 June 2016 \$
Assets			
Current assets			
Cash and cash equivalents	14(a)	6,522,357	15,415,906
Receivables	6	18,646	172,368
Current tax asset	4(a)	-	-
Total current assets		6,541,003	15,588,274
Non-current assets			
Financial assets held at fair value through profit or loss		27,778	-
Long-term equity investments	7, 3	39,372,543	20,662,471
Deferred tax asset	4(b)	91,461	343,644
Total non-current assets		39,491,782	21,006,115
Total assets		46,032,785	36,594,389
Liabilities			
Current liabilities			
Financial liabilities held at fair value through profit or loss	7, 3	83,921	77,723
Payables	10	1,186,825	315,225
Current tax liability	4(a)	288,074	4,253
Total current liabilities		1,558,820	397,201
Non-current liabilities			
Deferred tax liability	4(d)	1,812,647	29,839
Total non-current liabilities		1,812,647	29,839
Total liabilities		3,371,467	427,040
Net assets		42,661,318	36,167,349
Equity			
Issued capital	11(a)	36,594,817	36,591,082
Retained losses	12(a)	(772,600)	-
Profits reserve	12(b)	121,720	76,560
Capital profits reserve	12(c)	1,944,229	57,482
Asset revaluation reserve	12(d)	4,773,152	(557,775)
Total equity		42,661,318	36,167,349

*The above Statement of Financial Position should be read in conjunction with
the Notes to the Financial Statements which follow.*

RYDER CAPITAL LIMITED
 ABN 74 606 695 854
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued capital \$	Retained earnings/(losses) \$	Profits reserve	Capital profit reserve \$	Asset revaluation reserve \$	Total equity \$
Balance on date of registration (26 June 2015)	1	-	-	-	-	1
Profit for the period	-	76,560	-	-	-	76,560
Net revaluation of investments	-	-	-	-	(500,293)	(500,293)
Total comprehensive income for the period	-	76,560	-	-	(500,293)	(423,733)
Other						
Realised profit on sale of investments, net of tax	12(c)	-	-	57,482	(57,482)	-
Transfer to profits reserve	12(a)(b)	-	76,560	-	-	-
Transactions with owners in their capacity as owners						
Shares and options issued during the period	11(a)	36,828,500	-	-	-	36,828,500
Initial public offering costs, net of deferred tax impact	11(a)	(237,419)	-	-	-	(237,419)
		36,591,081	-	-	-	36,591,081
Balance at 30 June 2016		36,591,082	76,560	57,482	(557,775)	36,167,349
Loss for the year		-	-	-	-	(727,440)
Net revaluation of investments	12(a)(b)	-	-	-	7,053,082	7,053,082
Total comprehensive income for the year		-	(727,440)	-	7,053,082	6,325,642
Other						
Transfer of realised gains on sale of investments, net of tax	12(c)	-	-	1,886,747	(1,886,747)	-
Transfer to profits reserve	12(a)(b)	-	45,160	-	-	-
Adjustment to corporate tax	12(d)	-	-	-	164,592	164,592
Transactions with owners in their capacity as owners						
Shares and options issued during the year	11(a)	-	-	-	-	-
Shares acquired under buy-back during the year	11(a)	(16,190)	-	-	-	(16,190)
Reversal of initial public offering costs, net of deferred tax impact	11(a)	19,925	-	-	-	19,925
		3,735	-	-	-	3,735
Balance at 30 June 2017		36,594,817	121,720	1,944,229	4,773,152	42,661,318

*The above Statement of Changes in Equity should be read in conjunction with
 the Notes to the Financial Statements which follow.*

RYDER CAPITAL LIMITED
ABN 74 606 695 854
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	Year ended 30 June 2017 \$	Period from 26 June 2015 to 30 June 2016 \$
Cash flows from operating activities			
Interest received		410,404	501,250
Dividends received		413,674	67,944
Net receipts from foreign exchange transactions		48	6,498
Management fees paid		(535,126)	(323,412)
Directors' fees paid		(14,800)	(16,738)
Other operating expenses paid		(308,915)	(58,321)
Other income received		7,708	-
Income tax paid		(13,690)	-
Net cash used in operating activities	14(b)	(40,697)	177,221
Cash flows from investing activities			
Proceeds from sale of investments		13,894,129	2,644,454
Payments for purchase of investments		(22,750,716)	(23,894,250)
Net cash used in investing activities		(8,856,587)	(21,249,796)
Cash flows from financing activities			
Proceeds from shares issued under initial public offering		-	36,827,500
Payments for shares buy-back		(16,190)	-
Reversal of issue costs/ issue costs (paid)		19,925	(339,019)
Net cash provided by financing activities		3,735	36,488,481
Net increase in cash held		(8,893,549)	15,415,906
Cash and cash equivalents at beginning of the financial year		15,415,906	-
Cash and cash equivalents at end of the financial year	14(a)	6,522,357	15,415,906

*The above Statement of Cash Flows should be read in conjunction with
the Notes to the Financial Statements which follow.*

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ryder Capital Limited ("the Company") is a publicly listed company, incorporated and domiciled in Australia. The Company was incorporated with the Australian Securities and Investments Commission ("ASIC") on 26 June 2015. The registered office and principal place of business of the Company is Level 25, 88 Phillip Street, Sydney NSW 2000. The Company's principal activity is investing in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term growth in capital and income.

