

# Ryder Capital Limited Appendix 4E Final Report For the year ended 30 June 2020

## Details of Reporting Period

Current: Year ended 30 June 2020  
Previous corresponding: Year ended 30 June 2019

Results for announcement to the market			
	\$	Movement	% Movement
<b>Revenue from ordinary activities</b>	3,392,069	Up	91%
<b>Profit from ordinary activities</b> before tax attributable to members	392,995	Up	8%
<b>Profit from ordinary activities</b> after tax attributable to members	752,318	Up	33%
<b>Total comprehensive income</b> for the period attributable to members	7,677,559	Up	149%

Details of dividends			
	Cents per share	Franked amount per share	Tax rate for franking
2020 Interim dividend (cents per share) - paid on 23 March 2020	2.0	2.0	27.5%
2020 Final dividend (cents per share)	3.0	3.0	30%

Final Dividend Dates	
Declaration date	14 August 2020
Ex-dividend date	19 August 2020
Record date	20 August 2020
Payment date	09 September 2020

## Dividend Reinvestment Plan (DRP)

N/A

Net Tangible Assets		
	30 June 2020	30 June 2019
<b>Net Tangible Assets (per share) backing before tax*</b>	1.64	1.50
<b>Net Tangible Assets (per share) backing after tax*</b>	1.49	1.40

\* Post exercise of Nil options in FY20 and 22,511,173 options in FY19, respectively at \$1.25; and buyback of 639,598 shares in FY20 and 3,312,297 in FY19

## Audit

This report is based on the financial report which has been audited. All the documents comprise the information required by Listing Rule 4.3A.

## Annual General Meeting (AGM)

The AGM is to be held on 22 October 2020.  
Signed on behalf of Ryder Capital Limited

Peter Constable Chairman  
Ryder Capital Limited Sydney, 14 August 2020

# RYDER CAPITAL

ABN 74 606 695 854

## Annual report

For the year ended 30 June 2020

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# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Chairman's Letter to Shareholders

Dear fellow Shareholders,

In keeping with previous years, I would like to take the opportunity to remind Shareholders what we are setting out to achieve. Our aim is to provide Shareholders with a concentrated portfolio of securities undervalued and under appreciated by the market. We have no interest in building a portfolio that tracks commonly used benchmarks, but to instead focus on investing in what we consider to be outstanding and, in some cases, unique opportunities.

We believe that our disciplined and patient approach will continue to deliver strong absolute risk-adjusted returns over the long term, whilst preserving shareholder capital in times of heightened uncertainty and volatility.

Ryder Capital Limited (Ryder or Company) has had another successful year, its fourth full financial year since listing in September 2015. Portfolio performance was strong both nominally and relatively in what was broadly a difficult year for equity markets. Total comprehensive income after tax increased 149% from \$3,086,827 to \$7,677,559. Gross portfolio performance of 16.1%, comfortably exceeded the Company's performance benchmark.

During the year, the Manager sold several long-term portfolio investments on valuation grounds and realised material gains as a consequence of two takeovers which are reflected in the Company's capital profits reserve increasing 48% from \$11,424,280 to \$16,944,472 which when added to the increase to company's profit reserve to \$1,916,989 takes total distributable profits to \$18,861,461 equivalent to \$0.321 per share. This increase is net of dividends paid during the period of \$2,956,336.

Dividends for FY20 totalled \$0.05 fully franked per share, an increase of \$0.01 or +25% on the prior year. With approximately \$0.321 cents per share of distributable profits at 30 June 2020, the Company is in a healthy position to continue to pay steady to increasing fully franked dividends over time.

At 30 June 2020 approximately 82.1% of the Company's capital was deployed in equities and 17.9% held in cash, term deposits or other liquid investments.

As the Company's share price continued to trade at a discount to Net Tangible Assets (NTA) the Company's buyback took advantage of this mis-pricing via the accretive purchase of 639,598 ordinary shares for an outlay of \$827,182 equating to an average buyback price of \$1.2933 per share. The Company will continue to buy back shares where it is accretive, balanced against the benefits of holding available cash for investing in generating further performance and growth in the Company's NTA.

When reviewing the Company's investment performance for FY20 we focus on measuring the Company's pre-tax undiluted NTA period to period, which once adjusted for dividends resulted in a gain of 12.34%. This return and that of the Company's diluted pre-tax NTA together with a detailed portfolio disclosure, discussion, performance and risk analysis is presented in the Investment Manager's Report which I encourage you to read.

The Company's share price increased from \$1.25 to \$1.33 during the year. When taking into account the \$0.05 fully franked dividends paid during the year, the share price return of 10.40% for FY20 compares to the undiluted pre-tax NTA return of 12.34% reflecting a small widening of the discount to NTA, though noting this analysis excludes the tax benefits of franking credits received.

It remains disappointing to my fellow Directors and I to see the share price trade at a consistent discount to NTA. There are a number of factors at play, some of which are manageable by us while others will naturally resolve over the medium term as we continue to demonstrate the Company's superior risk-adjusted outperformance of equity market indices and that of alternative Investment Managers. The prospective exercise of Secondary Options (RYDOA) in December 2021 will have a substantially less dilutionary impact on the Company's expanded capital base than the first option series (RYDO) had and as such should be less of a drag on both NTA and share price performance.

As the investment in Updater Inc. (Updater) involves an unlisted investment, underlying operational progress and value accretion is not easily reflected in the Company's NTA until such time as a liquidity event can validate progress. Your Investment Manager, together with the Directors have formed a view that the value of Updater remains fairly reflected in the Company's accounts and that Updater remains prospective as a contributor to future portfolio performance.

