

**WAM ACTIVE LIMITED**  
**ABN 49 126 420 719**  
**APPENDIX 4D**  
**HALF YEAR REPORT**  
**For the half year ended 31 December 2011**

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

	\$	Up/Down	% Mvmt
Revenue from ordinary activities	124,116	down	94.3%
Loss from ordinary activities before tax attributable to members	(212,670)	down	114.7%
Loss from ordinary activities after tax attributable to members	(44,644)	down	103.8%
Loss for the period attributable to members	(44,644)	down	103.8%

<b>Dividend Information</b>	<b>Amount per share</b>	<b>Franked amount per share</b>	<b>Tax rate for franking</b>
2012 Interim dividend cents per share	4.5c	4.5c	30%
2011 Final dividend cents per share	4.0c	4.0c	30%

**Interim dividend dates**

Ex dividend date	11 April 2012
Record Date	17 April 2012
Payment Date	24 April 2012

**Dividend Reinvestment Plan**

The Dividend Reinvestment Plan is in operation and the recommended interim dividend of 4.5 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price (calculated as the weighted average market price of shares sold on the ASX on the books closing date (17 April 2012) for the relevant dividend and the 3 trading days preceding that date).

	<b>31 Dec 11</b>	<b>31 Dec 10</b>
Net tangible asset backing after tax	\$1.08	\$1.16

*This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Moore Stephens Sydney. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2011 Annual Financial Report.*



WAM Active Limited (WAA)

ABN 49 126 420 719

# Financial Report

for the half year ending 31 December 2011

# COMPANY PARTICULARS

## WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

WAM Active Limited is a Listed Investment Company and is a reporting entity. It is primarily an investor in equities listed on the Australian stock market.

**DIRECTORS:** Geoffrey Wilson (Chairman)  
Matthew Kidman  
John Abernethy  
Ronald Walker

**SECRETARY:** Katherine Thorley

**INVESTMENT MANAGER:** MAM Pty Limited  
Level 11, 139 Macquarie Street  
Sydney NSW 2000

**AUDITORS:** Moore Stephens Sydney

**COUNTRY OF INCORPORATION:** Australia

**REGISTERED OFFICE:** Level 11, 139 Macquarie Street  
Sydney NSW 2000

**CONTACT DETAILS:** Postal Address: GPO Box 4658  
Sydney NSW 2001

Telephone: (02) 9247 6755  
Fax: (02) 9247 6855  
Email: [info@wamfunds.com.au](mailto:info@wamfunds.com.au)  
Website: [www.wamfunds.com.au](http://www.wamfunds.com.au)

**SHARE REGISTRAR:** Boardroom Pty Limited  
(Formerly known as: Registries Limited)  
Level 7, 207 Kent Street  
Sydney NSW 2000

Telephone: (02) 9290 9600  
Fax: (02) 9279 0664

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

**AUSTRALIAN STOCK EXCHANGE:** Ordinary Shares (WAA)

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

The Directors present their report together with the financial report of WAM Active Limited ("the Company") for the half year ended 31 December 2011.

### Directors

The following persons were Directors of the Company during the whole of the financial period and up to the date of this report:

- Geoffrey Wilson (Chairman – Non-Independent)
- Matthew Kidman (Non-Executive Director – Non-Independent)
- John Abernethy (Non-Executive Director – Independent)
- Ronald Walker (Non-Executive Director – Non-Independent)

### Principal Activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are to deliver a rising stream of fully franked dividends and to preserve capital in both the short term and long term. No change in this activity took place during the period or is likely in the future.

### Operating and Financial Review

Investment operations over the half year resulted in an operating loss before tax of \$212,670 (2010: operating profit before tax of \$1,446,764) and operating loss after tax of \$44,644 (2010: operating profit after tax of \$1,172,250). This was a reflection of the costs being higher than the 0.3% increase in the gross performance. The gross portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 9.9% for the 6 months to 31 December 2011.

Under Accounting Standards, realised gains and losses and dividend income are added to or reduced by changes in the market value of the Company's investments. This can lead to large variations in reported profits. In the 6 months to 31 December 2011, the unrealised market value of the portfolio increased by \$315,766. We believe a more appropriate measure of the results is the change in Net Tangible Asset (NTA), adjusted for dividends. The after tax NTA, adjusted for dividends, decreased 0.3% for the 6 months to 31 December 2011. The share price, adjusted for dividends rose 2.5% for the 6 months to 31 December 2011.

Net asset backing for each ordinary share as at 31 December 2011 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.08 per share (2010: \$1.16). Net Tangible Assets after tax on realised gains but before tax on unrealised gains was \$1.07 per share (2010: \$1.19). This is after the payment of 8.0 cents in fully franked dividends over the 12 month period.