These general purpose financial statements are for the year ended 30 June 2017, and were authorised for issue by the Directors on 15 August 2017.

The material accounting policies adopted by the Company in the preparation of the financial statements is set out below:

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards, issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. For the purposes of preparing financial statements, the Company is a for-profit entity.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standard.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of selected assets and liabilities.

(b) Statement of Compliance

The financial statements and notes thereto comply with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(c) Investments

i) Recognition/derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

ii) Classification and Measurement

The Company's investments are categorised as follows:

Financial instruments held at fair value through profit or loss (financial instruments held for trading)

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss.

Derivative financial instruments such as options and forward contracts are included under this classification. The Company does not designate any derivatives as hedges in a hedging relationship.

Financial instruments designated at fair value through other comprehensive income (long-term equity investments)

Long-term equity investments are recognised initially at cost and the Company elects to present subsequent changes in the fair value of the investments in the Statement of Other Comprehensive Income.

Long term equity investments comprise holdings in marketable equity securities which are intended to be held for the long term.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments (continued)

iii) Fair Value

The Company determines the fair value of listed investments at the last quoted price. The fair value of investments that are not traded in an active market are determined using valuation techniques. These include the use of arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

iv) Impairment of financial assets

The Company assesses whether the credit risk on a financial asset has increased significantly based on the change in the risk of default since initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Such information includes:

- contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that indicates otherwise;

The Company considers the following to represent default events for the purpose of measuring expected credit losses:

- contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that indicates a more lagging default criterion is more appropriate;

The foregoing indicators of default have been selected based on the Company's historical experience.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Company competes for funds and is regulated. The Australian dollar is also the Company's presentation currency.

(ii) Transactions and balances

Transactions during the period denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and currency, together with any accrued income, are translated at the exchange rate prevailing at the balance date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at balance date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss. Net exchange gains and losses arising on the revaluation of investments are included in gains on investments.

(e) Income tax

The charge for current income tax expense is based on the taxable income for the period. It is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Current and deferred taxes are recognised in profit or loss except where they relate to items that may be recognised directly in equity, such as unrealised gains and losses on long-term equity, in which case they are adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as being part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Income

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Dividend income is recognised in profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues using the effective interest method, taking into account the effective yield on the financial asset.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in profit or loss in the period in which they arise. This may also include foreign exchange gains and losses when applicable.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(i) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the balance date from the time of last payment. Amounts receivable for securities sold are recorded when a sale has occurred.

(j) Payables

These amounts represent liabilities for amounts owing by the Company at period end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Amounts payable for securities purchased are recorded when the purchase has occurred.

(k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease the loss per share from continuing operations. The calculation of diluted earnings per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Dividends

Provisions for dividends payable are recognised in the reporting period in which they are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(n) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant, and reasonable under the circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The methods used in the valuation of investments are set out in Note 1(e) to these financial statements.

(o) New and amended standards early adopted by the Company

The company has early adopted AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018).

The Company has elected to early adopt AASB 9 Financial Instruments Standard which applies to annual reporting periods beginning from 1 January 2018. AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and liabilities. These requirements improve and simplify the approach for the classification and measurement of financial assets and liabilities compared to the requirements of AASB 139 Financial Instruments: Recognition and Measurement.

AASB 9 allows investments in equity instruments, which were previously classified as available for sale financial assets, to be classified as equity instruments revalued through other comprehensive income. Investments continue to be valued at fair value with changes in value being recognised in the asset revaluation reserve.

Under AASB 9 there is no recycling of the realised gains and losses to the income statement as was previously required by AASB 139. There is also no requirement to test the Company's investments for impairment so there is no transfer of unrealised impairment losses from the asset revaluation reserve to the income statement.

(p) New accounting standards and interpretations not yet adopted

A number of new accounting standards and interpretations have been published by the AASB that are not mandatory for the 30 June 2017 reporting period and have not been early adopted by the Company. The directors have considered these standards and interpretations and have concluded that they will not have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

- AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)

AASB 15 will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements. The Company has not yet decided when to adopt AASB 15.

(q) Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

2. FINANCIAL RISK MANAGEMENT

(a) Objectives, strategies, policies and processes

The objective of the Company is to achieve long term growth in capital and income through investments in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments. The Company is managed from an Australian investor's perspective with tax and currency exposures forming important considerations in the daily management of the Company, whilst complying with the Company's Prospectus dated 12 August 2015. Financial risk management is carried out by the Investment Manager under the guidance of its Chief Investment Officer.