The Company enters FY21 having made a strong start in July +6.91%, with a balanced portfolio of investments that are well positioned to perform in what is inevitably going to be a more challenging environment to generate returns. Cash and equivalents are currently at 17.9% providing the Investment Manager substantial flexibility to capitalise on opportunities as they arise.

Following continued positive investment performance, large realised capital gains flowing through to the capital profits reserve and together with a positive start and outlook to FY21, the Board declared a \$0.03 fully franked final dividend bringing the full year FY20 dividend to \$0.05 per share fully franked, an increase of 25% from FY19.

The Annual General Meeting (AGM) will be held on 22 October 2020 where the formal business of the Company will be conducted. At the AGM 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 thank all Shareholders for their continued support, and I look forward to seeing you at our AGM.

Yours faithfully,

**Peter Constable**  
Chairman

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Investment Manager's Report

Gross portfolio performance for the year to 30 June 2020 (FY20) was 16.1%. This return was achieved whilst holding an average cash balance through the year of approximately 18.65%. It should be noted that these returns exclude the various costs associated with running and administering the Company, such as management and performance fees, ASX listing fees and other third-party expenses as stated in the Annual Report.

Set out in the table below is the Company's gross portfolio performance and pre-tax undiluted net tangible assets (NTA) performance<sup>(3)</sup> to 30 June 2020 which takes into account the historical NTA dilution caused by the exercise of 22.5m options in December 2018 and net of capital reductions as a result of the Company's share buyback.

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% per annum)	Since Inception <sup>(2)</sup> (%)	Since Inception <sup>(2)</sup> (% per annum)
<b>Gross Portfolio Performance</b>	22.86	3.33	16.09	20.40	126.31	18.65
<b>NTA Return (Pre-tax Undiluted)<sup>(3)</sup></b>	20.64	2.46	12.34	15.68	89.57	14.33
<b>NTA Return (Pre Tax)<sup>(1)</sup></b>	20.64	2.61	12.62	12.77	75.60	12.51
<b>Hurdle</b> RBA Cash Rate + 4.25% Return	1.10	2.31	4.93	5.47	29.97	5.64
<b>Excess Return</b> NTA Return (Pre-tax Undiluted) <sup>(3)</sup> - RBA Cash Rate + 4.25%	19.54	0.14	7.41	10.21	59.59	8.69

1. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees including the dilutionary impact of options exercised to date and ignoring the dilutionary impact of unexercised outstanding RYDOA options.

2. Inception Date is 22 September 2015.

3. Pre-tax NTA return adjusted for the dilution of the exercised 26.7m RYDO options.

This report is focussed on portfolio performance however, it is important to reinforce that Shareholders should review performance at both the portfolio (gross portfolio performance) and Company (pre-tax undiluted NTA return) levels adjusted for any dividends or other distributions for the Company during the reporting period.

In keeping with previous years, we call out some of our peers who continue to present "gross" portfolio returns for the purposes of measuring investment performance. We consider these practices to be misleading given they artificially inflate returns as they deliberately exclude the fees and expenses incurred in achieving their returns and therefore comparing theirs to ours is not meaningful in our opinion.

We encourage Shareholders to focus on the net movement in Ryder's pre-tax undiluted NTA from period to period and compare those returns to that of cash and other relevant equity market indices as per below.

Annual Returns to 30 June 2020	1 year (%)	3 years (% per annum)	Since Inception <sup>(1)</sup> (% per annum)
<b>Ryder Capital - Gross Portfolio Performance</b>	16.09	20.40	18.65
<b>Ryder Capital (Pre-tax undiluted NTA)</b>	12.34	15.68	14.33
<b>Ryder Capital (Pre-tax NTA)</b>	12.62	12.77	12.51
<b>S&amp;P / ASX All Ordinaries Accumulation</b>	-7.21	5.43	7.55
<b>S&amp;P / ASX Small Ordinaries Accumulation</b>	-5.67	6.10	9.29
<b>RBA Cash Rate</b>	0.68	1.22	1.39
<b>Ryder Capital Ltd Hurdle Rate</b>	4.93	5.47	5.64

Source: Bloomberg + Mainstream

1. Inception Date is 22nd September 2015

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**

**Investment Manager's Report**

**Portfolio – 30 June 2020**

Name	Ticker	Total Value (\$)	Total (%)
MacMahon Holdings Ltd	MAH	10,572,112	10.81
Updater Inc	UPD	9,859,225	10.08
NextDC Ltd	NXT	8,398,000	8.59
Betmakers Technology Group Ltd	BET	6,824,090	6.98
Cash Converters International Ltd	CCV	4,838,750	4.95
SRG Global Ltd	SRG	4,244,973	4.34
3P Learning Ltd	3PL	3,783,382	3.87
Aurelia Metals Ltd	AMI	3,352,203	3.43
Capitol Health Ltd	CAJ	2,508,550	2.57
BCI Minerals Ltd	BCI	2,505,108	2.56
Urbanise.com Ltd	UBN	2,324,244	2.38
Fineos Corporation Holdings PLC - CDI	FCL	2,092,791	2.14
Imdex Ltd	IMD	1,997,715	2.04
Flexigroup Ltd	FXL	1,968,750	2.01
Terragen Holdings Ltd	TGH	1,610,000	1.65
Jupiter Mines Ltd	JMS	1,560,720	1.60
Countplus Ltd	CUP	1,547,354	1.58
Vita Group Ltd	VTG	1,541,808	1.58
Tubi Ltd	2BE	1,486,568	1.52
Ramelius Resources Ltd	RMS	1,395,860	1.43
<b>Other Equities</b>		<b>5,859,741</b>	<b>5.99</b>
<b>Total Equities</b>		<b>80,271,942</b>	<b>82.10</b>
<b>Cash and Cash Equivalents</b>		<b>17,499,484</b>	<b>17.90</b>
<b>Total Portfolio Pre Tax</b>		<b>97,771,426</b>	<b>100</b>

**Portfolio Performance**

Gross portfolio performance for the period of 16.1% comfortably exceeded our performance hurdle and that of all other Australian equity market indices despite a high allocation to cash and the COVID-19 induced market volatility.