A fully franked dividend of 4.0 cents per share was paid in the period to 31 December 2011 and an interim fully franked dividend of 4.5 cents per share has been declared by the Board and will be paid on 24 April 2012.

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

### **Auditors' Independence Declaration**

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

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

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a horizontal line extending to the right.

G.J. Wilson, Chairman

Dated at Sydney this 13th day of February 2012

Level 7, 20 Hunter Street  
Sydney NSW 2000

T +61 (0)2 8236 7700  
F +61 (0)2 9233 4636

[www.moorestephens.com.au](http://www.moorestephens.com.au)

**Auditor's Independence Declaration  
to the Directors of WAM Active Limited**

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

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

This declaration is in respect of WAM Active Limited during the period.



**Moore Stephens Sydney**  
Chartered Accountants



**Scott Whiddett**  
Partner

Dated in Sydney this 13<sup>th</sup> day of February 2012.

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

	Notes	December 2011 \$	December 2010 \$
Proceeds from sale of investments		30,581,785	23,797,806
Cost of investments sold		(31,536,590)	(23,793,986)
Realised (loss)/gains on financial assets		(954,805)	3,820
Unrealised gains on financial assets		315,766	1,325,054
Other revenue from ordinary activities	2	763,155	857,336
Performance fees		-	(377,716)
Management fees		(90,887)	(94,112)
Directors fees		(35,500)	(46,000)
Brokerage expense on share purchases		(83,146)	(81,018)
Other expenses from ordinary activities		(127,253)	(140,600)
<b>(Loss)/profit before income tax</b>		<b>(212,670)</b>	<b>1,446,764</b>
Income tax (benefit)/expense		(168,026)	274,514
<b>(Loss)/profit attributable to members of the Company</b>	6	<b>(44,644)</b>	<b>1,172,250</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(44,644)</b>	<b>1,172,250</b>
<b>Basic earnings per share</b>		<b>(0.27) cents</b>	<b>7.50 cents</b>
<b>Diluted earnings per share</b>		<b>(0.27) cents</b>	<b>7.50 cents</b>

The accompanying notes form part of these financial statements

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	December 2011 \$	June 2011 \$
<b>Assets</b>			
Cash and cash equivalents		9,183,284	10,732,711
Trade and other receivables		1,694,774	1,087,172
Financial assets		6,935,213	7,271,171
Deferred tax assets		314,899	83,701
<b>Total Assets</b>		<b>18,128,170</b>	<b>19,174,755</b>
<b>Liabilities</b>			
Trade and other payables		123,091	764,696
Financial liabilities		274,207	162,104
Deferred tax liabilities		179,828	116,658
<b>Total Liabilities</b>		<b>577,126</b>	<b>1,043,458</b>
<b>Net Assets</b>		<b>17,551,044</b>	<b>18,131,297</b>
<b>Equity</b>			
Issued capital	4	16,055,911	15,948,854
Reserve	5	1,495,133	2,009,070
Retained earnings	6	-	173,373
<b>Total Equity</b>		<b>17,551,044</b>	<b>18,131,297</b>

The accompanying notes form part of these financial statements



# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

	Notes	December 2011 \$	December 2010 \$
<b>Total Equity as at 1 July</b>		<b>18,131,297</b>	<b>17,519,848</b>
(Loss)/profit for the half year attributable to members of the Company	6	(44,644)	1,172,250
Total other comprehensive income for the period		-	-
Shares issued during the period	4(b)	107,057	81,550
		<b>18,193,710</b>	<b>18,773,648</b>
Dividends paid	3(a)	(642,666)	(468,281)
<b>Total Equity as at 31 December attributable to members of the Company</b>		<b>17,551,044</b>	<b>18,305,367</b>

The accompanying notes form part of these financial statements

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

	December 2011 \$	December 2010 \$
<b>Cash Flows from Operating Activities</b>		
Dividends received	457,538	599,337
Interest received	293,996	304,780
Other investment income received	73,581	13,148
Net GST payments to the ATO	46,879	73,467
Investment management fees (inclusive of GST)	(65,974)	(100,815)
Performance fees (inclusive of GST)	(320,726)	(715,174)
Brokerage expense on share purchases (inclusive of GST)	(89,230)	(86,941)
Payments for administration expenses (inclusive of GST)	(161,478)	(224,804)
GST on brokerage expense on share sales	(4,950)	(4,601)
Income tax paid	(23,419)	(541,090)
<b>Net Cash provided by/(used in) Operating Activities</b>	<b>206,217</b>	<b>(682,693)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	29,910,455	26,133,459
Payments for purchases of investments	(31,130,490)	(31,082,229)
<b>Net Cash used in Investing Activities</b>	<b>(1,220,035)</b>	<b>(4,948,770)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from option exercise	-	5,231
Dividends paid – net of reinvestment	(535,609)	(391,962)
<b>Net Cash used in Financing Activities</b>	<b>(535,609)</b>	<b>(386,731)</b>
<b>Net decrease in cash and cash equivalents held</b>	<b>(1,549,427)</b>	<b>(6,018,194)</b>
Cash and cash equivalents at the beginning of the half year	10,732,711	12,379,551
<b>Cash and cash equivalents at the end of the half year</b>	<b>9,183,284</b>	<b>6,361,357</b>