The Company's activities are exposed to different types of financial risks. These risks include market risk (including currency risk, and price risk), being the primary risk, and credit risk. The Company may employ derivative financial instruments to hedge these risk exposures in order to minimise the effects of these risks.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market prices generally incorporate credit risk assessments into valuations and risk of loss is implicitly provided for in the carrying value of assets and liabilities as they are marked to market at balance date.

The total credit risk for assets is therefore limited to the amount carried in the Statement of Financial Position.

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager minimises the Company's concentration of credit risk by undertaking transactions in ASX listed securities with a large number of approved brokers. Payment is only made once a broker has received securities and delivery of securities only occurs once the broker received payment.

Cash

The majority of the Company's short term deposits are invested with financial institutions that have a Standard and Poor's credit rating of AA-. The majority of maturities are within three months. The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2017 is (2.99%), (2016: (3.39%).

Receivables

The majority of the Company's receivables arise from interest yet to be received.

None of these assets exposed to credit risk are overdue or considered to be impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating

Maturity analysis for financial liabilities

The table in the succeeding page analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-6 months	6-12 months	Over 12 months	Total
As at 30 June 2017	\$	\$	\$	\$	\$
Financial liabilities held at fair value through profit or loss	-	83,921	-	-	83,921
Trade and other payables	1,161,074	-	-	-	1,161,074
Due to brokers - payable for securities purchased	25,751	-	-	-	25,751
Total financial liabilities	1,186,825	83,921	-	-	1,270,746
As at 30 June 2016					
Financial liabilities held at fair value through profit or loss	-	77,723	-	-	77,723
Trade and other payables	125,501	-	-	-	125,501
Due to brokers - payable for securities purchased	189,724	-	-	-	189,724
Total financial liabilities	315,225	77,723	-	-	392,948

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free. The market prices of these securities can and do fluctuate in accordance with multiple factors.

The Company seeks to reduce market risk by attempting to invest in equity securities where there is a significant 'margin of safety' between the underlying companies' value and share price. The Company does not have set parameters as to a minimum or maximum margin of safety, nor does it have set parameters regarding a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows, the risk is measured using sensitivity analysis on page 24.

The table below summarises the Company's exposure to interest rates risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity date.

As at 30 June 2017	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Non Interest Bearing \$	Fixed Interest Rate \$	Total \$
Financial Assets					
Cash and cash equivalents	2.99	6,522,357	-	-	6,522,357
Trade and other receivables			18,646		18,646
Options		-	27,778		27,778
<i>Long-term equity investments:</i>					
Listed equities			39,372,543	-	39,372,543
Total Financial Assets		6,522,357	39,418,967	-	45,941,324
Financial Liabilities					
Financial liabilities held for trading - forward contracts					
			83,921	-	83,921
Trade and other payables			1,186,825	-	1,186,825
Total Financial Liabilities			1,270,746	-	1,270,746

As at 30 June 2016	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Non Interest Bearing \$	Fixed Interest Rate \$	Total \$
Financial Assets					
Cash and cash equivalents	3.39	15,415,906	-	-	15,415,906
Trade and other receivables		-	172,368	-	172,368
<i>Long-term equity investments:</i>					
Listed and unlisted equities			18,638,571	-	18,638,571
Fixed interest	7.00	-	-	2,023,900	2,023,900
Total Financial Assets		15,415,906	18,810,939	2,023,900	36,250,745
Financial Liabilities					
Financial liabilities held for trading - forward contracts					
			77,723	-	77,723
Trade and other payables			315,225	-	315,225
Total Financial Liabilities			392,948	-	392,948

RYDER CAPITAL LIMITED
ABN 74 606 695 854
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market risk (continued)

(ii) Other Price Risk

Other Price Risk is the risk that fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting the broader market. Other price risk exposure arises from the Company's investment portfolio.

(iii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The Company holds assets denominated in currencies other than the Australian dollar (being the functional currency) and is therefore exposed to foreign currency risk when the value of assets denominated in other currencies fluctuates due to movements in exchange rates.

The Company may enter into foreign exchange forward contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. Foreign exchange instruments are principally denominated in NZ Dollars.

(iv) Sensitivity analysis

The following tables show the sensitivity of the Company's operating profit/other comprehensive income and equity to price risk, interest rate risk and foreign exchange risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Company's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the securities in which the Company invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price risk		Interest rate risk		Foreign exchange risk	
	Impact on other comprehensive income		Impact on other comprehensive income		Impact on other comprehensive income	
	-10%	+10%	-100 bps	+100 bps	-10%	+10%
30 June 2017	(3,937,254)	3,937,254	-	-	(70,877)	70,877
	Price risk (\$)		Interest rate risk		Foreign exchange risk	
	Impact on other comprehensive income		Impact on other comprehensive income		Impact on other comprehensive income	
	-10%	+10%	-100 bps	+100 bps	-10%	+10%
30 June 2016	(2,066,247)	2,066,247	-	-	(77,715)	77,715
	Price risk		Interest rate risk		Foreign exchange risk	
	Impact on operating profit/(loss)		Impact on operating profit/(loss)		Impact on operating profit/(loss)	
	-10%	+10%	-100 bps	+100 bps	-10%	+10%
30 June 2017	5,614	(5,614)	(3,347)	3,347	143,102	(143,102)
	Price risk (\$)		Interest rate risk		Foreign exchange risk	
	Impact on operating profit/(loss)		Impact on operating profit/(loss)		Impact on operating profit/(loss)	
	-10%	+10%	-100 bps	+100 bps	-10%	+10%
30 June 2016	7,772	(7,772)	(107,911)	107,911	143,274	(143,274)

