

# WAM MICROCAP LIMITED

ABN 34 617 838 418

## Appendix 4D Half Year Report

for the period from 8 March 2017 (date of incorporation) to 31 December 2017

### Results for Announcement to the Market

\$

Revenue from ordinary activities	41,171,173
Profit from ordinary activities before income tax expense	37,214,910
Net profit from ordinary activities after income tax expense	26,475,010

\*The amount and percentage change up or down from the previous period are not disclosed as this is the first reporting period.

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2018 Interim dividend cents per share	2.0c	2.0c	30%

#### Interim dividend dates

Ex dividend date	12 April 2018
Record date	13 April 2018
Last election date for the DRP	17 April 2018
Payment date	27 April 2018

#### Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked interim dividend of 2.0 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 VWAP (volume weighted average market price) of shares sold on the ASX over the four trading days commencing on the ex-dividend date for the relevant dividend.

	31 Dec 17	28 Jun 17 (listing date)
Net tangible asset backing (after tax) per share	\$1.27	\$1.09*

\*Opening after tax NTA at Initial Public Offering.

This report is based on the Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A.

W | A | M *Microcap*



# Financial Report

For the period from 8 March 2017 (date of incorporation)  
to 31 December 2017

# WAM Microcap Limited

WAM Microcap Limited (WAM Microcap or the Company) is a listed investment company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

## Directors

Geoff Wilson AO (Chairman)  
Jacqueline Sullivan  
Kate Thorley  
Chris Stott

## Company Secretary

Linda Vo

## Investment Manager

MAM Pty Limited  
Level 11, 139 Macquarie Street  
Sydney NSW 2000  
(part of Wilson Asset Management)

## Auditor

Pitcher Partners

## Country of Incorporation

Australia

## Registered Office

Level 11, 139 Macquarie Street  
Sydney NSW 2000

## Contact Details

Postal Address: GPO Box 4658  
Sydney NSW 2001  
T: (02) 9247 6755  
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E: [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au)  
W: [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

## Share Registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
T: (02) 9290 9600  
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

## Australian Securities Exchange

WAM Microcap Limited  
Ordinary Shares (WMI)

## Contents

Directors' Report to shareholders	4
Auditor's Independence Declaration	6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' Declaration	17
Independent Auditor's Review Report	18

## Directors' Report to shareholders for the period ended 31 December 2017

The Directors present their report together with the financial report of WAM Microcap Limited for the period from 8 March 2017 (date of incorporation) to 31 December 2017.

### Directors

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

Geoff Wilson AO, Chairman – Non-independent (appointed 8 March 2017)

Jacqueline Sullivan, Director – Independent (appointed 4 May 2017)

Kate Thorley, Director – Non-independent (appointed 8 March 2017)

Chris Stott, Director – Non-independent (appointed 8 March 2017)

### Principal activity

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

### Initial Public Offering

The Company successfully raised \$154 million through an Initial Public Offering ('IPO') in accordance with the Prospectus dated 5 May 2017, by the issue of 140,000,000 ordinary fully paid shares at an issue price of \$1.10 per share. The offer was oversubscribed and the shares were allotted to shareholders on 23 June 2017. The shares began trading under the ASX code WMI on 28 June 2017.

The Company was registered with the Australian Securities and Investments Commission (ASIC) on 8 March 2017 and commenced operations on 20 June 2017.

### Operating and financial review

Investment operations during the period resulted in a maiden operating profit before tax of \$37,214,910 and an operating profit after tax of \$26,475,010. The profit for the period is reflective of the strong performance of the investment portfolio over the period to 31 December 2017. Following the successful \$154 million IPO in June 2017, the Company deployed the capital under its research and market-driven investment processes, achieving full investment in August 2017. The investment portfolio has increased 27.2% since inception while being on average 79.1% invested, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 8.6%.

Under Accounting Standards, realised gains and losses on the investment portfolio 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 between periods. We believe a more appropriate measure of the results is the change in Net Tangible Asset (NTA) per share including dividends paid during the period. This performance measure shows the change in the value of the assets that belong to the shareholders during the period.