The accompanying notes form part of these financial statements

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

### 1. Statement of Significant Accounting Policies

#### Basis of Preparation

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

The financial report was authorised for issue on 13th February 2012 by the Board of Directors.

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

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

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

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

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non current. All balances are generally expected to be recovered or settled within twelve months.

#### Details of Reporting Period

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

### 2. Other Revenue

	December 2011 \$	December 2010 \$
Australian sourced dividends	440,127	541,692
Interest	271,573	302,490
Trust distributions	54,734	3,636
Underwriting fees	(3,279)	9,518
	<u>763,155</u>	<u>857,336</u>

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

	December 2011 \$	December 2010 \$
<b>3. Dividends</b>		
<b>(a) Ordinary dividends paid during the period</b>		
Final Dividend FY2011: 4.0 cents per share fully franked at 30% tax rate paid on 30 September 2011 (2010: 3.0 cents per share).	<u>642,666</u>	<u>468,281</u>
<b>(b) Dividends not recognised during the period</b>		
Interim Dividend FY2012: Since the end of the period the Directors have declared a 4.5 cents per share fully franked dividend payable on 24 April 2012 (2010: 4.0 cents per share)	<u>727,930</u>	<u>627,314</u>
	December 2011 \$	June 2011 \$
<b>4. Issued Capital</b>		
<b>(a) Paid-up Capital</b>		
16,176,213 ordinary shares fully paid (2011: 16,066,653)	<u>16,055,911</u>	<u>15,948,854</u>
<b>(b) Ordinary Shares</b>		
Balance at the beginning of the reporting period	15,948,854	15,437,198
109,560 ordinary shares issued on 30 September 2011 under a dividend reinvestment plan	107,057	-
286,292 ordinary shares issued from exercise of options allotted between July 2010 to June 2011 exercise price \$1.15	-	329,236
73,481 ordinary shares issued on 24 September 2010 under a dividend reinvestment plan	-	76,319
102,072 ordinary shares issued on 31 March 2011 under a dividend reinvestment plan	-	106,101
At reporting date	<u>16,055,911</u>	<u>15,948,854</u>

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

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

	December 2011 \$	June 2011 \$
<b>5. Reserves</b>		
<b>Movement Profits Reserve</b>		
Balance at the beginning of the reporting period	2,009,070	-
Transfer from retained earnings	128,729	2,009,070
Dividends paid (refer Note 3(a))	(642,666)	-
At reporting date	<u>1,495,133</u>	<u>2,009,070</u>

	December 2011 \$	June 2011 \$
<b>6. Retained Earnings</b>		
Balance at the beginning of the reporting period	173,373	2,082,650
(Loss)/profit for the period attributable to members of the Company	(44,644)	1,205,441
Transfer to profits reserve	(128,729)	(2,009,070)
Dividends paid (refer Note 3)	-	(1,105,648)
At reporting date	<u>-</u>	<u>173,373</u>

### 7. Segment Reporting

The Company currently operates only in the investment industry within Australia. It has no reportable business or geographic segments.

### 8. Contingent Liabilities

There are no outstanding contingent liabilities as at 31 December 2011 (June 2011: nil)

### 9. Capital Commitments

There are no outstanding capital commitments as at 31 December 2011 (June 2011: nil).

### 10. Events Subsequent to Reporting Date

Since the end of the half year, the Directors declared a fully franked interim dividend of 4.5 cents per ordinary share payable on 24 April 2012.