Tactically, the Portfolio was well positioned for the COVID-19 market sell off in March with approximately 24.3% held in cash as at 29 February 2020. With the downturn came a loss in market liquidity in many of our holdings, causing us to utilise our hedging ability by selling Share Price Index futures (SPI) to manage market risk, successfully adding a net 1.16% to gross performance.

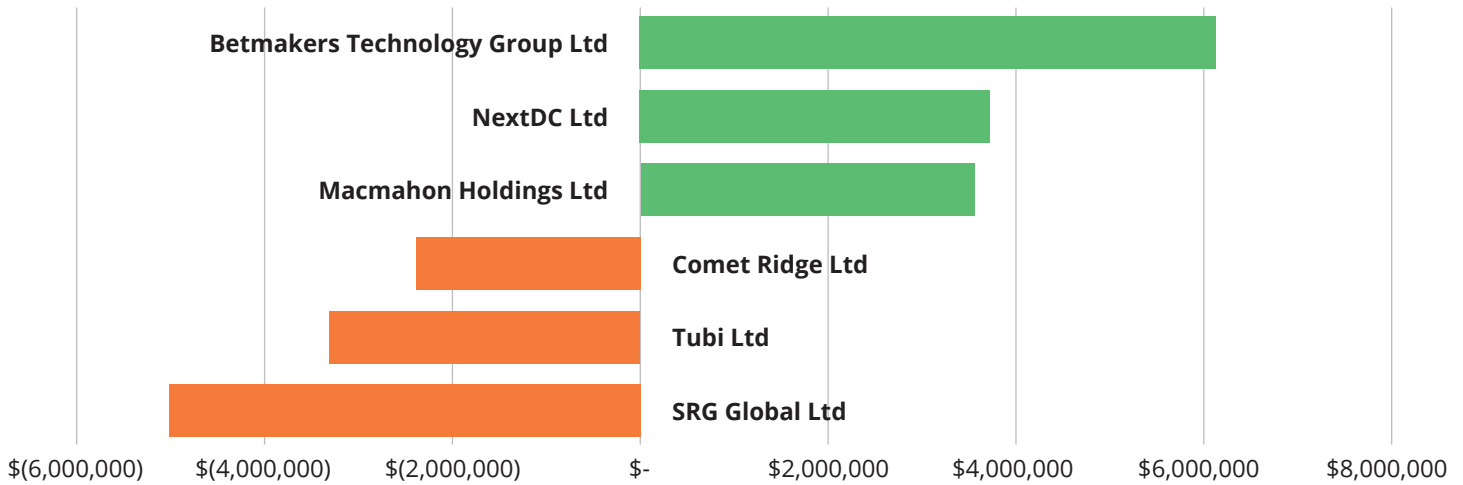
Strong gains in our long held positions of Betmakers Technology Group Limited, NextDC Limited and more recently acquired position in MacMahon Holdings Limited were partially offset by mark to market losses in SRG Global Limited and Tubi Limited and a realised loss in Comet Ridge Limited where we exited entirely.

Despite strategic and operational progress at Updater Inc., the Directors have assessed that there was no change in the underlying carrying USD value per share.

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Investment Manager's Report

### FY20 Top 3 Contributors and Detractors



For FY20 the portfolio generated \$28,188,931 of capital gains (realised and unrealised) which were offset by capital losses (realised and unrealised) of \$14,852,493 resulting in a net capital gain before interest and dividend income of \$13,336,438 for the year.

FY20 dividend income received was \$2,395,790 fully franked while interest income received on term deposits and cash was \$158,191.

At 30 June 2020, approximately 82% of the Company's capital was in equities with approximately 18% held in cash, term deposits and net receivables.

### Portfolio Activity

During the year we exited our long held investment in Pacific Energy Limited (PEA) by way of a takeover. Despite a long holding period where PEA traded consistently and materially below its intrinsic worth, the emergence of motivated buyers and PEA's attractive market position and annuity style income resulted in a competitive process that culminated in a takeover valuation approximately double our book cost inclusive of an attractive franking credit component. Our investment in media company QMS Limited was short lived with a takeover by Quadrant Private Equity taking us out in under six months at what we considered to be only fair value at the time, but now in hindsight and post COVID-19 a good price. On valuation grounds we reduced our holdings in NextDC Limited prior to COVID-19 and then with the work from home cloud computing dynamics enhancing NXT's prospects, we used the April 2020 capital raising to rebuild our exposure at attractive prices. Consistent with our broader concerns around currency devaluations driven by central bank money printing we increased our defensive posture with increased exposure to gold through holdings in Australian gold producers, Gold Road Limited, Ramelius Resources Limited and Silver Lake Resources Limited which together with a rebuilt position in Aurelia Metals Limited represents portfolio exposure of ~8% to gold.

Additional exposure was acquired in SRG Global Limited as it stumbled through successive earnings downgrades and an underperforming share price. New additions during the period include 3P Learning Limited, Cash Converters Intl Limited, Fineos Corporation Holdings PLC - CDI and Imdex Limited.