WAM Microcap's before tax NTA increased 24.4% for the period ended 31 December 2017. There were no dividends paid during the Company's initial operating period. The significant items of difference between the investment portfolio performance of 27.2% and the net tangible asset performance were management fees of 0.6%, performance fee accrued of 1.6% and other company related expenses of 0.6%. The after tax NTA increased 17.2% for the period to 31 December 2017, with the corporate tax provision for the period to 31 December 2017 being the difference between the before and after tax NTA performance. When paid, the franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends.

The NTA before tax as at 31 December 2017 amounted to \$1.34 per share. The NTA after tax was \$1.27 per share. There were no dividends paid during the Company's initial operating period.

The total shareholder return for the Company for the period to 31 December 2017 was 32.7%. This was driven by WAM Microcap's strong portfolio performance of 27.2% and the share price's premium to NTA.

### **Dividends paid or recommended**

A maiden fully franked interim dividend of 2.0 cents per share has been declared by the Board and will be paid on 27 April 2018. The Board is committed to paying fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices.

### **Rounding of amounts to nearest dollar**

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise indicated.

### **Auditor's independence declaration**

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the period is set out on page 6 of this financial report.

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



**Geoff Wilson AO**  
**Chairman**

Dated in Sydney this 20<sup>th</sup> day of February 2018

**Auditor's Independence Declaration  
To the Directors of WAM Microcap Limited  
ABN 34 617 838 418**

In relation to the independent auditor's review for the period ended 31 December 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 in relation to the review.

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



Scott Whiddett  
Partner

Pitcher Partners  
Sydney

20 February 2018

## Statement of comprehensive income for the period ended 31 December 2017

	Note	For the period 8 March 2017 to 31 December 2017 \$
Net realised and unrealised gains on financial assets		38,925,212
Other revenue from operating activities	2	2,245,961
Management fees		(935,274)
Performance fees		(2,467,975)
Directors fees		(28,178)
Brokerage expense on share purchases		(308,784)
Expenses paid on borrowed stock		(1,774)
Custody fees		(6,959)
ASX listing and chess fees		(79,842)
Share registry fees		(36,620)
Disbursements, mailing and printing		(7,072)
Accounting fees		(23,100)
Audit fees		(22,000)
Company secretary fees		(8,250)
Other expenses from ordinary activities		(30,435)
<b>Profit before income tax</b>		<b>37,214,910</b>
Income tax expense		(10,739,900)
<b>Profit after income tax attributable to members of the Company</b>	<b>6</b>	<b>26,475,010</b>
<b>Other comprehensive income</b>		
Other comprehensive income for the period, net of tax		-
<b>Total comprehensive income for the period</b>		<b>26,475,010</b>
<b>Basic and diluted earnings per share<sup>*</sup></b>	<b>7</b>	<b>29.60 cents</b>

\*The basic and diluted earnings per share would have been 18.91 cents if calculated from 23 June 2017 (allotment date), as the Company only had one share on issue and no earnings up to this date.

The accompanying notes form part of these financial statements.

## Statement of financial position as at 31 December 2017

	Note	December 2017 \$
<b>Current assets</b>		
Cash and cash equivalents		28,413,123
Trade and other receivables		697,051
Financial assets	8	162,242,936
<b>Total current assets</b>		<b>191,353,110</b>
<b>Non-current assets</b>		
Deferred tax assets		711,242
<b>Total non-current assets</b>		<b>711,242</b>
<b>Total assets</b>		<b>192,064,352</b>
<b>Current liabilities</b>		
Trade and other payables		2,743,583
Current tax liabilities		1,222,514
<b>Total current liabilities</b>		<b>3,966,097</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities		9,447,013
<b>Total non-current liabilities</b>		<b>9,447,013</b>
<b>Total liabilities</b>		<b>13,413,110</b>
<b>Net assets</b>		<b>178,651,242</b>
<b>Equity</b>		
Issued capital	4	152,176,232
Profits reserve	5	26,475,010
Retained earnings	6	-
<b>Total equity</b>		<b>178,651,242</b>

The accompanying notes form part of these financial statements.