RYDER CAPITAL LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

3. FAIR VALUE MEASUREMENT

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

- Long term equity investments
- Financial liabilities held for trading

Fair value hierarchy

AASB 13: Fair value measurement requires disclosure of fair value measurements by level of the fair value hierarchy:

Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and

Level 3 - measurements based on unobservable inputs from the asset or liability.

(i) *Recognised fair value measurements*

The following table presents the Company's assets measured and recognised at fair value as at 30 June 2017 and 30 June 2016.

At 30 June 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Options	27,778	-	-	27,778
<i>Long-term equity investments</i>				
Listed investments	39,372,543	-	-	39,372,543
Total financial assets	<u>39,400,321</u>	-	-	<u>39,400,321</u>
Total financial assets	<u>39,400,321</u>	-	-	<u>39,400,321</u>
Financial liabilities				
<i>Held for trading liabilities</i>				
Forward contracts	-	83,921	-	83,921
Total financial liabilities	-	<u>83,921</u>	-	<u>83,921</u>
At 30 June 2016				
Financial assets				
<i>Long-term equity investments</i>				
Listed investments	17,639,571	-	-	17,639,571
Unlisted investments	-	999,000	-	999,000
Fixed interest	2,023,900	-	-	2,023,900
Total long-term equity investments	<u>19,663,471</u>	<u>999,000</u>	-	<u>20,662,471</u>
Total financial assets	<u>19,663,471</u>	<u>999,000</u>	-	<u>20,662,471</u>
Financial liabilities				
<i>Held for trading liabilities</i>				
Forward contracts	-	77,723	-	77,723
Total financial liabilities	-	<u>77,723</u>	-	<u>77,723</u>

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(ii) *Fair value of financial instruments not carried at fair value*

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

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FOR THE YEAR ENDED 30 JUNE 2017

	30 June 2017	Period from 26 June 2015 to 30 June 2016
	\$	\$
4. TAXATION		
(a) Numerical reconciliation of income tax (benefit)/expense		
Prima facie tax payable on profit before income tax at 27.5% (2016: 30%)	(319,042)	24,906
Adjusted for tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Imputation gross up on dividends received	48,254	7,905
Franking credits on dividends received	(175,468)	(26,351)
Prior year under/(over) provision	13,542	-
	(432,714)	6,460
Income tax (benefit)/expense	(432,714)	6,460
Applicable weighted average effective tax rate	37%	8%
The income tax (benefit)/expense results in a:		
Current tax asset	-	-
Current tax liability	(427,589)	4,253
Deferred tax liability	27,698	29,839
Deferred tax asset	(68,954)	(27,632)
	36,131	-
Income tax (benefit)/expense	(432,714)	6,460
(b) Amounts recognised directly in equity		
Aggregate deferred tax arising in the reporting period and not recognised in profit or loss or other comprehensive income but debited or credited directly to equity.		
Transition costs on equity issue	(5,075)	101,601
Unrealised (gains)/losses on long term equity investments	(2,126,520)	214,412
Realised (gains)/losses on long term equity investments	(715,663)	-
Net deferred tax - (credited)/debited directly to equity	(2,847,258)	316,013
(c) Movement in Current tax Liability		
Opening balance	(4,253)	-
2016 Balancing adjustment	(14,510)	-
Income tax payment made	18,763	-
Charged / credited to profit or loss		
to profit or loss	(427,589)	4,253
directly to equity	715,663	-
Closing balance	288,074	4,253
(d) Net deferred tax assets/(liabilities)		
	As at	As at
	30 June 2017	30 June 2016
	\$	\$
Deferred tax liabilities		
Deferred income tax comprises the estimated tax payable at the current income tax rate of 27.5% (2016: 30%) on the following items:		
Tax on unrealised gains on investment portfolio	1,810,506	-
Accrued interest	2,141	29,839
	1,812,647	29,839
Movements:		
Opening balance	29,839	-
Charged / credited to profit or loss		
to profit or loss	(27,698)	29,839
directly to equity	1,810,506	-
Closing balance	1,812,647	29,839

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4. TAXATION (CONTINUED)

(d) Net deferred tax assets/(liabilities) (continued)