### Portfolio Strike Rate

Shareholders will recall our interest in presenting our Strike Rate form. Consistent with the analysis presented last year and given the portfolio has now completed its fourth full financial year, the measures set out below are based only on realised profits since inception.

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Investment Manager's Report

### Strike Rate Analysis – Inception to Date (30 June 2020)

Strike Rate Analysis	Portfolio
Gross Realised Portfolio Profits	\$37,063,028
Gross Realised Portfolio Losses	-\$9,020,474
Net Realised Portfolio Profit	\$28,042,554
Win/Loss	75.66%
Strike Rate	\$4.11

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

Referring to the analysis above, the portfolio segment identifies the Portfolio's gross realised profits since inception to 30 June 2020 of \$37,063,028 compared to the Portfolio's gross realised losses since inception of (\$9,020,474). The net of these results is a net realised portfolio profit since inception of \$28,042,554.

Observing the above, we note that:

- the net realised portfolio profit of \$28,042,554 is 75.66% of the gross realised portfolio profit of \$37,063,028, that is we retained ~75.66% of gains, or thinking of it as a decision ratio, our poor decisions eroded our successful decisions by approximately 24.34%; and
- that total profits divided by total losses for the period (since inception to 30 June 2020) is 4.11x, indicating that for every \$4.11 profit made, \$1.00 was lost.

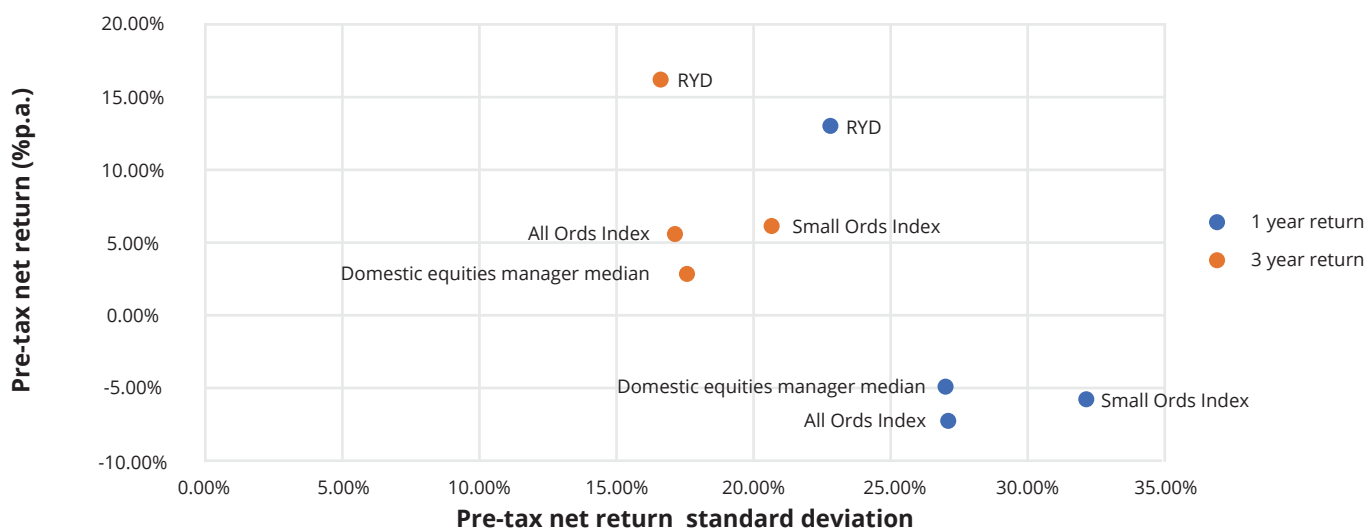
Given the volatility and uncertainty FY20 has presented, our ability to maintain a high strike rate is pleasing. While this number is slightly lower than last year, there are considerable mark-to-market gains in the portfolio yet to be realised which will further strengthen the strike rate in the future.

### Risk Adjusted Returns & Relative NTA Performance

At the risk of stating the obvious, not all investment returns are equal - some returns are achieved by taking significantly greater or less risk than other returns. Our goal at Ryder is to achieve medium to long term returns above the Company's hurdle of RBA Cash rate + 4.25% while minimising risk.

Investment risk is commonly measured using the standard deviation of returns over time from the mean return of an asset or in our case Ryder's pre-tax undiluted NTA return. The higher the standard deviation (think volatility) the riskier the underlying investment and/or strategy. Typically, the two travel together, that is risk and return correlate over time since additional risk should be compensated for with additional returns

The following chart plots returns against risk and helps to illustrate the quality of returns achieved. The ideal position is towards the top left corner with the highest returns and lowest level of risk. Over the past three years, Ryder has outperformed the index and other domestic managers, generating materially higher returns for a similar level of risk.



1. Returns are calculated using monthly pre-tax NTA values including dividends (excluding franking) and adjusted for the dilutionary impact of options exercised resulting in an increase in issued capital by 5% or greater during the period

2. A sample of 40 domestic equity managers are included in this analysis taken from the Bell Potter and Morningstar research universe. Funds included in this analysis are only a selection of Listed Investment Companies (LIC) on the ASX and are intended to form a representative sample of LICs based on strategy, size and past performance



# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Investment Manager's Report

Risk and return can be analysed using two well known ratios, the first being the Sharpe Ratio which is calculated as excess return over a benchmark divided by volatility (standard deviation). The Sharpe ratio measures excess return per unit of risk, including both downside and upside volatility. The second ratio is a variant on the Sharpe Ratio, called the Sortino Ratio which only looks at downside standard deviation, i.e. downside volatility with respect to a specified benchmark, the most commonly used being the cash rate. This would be the most appropriate measure to consider since upside volatility is what investors seek to target, i.e. positive returns and therefore upside volatility should not be taken into account the same way as downside volatility. A greater amount of consistent positive monthly performance compared to negative performance over time will result in a higher Sortino ratio value.