## Statement of changes in equity for the period ended 31 December 2017

	Note	Issued capital \$	Retained earnings \$	Profits reserve \$	Total equity \$
<b>Balance at 8 March 2017</b>		-	-	-	-
Profit for the period		-	26,475,010	-	26,475,010
Transfer to profits reserve	5	-	(26,475,010)	26,475,010	-
Other comprehensive income for the period		-	-	-	-
<b>Transaction with owners:</b>					
Share issued on incorporation	4(b)	1	-	-	1
Shares issued via initial public offering	4(b)	154,000,000	-	-	154,000,000
Share issue costs (net of tax)	4(b)	(1,823,769)	-	-	(1,823,769)
<b>Balance at 31 December 2017</b>		<b>152,176,232</b>	<b>-</b>	<b>26,475,010</b>	<b>178,651,242</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the period ended 31 December 2017

For the period  
8 March 2017 to  
31 December 2017  
\$

<b>Cash flows from operating activities</b>	
Proceeds from sale of investments	117,998,975
Payments for purchase of investments	(241,776,379)
Dividends received	1,455,565
Interest received	392,147
Other investment income received	201,493
Management fees (GST inclusive)	(828,338)
Brokerage expense on share purchases (GST inclusive)	(331,263)
Payments for administration expenses (GST inclusive)	(317,654)
GST on brokerage expense on share sales	(11,320)
Net GST received from the ATO	235,281
<b>Net cash used in operating activities</b>	<b>(122,981,493)</b>
<b>Cash flows from financing activities</b>	
Shares issued via initial public offering and on incorporation	154,000,001
Share issue costs	(2,605,385)
<b>Net cash provided by financing activities</b>	<b>151,394,616</b>
<b>Net increase in cash and cash equivalents held</b>	<b>28,413,123</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>28,413,123</b>

The accompanying notes form part of these financial statements

# Notes to the financial statements for the period ended 31 December 2017

## 1. Summary of significant accounting policies

WAM Microcap Limited was incorporated in Australia on 8 March 2017.

The registered office of the Company is located at Level 11, 139 Macquarie Street, Sydney NSW 2000.

The financial report for the period 8 March 2017 to 31 December 2017 was authorised for issue on 20 February 2018 by the Board of Directors.

The Company was registered with the Australian Securities and Investments Commission (ASIC) on 8 March 2017 and commenced operations on 20 June 2016. In accordance with section 323D(5) of the *Corporations Act 2001* ('Act'), a half year for a company is the first six months of a financial year and there are related reporting requirements imposed under the Act. Therefore under the Act the Company's first half year ended on 8 September 2017 and the Company is required to prepare audit review accounts for the period. The requirements with respect to the Company's first half year create the need for two sets of half year reports; one for the period from 8 March 2017 to 8 September 2017 and another for the period from 8 March 2017 to 31 December 2017. The Company's view is that two sets of accounts partially overlapping the same periods could cause confusion with regard to the Company's financial position and performance. On 31 May 2017, ASIC granted the Company's application requesting relief from the reporting requirements under the Act for the period ending 8 September 2017. As a result of the ASIC relief, the Company has prepared and will lodge one financial report for the period 8 March 2017 to 31 December 2017 and the Company's first annual report will be issued in respect of the period commencing 8 March 2017 and ending on 30 June 2018.

### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The report for the financial period does not include full disclosures of the type normally included in an annual financial report. It is recommended that the financial report be read in conjunction with any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensure that the Company's financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

## 1. Summary of significant accounting policies (cont'd)

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

### a) Financial instruments

#### Initial recognition and measurement

Financial assets are recognised when the Company becomes party to the contractual provisions to the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits itself to purchase or sell the assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of comprehensive income immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Current market prices for all quoted investments are used to determine fair value. For all unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm's length transactions and reference to similar instruments.

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

### b) Income tax

The charge of current income tax expense is based on profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet 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.

## 1. Summary of significant accounting policies (cont'd)

### b) Income tax (cont'd)

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. Deferred tax is credited in the Statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

### c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within three months or less.

### d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

### e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net 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 part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables 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.

### f) Comparative figures

As this is the Company's first period of operations, there are no comparatives.

### g) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

There are no estimates or judgments that have a material impact on the Company's financial results for the period ended 31 December 2017. All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgments are required in respect to their valuation.

### h) New standards and interpretations not yet adopted

There are no new and revised accounting requirements significantly affecting the period's financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those disclosed in the Prospectus dated 5 May 2017.