	As at 30 June 2017	As at 30 June 2016
	\$	\$
Net deferred tax assets		
Deferred tax assets comprises the estimated tax deductible at the current income tax rate of 27.5% (2016: 30%) on the following items:		
Transition costs on equity issue	96,526	101,601
Reduction in transition costs on equity issue	(28,143)	(20,320)
Tax on realised gains/losses on investment portfolio	-	24,635
Tax on unrealised losses on investment portfolio	-	214,412
Financial liabilities held at fair value through profit or loss	23,078	23,317
	91,461	343,644
Net deferred tax assets	91,461	343,644
Movements:		
Opening balance	343,644	-
Charged / credited to profit or loss	68,954	27,632
directly to equity	(321,137)	316,013
Closing balance	91,461	343,644

5. EARNINGS PER SHARE

	30 June 2017	Period from 26 June 2015 to 30 June 2016
	\$	\$
Basic (losses)/earnings per share	(1.98) cents	0.28 cents
Diluted (losses)/earnings per share	(1.98) cents	0.28 cents
(Losses)/earnings used in calculating basic (losses)/earnings per share	(727,440)	76,560
(Losses)/earnings used in calculating diluted (losses)/earnings per share	(727,440)	76,560
Weighted average number of ordinary shares used in the calculation of basic earnings per share	36,828,075	27,472,071
Weighted average number of shares used in the calculation of diluted earnings per share	36,828,075	27,472,071

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares 1 July 2016 to 30 June 2017.

6. RECEIVABLES

	As at 30 June 2017	As at 30 June 2016
	\$	\$
Interest receivable	7,787	99,462
GST receivable	10,859	10,562
Due from brokers - receivable for securities sold	-	62,344
	18,646	172,368

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	As at 30 June 2017 \$	As at 30 June 2016 \$
7. INVESTMENTS		
<i>Financial assets designated at fair value through other comprehensive income</i>		
Listed equities	39,372,543	17,639,571
Unlisted equities	-	999,000
Fixed interest	-	2,023,900
Total financial assets designated at fair value through other comprehensive income	39,372,543	20,662,471
<i>Financial assets designated at fair value through profit or loss</i>		
Options	27,778	-
Total financial assets designated at fair value through profit or loss	27,778	-
Total financial assets	39,400,321	20,662,471
<i>Financial liabilities held at fair value through profit or loss</i>		
<i>Held for trading liabilities</i>		
Forward contracts	83,921	77,723
Total financial liabilities	83,921	77,723

8. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business the Company enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Company's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Company against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

The Company holds the following derivative instrument:

(a) Forward currency contracts

Forward currency contracts are primarily used by the Company to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Company agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing closing price at the end of each reporting period. The Company recognises a gain or loss equal to the change in fair value at the end of each reporting period.

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8. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. Options held by the Company are exchange-traded. The Fund is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

The Company's derivative financial instruments at 30 June 2017 and 30 June 2016 are detailed below.

	As at 30 June 2017		
	Contract/ notional value	Fair Values	
	\$	Assets	(Liabilities)
		\$	\$
Forward contracts	(1,347,104)	-	(83,921)
Options	69,444	27,778	-
	<u>(1,277,659)</u>	<u>27,778</u>	<u>(83,921)</u>

	As at 30 June 2016		
	Contract/ notional value	Fair Values	
	\$	Assets	(Liabilities)
		\$	\$
Forward contracts	(1,355,014)	-	(77,723)
	<u>(1,355,014)</u>	<u>-</u>	<u>(77,723)</u>

9. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the following table:

	Effects of offsetting on the statement of financial position		
	Gross amounts of financial instrument	Gross amounts set off in the statement of financial position	Net amount of financial assets/(liabilities) presented in the statement of financial position
	\$	\$	\$
As at 30 June 2017			
Financial assets			
Forward contracts	1,347,104	1,347,104	-
Total	<u>1,347,104</u>	<u>1,347,104</u>	<u>-</u>
Financial liabilities			
Forward contracts	(1,431,025)	(1,431,025)	(83,921)
Total	<u>(1,431,025)</u>	<u>(1,431,025)</u>	<u>(83,921)</u>
As at 30 June 2016			
Financial assets			
Forward contracts	1,355,014	1,355,014	-
Total	<u>1,355,014</u>	<u>1,355,014</u>	<u>-</u>
Financial liabilities			
Forward contracts	(1,432,737)	(1,432,737)	(77,723)
Total	<u>(1,432,737)</u>	<u>(1,432,737)</u>	<u>(77,723)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. PAYABLES	As at 30 June 2017 \$	As at 30 June 2016 \$
Management fees payable	48,203	37,701
Performance fees payable	1,035,193	-
Directors fees payable	14,877	-
IPO transaction costs payable	-	84,205
Insurance fees payable	62,801	3,595
Due to brokers - payable for securities purchased	25,751	189,724
	1,186,825	315,225