The below table sets out Ryder's Sharpe and Sortino ratios and those of two ASX market indices for comparator purposes:

	Ryder	Small Ords Accumulation Index	All Ords Accumulation Index
<b>Sharpe ratio</b>	1 year	0.53	**
	2 years	0.45	**
	3 years	0.93	0.28
	ITD	1.01	0.51
<b>Sortino ratio</b>	1 year	0.77	**
	2 years	0.66	**
	3 years	1.56	0.38
	ITD	1.71	0.71

\*\* Sharpe/Sortino ratio values which are negative are not appropriate for analysis and have therefore been excluded

Ryder's Sharpe and Sortino ratios demonstrate superior risk adjusted investment returns than the comparator ASX market indices. Of particular note is our strong Sortino ratio which is logical given we have a value bias (stocks perform better in a negative market) and we consistently hold relatively large amounts of cash, dampening downside risk/volatility. In summary, the positive Sortino ratio above comparator indices demonstrates Ryder's ability to deliver outperformance with less risk.

Another way to compare the level of risk between the returns of Ryder and that of the ASX market indices is to look at the distribution of monthly returns. Whilst we do not usually focus on short term returns, it is important to note that long term returns are made up of a series of short term returns over time and therefore should still be examined. The tables below analyse the distribution of Ryder's monthly returns since inception with two comparator ASX indices. On average, Ryder significantly outperforms during negative periods for both indices consistent with the Sharpe and Sortino ratio analysis above. This is a reflection of the importance Ryder places on assessing risk in our investment framework.

	RYD	Small Ords Accumulation Index
<b>Average monthly return</b>	1.21%	0.88%
<b>Average monthly return in Small Ords positive month</b>	2.45%	3.71%
<b>Average monthly return in Small Ords negative month</b>	-0.61%	-3.30%
<b>Positive months</b>	56%	60%
<b>Negative months</b>	44%	40%

	RYD	All Ords Accumulation Index
<b>Average monthly return</b>	1.21%	0.73%
<b>Average monthly return in All Ords positive month</b>	1.59%	2.79%
<b>Average monthly return in All Ords negative month</b>	-0.38%	-3.38%
<b>Positive months</b>	56%	67%
<b>Negative months</b>	44%	33%

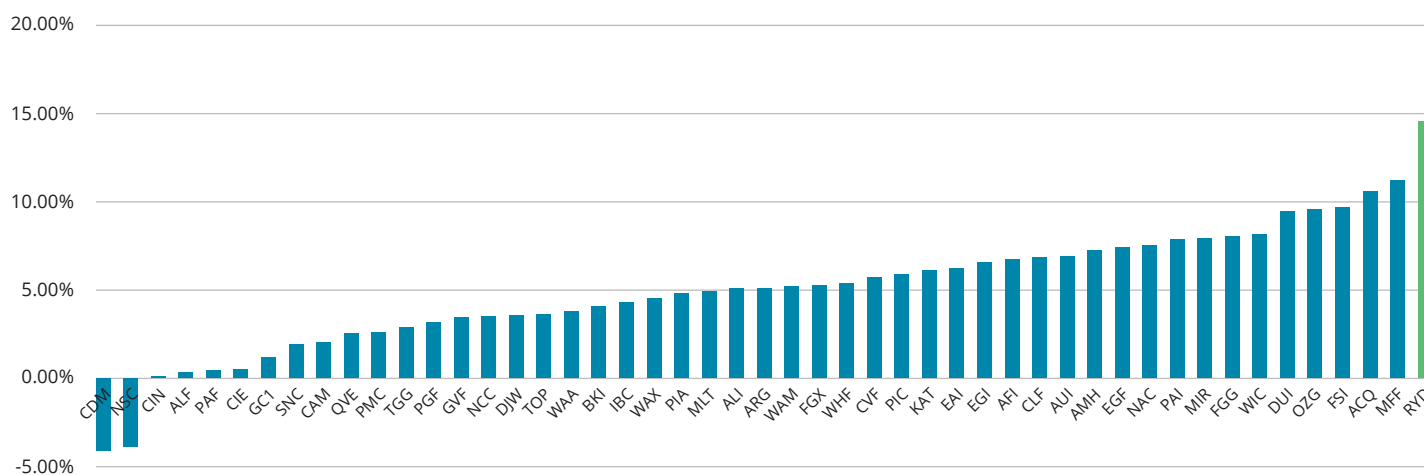
# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Investment Manager's Report