## 2. Other revenue

December 2017  
\$

Australian sourced dividends	1,455,565
Interest	529,338
Trust distributions	119,128
Foreign sourced dividends	30,288
Underwriting fees	111,642
	<b>2,245,961</b>

## 3. Dividends

### a) Dividends not recognised during the period

December 2017  
\$

Since the end of the period, the Directors have declared a maiden interim fully franked dividend of 2.0 cents per share payable on 27 April 2018 which has not been recognised as a liability at the end of the financial period.	<b>2,800,000</b>
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## 4. Issued capital

### a) Paid-up capital

December 2017  
\$

140,000,001 ordinary shares fully paid	<b>152,176,232</b>
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### b) Movement in issued capital

December 2017  
\$

1 ordinary share issued on 8 March 2017 (incorporation date)	1
140,000,000 ordinary shares issued on 23 June 2017 under the initial public offering	154,000,000
Share issue costs (net of tax)	(1,823,769)
At reporting date	<b>152,176,232</b>

### c) Share issue

During the period ended 31 December 2017, the Company successfully concluded its Initial Public Offer in accordance with the Prospectus dated 5 May 2017 that sought to raise up to \$154 million. The Company raised the \$154 million pursuant to the offer by the issue of 140,000,000 ordinary fully paid shares at an issue price of \$1.10 per share. The offer was oversubscribed and the shares were allotted to shareholders on 23 June 2017. The shares began trading on 28 June 2017.

**5. Profits reserve**December 2017  
\$

Profits reserve	<b>26,475,010</b>
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The profits reserve is made up of amounts transferred from current period profit and is preserved for future dividend payments.

December 2017  
\$**Movement in profits reserve**

Balance at the beginning of the reporting period	-
Transfer from retained earnings	26,475,010
At reporting date	<b>26,475,010</b>

**6. Retained earnings**December 2017  
\$

Balance at the beginning of the reporting period	-
Profit for the period attributable to members of the Company	26,475,010
Transfer to profits reserve	(26,475,010)
At reporting date	-

**7. Earnings per share**December 2017  
Cents per share

Basic and diluted earnings per share	29.60
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December 2017  
\$

Profit after income tax used in the calculation of basic and diluted earnings per share	26,475,010
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December 2017  
No.

Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted earnings per share	89,431,439
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The weighted average number of shares used as the denominator in calculating basic earnings per share is based on the average number of shares from 8 March 2017, being the date of incorporation, to 31 December 2017. The basic and diluted earnings per share would have been 18.91 cents if calculated from 23 June 2017 as the Company only had one share on issue and no earnings up to this date.

## 8. Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

**Level 1:** Quoted prices in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

**Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2017:

31 December 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	162,242,936	-	-	162,242,936
<b>Total</b>	<b>162,242,936</b>	<b>-</b>	<b>-</b>	<b>162,242,936</b>

## 9. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2017.

## 10. Capital commitments

There were no capital commitments entered into by the Company before period end which settle after period end.

## 11. Segment reporting

The Company engages in investing activities, including cash, term deposits and equity investments. It has no other reportable business or geographic segments.

## 12. Events subsequent to reporting date

Since the end of the period, the Directors declared a maiden interim dividend of 2.0 cents per share fully franked to be paid on 27 April 2018.

No other matters or circumstances have arisen since the end of the period, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.



## Directors' Declaration

The Directors of WAM Microcap Limited declare that:

- 1) The financial report as set out in pages 7 to 16, are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance for the period 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.



**Geoff Wilson AO**  
**Chairman**

Dated in Sydney this 20<sup>th</sup> day of February 2018

**Independent Auditor's Review Report  
to the Members of WAM Microcap Limited  
ABN 34 617 838 418**

**Report on the Interim Financial Report**

We have reviewed the accompanying interim financial report of WAM Microcap Limited ("the company"), which comprises the statement of financial position as at 31 December 2017, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 8 March 2017 (date of incorporation) to 31 December 2017, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

**Directors' Responsibility for the Interim Financial Report**

The directors of the company are responsible for the preparation of the interim 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 is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim 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 2017 and its performance for the period of 8 March 2017 to 31 December 2017; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of WAM Microcap Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the interim financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Independence**

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

## **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of WAM Microcap 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 2017 and of its performance for the period of 8 March 2017 to 31 December 2017; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



Scott Whiddett  
Partner

20 February 2018



Pitcher Partners  
Sydney

# Wilson Asset Management

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