11. ISSUED CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Shares under IPO

The Company issued a replacement Prospectus on 25 March 2015 for the offer of up to 50,000,000 fully paid ordinary shares at an office price of \$1.00 per share to raise up to \$50,000,000, together with an entitlement to 1 option, exercisable at \$1.25 on or before 10 December 2018 for every 1 share subscribed for under the offer. Upon the exercise of an initial option the company will also issue holders a second option exercisable at \$1.50 on or before 10 December 2021. On 21 September 2015, the Company issued 36,828,500 fully paid ordinary shares under this initial public offering at \$1.00 per share.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors monitor the monthly NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

	30 June 2017		Period from 26 June 2015 to 30 June 2016	
	Units	\$	Units	\$
(a) Movements in ordinary share capital				
Opening balance	36,828,501	36,591,082	1	1
Ordinary shares issued under the initial public offering	-	-	36,828,500	36,828,500
Shares buy-back	(15,567)	(16,190)	-	-
Costs of issued capital, net of tax	-	19,925	-	(237,419)
Closing balance	36,812,934	36,594,817	36,828,501	36,591,082
(b) Options issued				
Opening balance	36,828,500	36,828,500	-	-
Options issued during the year/period	-	-	36,828,500	36,828,500
Closing balance	36,828,500	36,828,500	36,828,500	36,828,500

Investors received, for no additional consideration, one initial option for every one share subscribed for, exercisable at \$1.25 on or before 10 December 2018. Upon the exercise of an initial option, the Company will issue holders a secondary option, with each secondary option exercisable at \$1.50 on or before 10 December 2021.

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	30 June 2017	Period from 26 June 2015 to 30 June 2016
	\$	\$
12. RESERVES AND RETAINED PROFITS		
(a) Retained earnings		
Balance at the beginning of the year/period	-	-
Net profit/(loss) attributable to members of the Company	(727,440)	76,560
Transfer to profit reserve	(45,160)	(76,560)
Balance at 30 June	(772,600)	-
(b) Profits reserve		
The reserve is made of amounts transferred from current and retained earnings that are preserved for future dividend payments.		
Balance at the beginning of the year/period	76,560	-
Transfer from retained earnings/(losses)	45,160	76,560
Balance at 30 June	121,720	76,560
(c) Capital profits reserve		
The reserve records gains or losses arising from disposal of long-term equity investments.		
Balance at the beginning of the year/period	57,482	-
Realised profit on sale of investments, net of tax	1,886,747	57,482
Balance at 30 June	1,944,229	57,482
(d) Asset revaluation reserve		
The reserve records revaluations of long-term equity investments.		
Balance at the beginning of the year/period	(557,775)	-
Movement in fair value of long-term equity investments, net of tax	7,053,082	(500,293)
Realised profit on sale of investments, net of tax transferred to capital profits reserve	(1,886,747)	(57,482)
Adjustment made to corporate tax	164,592	-
Balance at 30 June	4,773,152	(557,775)

13. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	30 June 2017	Period from 26 June 2015 to 30 June 2016
	\$	\$
Pitcher Partners		
Audit and other assurance services		
Audit and review of financial statements	38,176	36,000
Other assurance services		
Other assurance	-	27,000
Total remuneration for audit and other assurance services	38,176	63,000
Taxation services		
Taxation services	7,500	9,900
Total remuneration of Pitcher Partners	45,676	72,900

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

13. AUDITOR'S REMUNERATION (CONTINUED)

The Company's Audit Committee oversees the relationship with the Company's External Auditors. The Audit Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do no compromise independence.

14. CASH FLOW INFORMATION	As at 30 June 2017	As at 30 June 2016
(a) Reconciliation of cash		
For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise:		
Cash at bank	6,522,357	15,415,906
Total cash and cash equivalents	6,522,357	15,415,906

(b) Reconciliation of net profit attributable to members of the Company to net cash outflow from operating activities	30 June 2017 \$	Period from 26 June 2015 to 30 June 2016 \$
Profit/(loss) attributable to members of the Company	(1,160,154)	83,020
Net unrealised gain/(loss) on net financial liabilities at fair value through profit or loss	6,197	77,723
Income tax benefit	(13,690)	-
Net change in receivables	91,378	(110,023)
Net change in payables	1,035,572	126,501
Net cash used in operating activities	(40,697)	177,221

15. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions no more favourable than transactions with other parties unless otherwise stated.

(a) Management and Performance Fees

The Company has outsourced its investment management function to Ryder Investment Management Pty Limited (the "Manager"). The Manager is privately owned and was incorporated in November 2008. Executive Director and Chief Investment Officer Peter Constable holds (together with his investment entities) 50% of the issued capital of the Manager. Executive Director and Portfolio Manager David Bottomley holds (together with his investment entities) 50% of the issued capital of the Manager.

(i) Management fee

The Manager is entitled to be paid a management fee equal to 1.25% p.a. (plus GST) of the Portfolio Net Asset Value. The management fee is paid monthly in arrears.

(ii) Performance fee

The Manager is entitled to receive a performance fee of 20% (plus GST) of the outperformance of the Portfolio above the Benchmark. The Benchmark is the RBA Cash Rate plus 4.25%. The performance fee is accrued monthly but is not paid until the end of each 12 month period ending on 30 June (Performance Calculation Period).