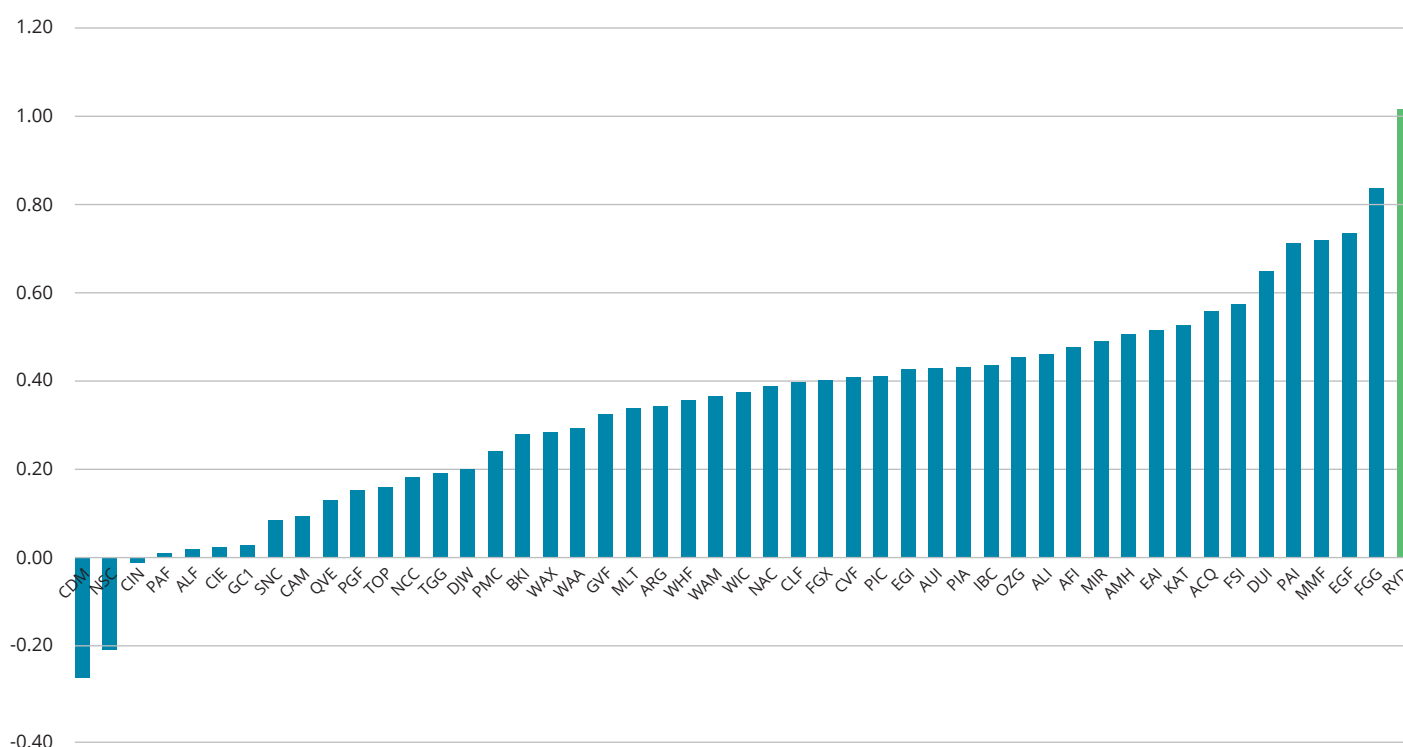
Further to the above, we have also taken the opportunity to illustrate how Ryder has performed on a pre-tax undiluted basis versus its peers (48 other ASX Listed Investment Companies (LIC) from the Bell Potter Research and Morningstar universe). Note some funds have been excluded as the data does not allow for meaningful comparison due to factors such as period of operation (fund commenced after September 2015), fund strategy, fund size and data integrity. This analysis is a little imperfect as each fund pursues slightly different strategies however, the one common goal for each fund and investment manager is to generate the highest available return per unit of risk over time. As such, analysing each LIC's relative returns, Sharpe and Sortino ratios is instructive when reviewing absolute and comparative performance over time.

Set out below are Ryder's Since Inception to Date (ITD) returns, Sharpe and Sortino ratios in comparison to 48 other ASX LICs (using an inception date of September 2015).

**Annualised returns (September 2015 to June 2020)**



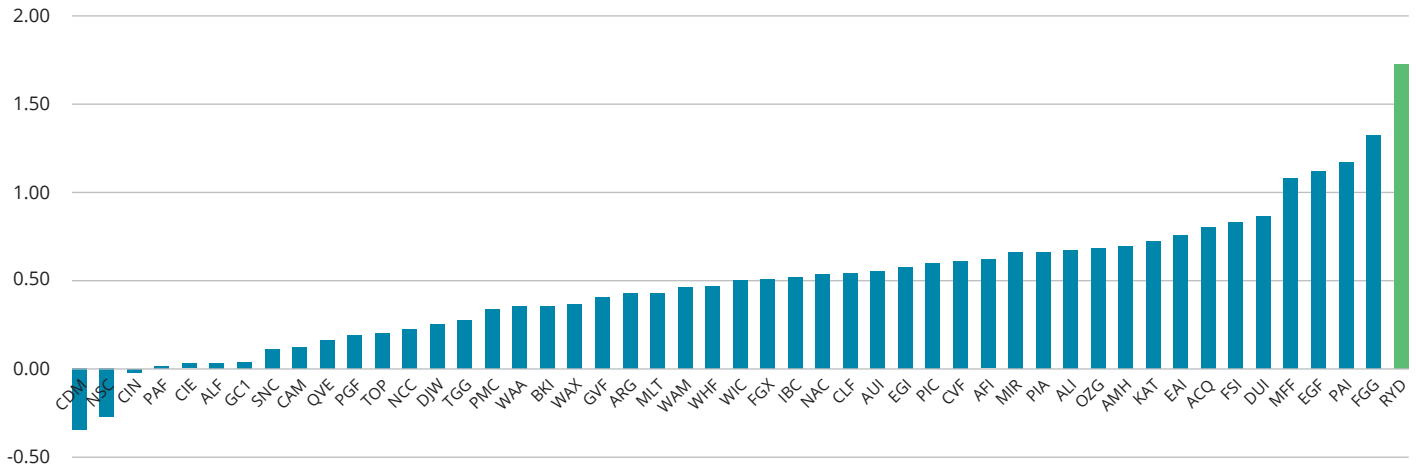
**Sharpe ratio (September 2015 to June 2020 - 0.25% benchmark)**



# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Investment Manager's Report

### Sortino ratio (September 2015 to June 2020 - 0.25% benchmark)



1. Annualised returns are calculated during the period of 30 Sep 2015 to 30 June 2020 using monthly pre-tax NTA values including dividends (excluding franking) and adjusted for the dilutionary impact of options exercised resulting in an increase in issued capital by 5% or greater during the period
2. Funds included in this analysis are only a selection of Listed Investment Companies (LIC) on the ASX and are intended to form a representative sample of LICs based on strategy, size and past performance
3. Sharpe ratio is calculated as excess annualised return above the risk free rate (0.25% p.a.) divided by standard deviation of monthly returns (annualised) for the period of 30 Sep 2015 to 30 June 2020
4. Sortino ratio is calculated as excess annualised return above the risk free rate (0.25% p.a.) divided by downside deviation of monthly returns (annualised), using a benchmark of 0.25% p.a. for the period of 30 Sep 2015 to 30 June 2020

Ryder has outperformed both absolutely and relatively on all measures.

## Outlook

As we look ahead there are substantially fewer knowns and substantially more unknowns than at any other time in our recent memory and certainly at any other time during Ryder's existence. Investors are chasing the knowns and paying a very high price for these which is particularly evident in growth, healthcare and technology stocks both domestically and internationally.

The worlds, regional and domestic economies are battling the COVID-19 health pandemic with the economic impacts remaining highly uncertain in depth, breadth and timing. Geopolitical tensions are increasing beyond the US and China and as the US enters a critical election period those tensions could intensify further with volatility likely to be directly correlated.

This backdrop is not one that should be supportive of record high asset prices however, the magic of zero interest rates and record fiscal stimulus has forced risk aversion aside and created an environment where it seems almost anything goes. This may go on for some time longer, as ultimately we are in uncharted waters with little in the way of fundamentals or historic analysis to guide us.

With a mixed backdrop and divergent views we expect to see more opportunities for mispricing and opportunities for Ryder. In the absence of sensible, value oriented opportunities we will look to increase our cash weightings, maintain or increase our exposure to gold and other safe havens while actively looking to increase our portfolio exposure to low multiple cash generative companies and at the same time staying away from the momentum driven high priced market stars of late.

**Peter Constable**  
Chief Investment Officer / Portfolio Manager

**David Bottomley**  
Portfolio Manager

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Directors' Report

Your Directors present their report on Ryder Capital Limited ("Company") for the year ended 30 June 2020.

### 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 25 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 later merged with MMC Asset Management Ltd in 2003 (MMC). Peter was the Chief Investment Officer and Executive Director of MMC until June 2008.

Peter co-founded Ryder Investment Management Pty Ltd in July 2008 where he is the Chief Investment Officer. He has acted as Executive Chairman of Ryder Capital Ltd since the Company's inception in September 2015.

##### **Other Current Directorships**

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

##### **Former directorships in the last 3 years**

Nil.

##### **Special responsibilities**

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

##### **Interests in shares and options**

Details of Peter Constable's interests in shares of the Company are included later in this report. There has been no change in the shareholdings since year end to the date of 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 corporate finance, M&A and equity capital markets advisory. He holds a Bachelor of Arts (Economic History) from the University of Sydney, Bachelor of Laws (Hons) 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-based investment bank GCMG, LLC from 2004 until June 2008.

David co-founded Ryder Investment Management Pty Ltd in July 2008 where he is a Portfolio Manager. He has acted as an Executive Director of Ryder Capital Ltd since inception and currently serves on the board of Trimp Pty Ltd

##### **Other Current Directorships**

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

##### **Former directorships in the last 3 years**

Nil.

##### **Special responsibilities**

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

##### **Interests in shares and options**

Details of David Bottomley's interests in shares of the Company are included later in this report. There has been no change in the shareholdings since year end to the date of this report.

##### **Interest in contracts**

David has no interests in contracts of the Company.

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**

**Directors' Report**

**Ray Kellerman - BEc , LLB, MBA, F Fin    Non-Executive Director**

**Experience and Expertise**

Ray was appointed as an Independent Director of Ryder Capital Limited in June 2015.

Ray has over 30 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 fund managers and financial services companies including as Chairman of CountPlus Limited and Foundation Life (NZ) Limited.

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

Previous appointments include Independent Chairman of ClearView Wealth, an ASX listed life insurance and financial services company; and Independent Chairman of Credit Suisse Asset Management Australia.

**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 and Risk Committee.

**Interests in shares and options**

Details of Ray Kellerman's interests in shares of the Company are included later in this report. There has been no change in the shareholdings since year end to the date of this report.

**Interest in contracts**

Ray has no interests in contracts of the Company.

**Attendance at Meetings**

**Board of Directors Meetings**

Director	Meetings Held and Entitled to Attend	Meetings Attended
<b>Peter Constable</b>	7	7
<b>David Bottomley</b>	7	7
<b>Ray Kellerman</b>	7	7

**Nomination and Corporate Governance Committee Meetings**

Director	Meetings Held and Entitled to Attend	Meetings Attended
<b>Peter Constable</b>	2	2
<b>David Bottomley</b>	2	2
<b>Ray Kellerman</b>	2	2

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**

**Audit and Risk Committee Meetings**

Director	Meetings Held and Entitled to Attend	Meetings Attended
<b>Peter Constable</b>	4	4
<b>David Bottomley</b>	4	4
<b>Ray Kellerman</b>	4	4

**Principal Activity**

The principal activity of the Company during the year was investing in a concentrated portfolio of ASX 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 in excess of its benchmark (RBA cash rate plus 4.25% p.a.).