No other matters have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

# WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

## DIRECTOR'S DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2011

The Directors of WAM Active Limited declare that:

1. The financial statements and notes, as set out on pages 4 to 10, are in accordance with the *Corporations Act 2001*, including:
  - a) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
  - b) Giving a true and fair view of the financial position of the Company as at 31 December 2011 and of its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



G.J. Wilson, Chairman

Dated at Sydney this 13th day of February 2012

Level 7, 20 Hunter Street  
Sydney NSW 2000

T +61 (0)2 8236 7700

F +61 (0)2 9233 4636

[www.moorestephens.com.au](http://www.moorestephens.com.au)

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WAM ACTIVE LIMITED**

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

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

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

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "Review of an Interim Financial Report Performed by the Independent Auditor of the Entity", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "Interim Financial Reporting" and the *Corporations Regulations 2001*. As the auditor of WAM Active Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

### **Independence**

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

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WAM Active Limited is not in accordance with the *Corporations Act 2001*, including:

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



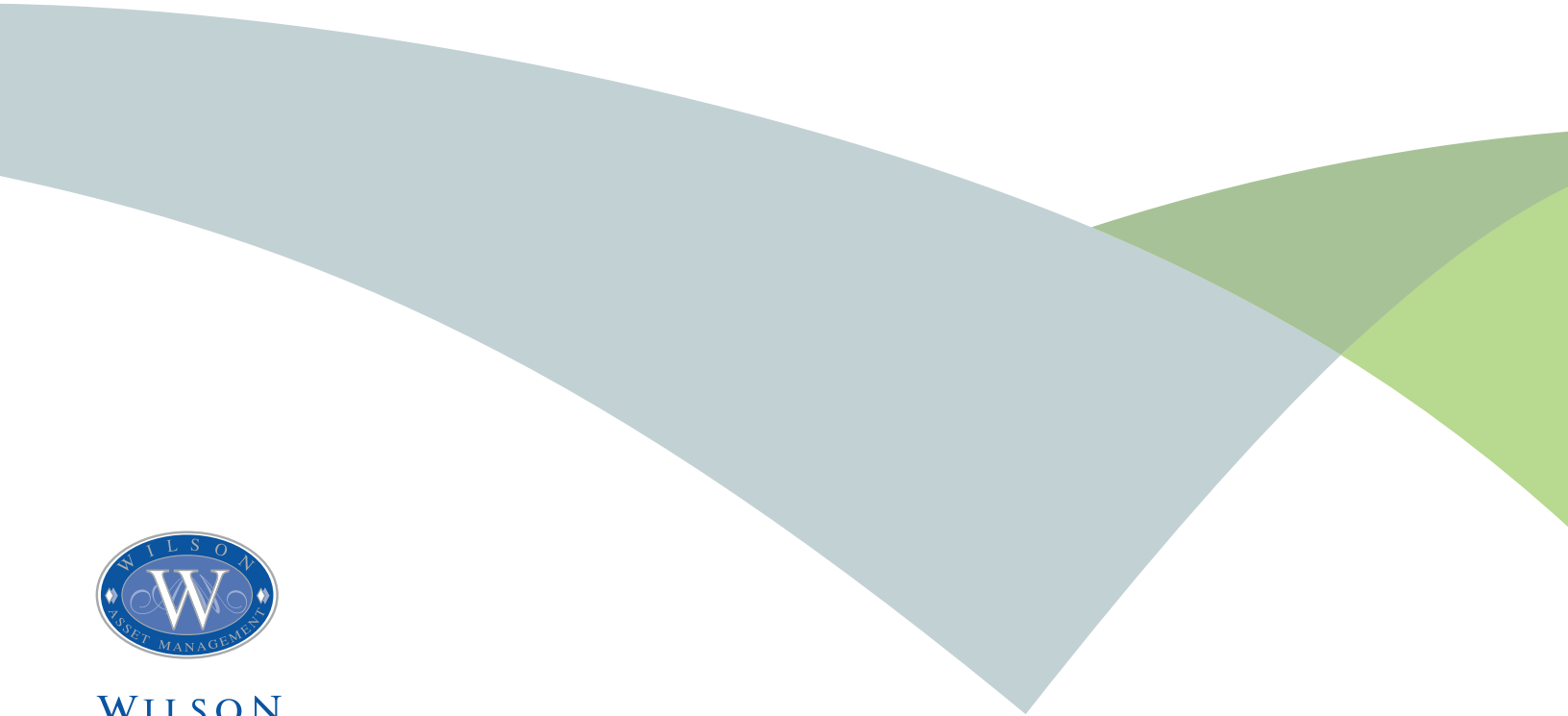
**Moore Stephens Sydney**  
Chartered Accountants



**Scott Whiddett**  
Partner

Dated in Sydney, this 13<sup>th</sup> day of February 2012.





**WILSON**  
ASSET MANAGEMENT

Level 11, 139 Macquarie Street, Sydney NSW 2000  
T (02) 9247 6755 | F (02) 9247 6855 | E [info@wamfunds.com.au](mailto:info@wamfunds.com.au)  
[www.wamfunds.com.au](http://www.wamfunds.com.au)