Management and performance fees paid to the Manager during the year/period were as follows:

	30 June 2017 \$	Period from 26 June 2015 to 30 June 2016 \$
Management fees paid and payable during the year/period	585,551	387,536
Performance fees paid and payable during the year/period	1,035,193	-
Management fees payable at year/period end	48,203	40,460

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

15. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Remuneration of Directors and Other Key Management Personnel

In accordance with Section 300A of the *Corporations Act 2001*, all detailed information regarding the remuneration of Directors and other key management personnel has been included in the Remuneration Report in the Directors' Report of the Annual Report.

A summary of the remuneration of Directors and other key management personnel for the year/period is set out below:

	30 June 2017 \$	Period from 26 June 2015 to 30 June 2016 \$
Cash salary, fees and commissions	27,397	14,786
Short-term employee benefits	27,397	14,786
Superannuation	2,603	1,952
Post-employment benefits	2,603	1,952
Total employment benefits	30,000	16,738

(c) Shareholdings

2017	Opening balance	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Balance at 30 June 2017
Ordinary Shares				
Peter Constable ¹	4,978,500	-	-	4,978,500
David Bottomley ¹	1,967,500	-	-	1,967,500
Ray Kellerman	510,000	-	-	510,000
	7,456,000	-	-	7,456,000

2016	Balance at 26 June 2015	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Balance at 30 June 2016
Ordinary Shares				
Peter Constable ¹	-	4,978,500	-	4,978,500
David Bottomley ¹	-	1,967,500	-	1,967,500
Ray Kellerman	-	510,000	-	510,000
	-	7,456,000	-	7,456,000

(d) Options to acquire shares

2017	Balance at 30 June 2016	Acquisitions	Disposals	Balance at 30 June 2017
Options				
Peter Constable	4,962,500	-	-	4,962,500
David Bottomley	1,967,500	-	-	1,967,500
Ray Kellerman	510,000	-	-	510,000
	7,440,000	-	-	7,440,000

2016	Balance at 26 June 2015	Acquisitions	Disposals	Balance at 30 June 2016
Options				
Peter Constable	-	4,962,500	-	4,962,500
David Bottomley	-	1,967,500	-	1,967,500
Ray Kellerman	-	510,000	-	510,000
	-	7,440,000	-	7,440,000

1. Director and shareholder (>20%) of Ryder Investment Management Pty Limited which has power to control the voting rights as a discretionary investment manager. As at the date of incorporation one share in the Company was held by Ryder Investment Management Pty Ltd, a company controlled by Peter Constable and David Bottomley.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

16. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2017 and 30 June 2016, the Company had no contingent liabilities or commitments.

17. DIVIDENDS

No dividends were paid for the year ended 30 June 2017 (30 June 2016: Nil).

	30 June 2017	Period from 26 June 2015 to 30 June 2016
	\$	\$
Dividend franking account		
Opening balance of franking account	26,351	-
Franking credits on dividends received	175,468	26,351
Closing balance of franking account	201,819	26,351

The Company's ability to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax.

18. SEGMENT INFORMATION

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 7 Investments, and Note 3 Fair Value Measurement.

19. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the period which 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 future financial years.

RYDER CAPITAL LIMITED
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DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017

The Directors declare that:

- (a) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards, and giving a true and fair view of the financial position as at 30 June 2017 and performance of the Company, for the year ended 30 June 2017;
- (b) 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;
- (c) In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated on Note 1(b) of the financial statements;
- (d) The Directors have been given the declarations required by S.295A of the *Corporations Act 2001*; and
- (e) The remuneration disclosures contained in the Remuneration Report comply with S300A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to S.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 15 August 2017

**Independent Auditor's Report
to the Members of Ryder Capital Limited
A.B.N. 74 606 695 854**

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Ryder Capital Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Opinion

In our opinion

- a) the financial report of Ryder Capital Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 Basis of preparation.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. We have communicated the key audit matters to the Audit Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Audit Committee. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>Existence and valuation of Financial Instruments Refer to Note 7: Investments, Note 8: Derivative financial instruments and Note 9: Offsetting financial assets and financial liabilities</p>	
<p>We focused our audit effort on the valuation, existence and completeness of the Company's financial assets as they are its largest asset and represent the most significant driver of the Company's net tangible assets and profits.</p> <p>The quantum of investments held inherently makes financial assets a key audit matter, in addition however, there may be judgements involved in determining the fair value of the investments.</p> <p>In relation to investments, there is also a risk that these are not owned by the Company.</p> <p>We therefore identified the valuation, existence and completeness of investments as an area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • We obtained an understanding of the investment management process and controls; • We reviewed the independent audit report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the period 1 July 2016 to 30 June 2017 for the Custodian and Administrator; • We agreed the investment holdings to a confirmation obtained directly from the Custodian; • We assessed the Company's valuation of individual investment holding to independent sources where readily observable data was available. For investments where there was little or less observable market data, we obtained and assessed other relevant valuation data; • We evaluated the appropriateness of the accounting treatment of revaluations of financial assets and financial liabilities for current/deferred tax and realised/unrealised gains or losses; • We assessed the adequacy of disclosures in the financial statements.
<p>Accuracy and Completeness of Management and Performance Fees Refer to Note 10: Trade and other payables, Note 15: Related party transactions and Remuneration report</p>	
<p>We focused our audit effort on the accuracy and completeness of management and performance fees as they are significant expenses of the Company and their calculation may require adjustments for events in accordance with the Investment Management Agreement between the Company and the Investment Manager.</p> <p>In addition to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favorable than if they had been with an independent third-party.</p> <p>We therefore identified the accuracy and complete of management and performance fees as an area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Making enquiries with the Investment Manager and the directors with respect to any significant events during the period and associated adjustments made as a result, in addition to having reviewed ASX announcements; • In order to verify the Company's calculation, we recalculated management and performance fees in accordance with our understanding of the Investment Management Agreement; • Considered the treatment of events that may be significant to the calculation of management and performance fees; • Tested key inputs used in the calculation of the management and performance fees and performed a reasonableness test; • Considered the appropriateness of the current methodology in relation to calculation of the management and performance fees; • We also assessed the adequacy of disclosures made in the financial statements in relation to these related party transactions.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of Ryder Capital Limited are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 11 of the directors' report for the year ended 30 June 2017. In our opinion, the Remuneration Report of Ryder Capital Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of Ryder Capital Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S M WHIDDETT
Partner



PITCHER PARTNERS
Sydney

15 August 2017

RYDER CAPITAL LIMITED
ABN 74 606 695 854
TOP 20 SHAREHOLDERS
FOR THE YEAR ENDED 30 JUNE 2017

The Shareholder information set out below was applicable at 25 July 2017.

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report, is listed below.

A. Distribution of equity securities

Holding Ranges	Investors	Shares	%
1 to 1000	2	901	0.00
1001 to 5000	63	209,000	0.57
5001 to 10000	18	165,000	0.45
10001 to 100000	139	6,285,389	17.07
100001 and Over	66	30,152,644	81.91
Total	288	36,812,934	100.00

B. Equity security holders

Twenty largest equity security holders

Name	Shares	%
BNP PARIBAS NOMS PTY LTD <DRP>	2,400,000	6.52
REDAN STREET PTY LTD	2,016,000	5.48
LEYRTH PTY LTD	1,100,000	2.99
PETER CHARLES CONSTABLE	1,000,000	2.72
FARIWEST PTY LTD	1,000,000	2.72
MR TIMOTHY LINDSAY MCCAUGHEY	1,000,000	2.72
MR ROBERT JULIAN CONSTABLE + MRS JANET MARIE CONSTABLE	900,000	2.44
FIR NOMINEES PTY LIMITED	800,000	2.17
JANCON PTY LIMITED	800,000	2.17
GERICHTER SUPER INVESTMENTS PTY LTD	716,100	1.95
DHAULAGURI PTY LTD	700,000	1.90
SEARLE SUPER FUND A/C	670,580	1.82
GERICHTER FAMILY INVESTMENTS PTY LTD	660,000	1.79
CEDAR PARTY PTY LTD	600,000	1.63
ANN GURIDERA EMMS + TOM RICHARD + PETER NORMAN SCHUTZINGER	550,000	1.49
BOND STREET CUSTODIANS LIMITED	500,000	1.36
BS CARTER SUPERANNUATION FUND PTY Ltd	500,000	1.36
CEDAYU PTY LTD	500,000	1.36
DOOHAN SUPERANNUATION PTY LTD	500,000	1.36
HALE UNION SUPER FUND A/C	500,000	1.36

C. Substantial shareholders

	Shares	%
Peter Charles Constable	4,978,501	13.52
David Harold Bottomley	1,967,501	5.34

D. Voting rights

The voting rights attaching to each class of equity security are set out below:

Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. Options do not have any voting rights until they vest and are exercised.

E. Stock exchange listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member exchanges of the ASX Limited.

F. Unquoted securities

There are no unquoted securities.

G. Securities subject to voluntary escrow

There are no securities subject to voluntary escrow.

RYDER CAPITAL LIMITED
ABN 74 606 695 854
CORPORATE DIRECTORY

Directors Peter Constable (Chairman)
David Bottomley
Ray Kellerman

Company Secretary David Bottomley

Registered Office Level 25
88 Phillip Street
Sydney NSW 2000

Contact Details P: (02) 8211 2777
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W: www.rydercapital.com.au

Share Registry Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

P: 1300 554 474
W: www.linkmarketservices.com.au

Auditor Pitcher Partners
Level 22, MLC Centre
19 Martin Place
Sydney NSW 2000
P: (02) 9221 2099

Stock Exchange Listings Ryder Capital Limited securities are listed on the Australian Stock Exchange under the following exchange codes:

Shares RYD
Options RYDO