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Directors' Report

### Review of Operations

The Company's opening Net Asset Value (NAV) on 30 June 2019 was \$83,034,684 and the closing NAV on 30 June 2020 was \$96,245,789 reflecting an increase in gross assets of \$13,211,105.

During the year, the Company was able to acquire 639,598 ordinary shares for an outlay of \$827,182 equating to an average buyback price of \$1.2933 per share. The Company will continue to buy back shares where it is accretive, balanced against the benefits of holding available cash for investing in generating further performance and growth in the Company's NTA. Net Tangible Assets (NTA) per share before tax increased from 150.31 cents per share to 163.81 cents per share during the reporting period. Noting this increase was after the payment of 5.0 cents per share fully franked.

In the period, the Investment Manager sold several long-term portfolio investments on valuation grounds and realised material gains as a consequence of two takeovers which are reflected in the Company's capital profits reserve increasing by 48% or \$5,520,192 to \$16,944,472 which when added to the increase to Company's profit reserve to \$1,916,989 takes total distributable profits to \$18,861,461, equivalent to \$0.321 per share. This increase is net of dividends paid during the period of \$2,956,336.

At 30 June 2020 approximately 82.10% of the Company's capital was deployed in equities with approximately 17.90% held in cash, term deposits and net receivables.

Updater completed a debt and equity raising in December 2019 to assist with the strategic acquisition of Bridgevine LLC. The capital raised exceeded the acquisition funding requirements, providing Updater with additional growth capital. As a consequence of this and the impacts of COVID-19 on Updater, the Investment Manager conducted a detailed review of the valuation of Updater as of 30 June 2020. Directors are satisfied that Updater's business plan whilst impacted by the initial fall in the number of movers in America during Q2 2020 remains intact and the company is well positioned to execute against its plans as American mobility returns in the second half of 2020 and into 2021.

In March 2020, as a consequence of the COVID-19 induced currency volatility (Australian dollar versus the US dollar) the Investment Manager requested that Directors of Ryder Capital Ltd approve a change in the underlying reporting currency of the Updater common shares to US dollars (in order to better reflect the underlying equity value of this investment as distinct from movements in the currency). This change created a US Dollar equity asset in the Portfolio which will allow the Investment Manager to manage currency risk as distinct from equity risk. To date the Investment Manager has not hedged any of the US dollar Updater exposure. This change had no material impact on the carrying value of Updater, and overall provided a net benefit during the period equating to \$237,933.

COVID-19 has brought unprecedented challenges for individuals, companies and consequentially, global equity markets. The Investment Manager demonstrated strong nominal and relative performance in the period and successfully managed market risk and portfolio volatility within the Company's Investment Guidelines. The Investment Manager and the Company are conscious of the ongoing impact and uncertainty of COVID-19 and the Portfolio has been actively managed to reduce risk while taking advantage of attractive opportunities as they arise in this period of increased market volatility. Ryder has taken steps to ensure that the Investment Manager is able to continue operations uninterrupted with employees having the facilities to work from home if required.

The Company is aware of the likelihood that investee companies may continue to decrease, delay or cancel dividends. Ryder is well positioned against dividend fluctuations as the Portfolio's primary objective is long term capital growth with income generation as a secondary objective. Notwithstanding, the Company's dividend payments for the year were increased from 4.0 cents fully franked in FY19 to 5.0 cents fully franked in FY20. The Board anticipates that due to strong profit reserves, shareholder dividends should be well insulated in the short to medium term.

### Dividends

On 9 August 2019, the Directors declared a fully franked dividend of 3.00 cents per share paid on 4 September 2019 on ordinary shares held as at record date 15 August 2019.

On 18 February 2020, the Directors declared a fully franked dividend of 2.00 cents per share paid on 23 March 2020 on ordinary shares held as at record date 9 March 2020.

On 14 August 2020, the Directors declared a fully franked dividend of 3.00 cents per share which will be paid on 9 September 2020 on ordinary shares held as at record date 20 August 2020 (ex-dividend date of 19 August 2020).

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Directors' Report

### Unissued Shares

Upon the exercise of an Initial Option, the Company issued 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 all Initial Options have been exercised or lapsed. During the year, the Company issued nil Secondary Options (30 June 2019: issued 26,732,673).

As at the date of this report

Initial Option over unissued ordinary shares	-
Secondary Option over unissued ordinary shares	26,732,673

### Net Assets

As at 30 June 2020 the net assets of the Company were \$86,928,789 (30 June 2019: \$83,034,684). Please refer to the Statement of Financial Position for further details.

### State of Affairs

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

### Events Subsequent to Balance Date

Except in relation to the dividend declared subsequent to balance date and referred to in the Note 15, 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.

### Insurance of Officers

During the financial year, 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 (unless otherwise indicated).



# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2020, under the requirements of Section 300A(1) of the *Corporations Act 2001*.

### Key management personnel

The directors and other key management personnel of the Company during the whole of the financial year, 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 2020

Director	Position	Short-term employee benefits Cash salary \$	Post-employment benefits Superannuation \$	Total \$
<b>Peter Constable</b>	Chairman	-	-	-
<b>David Bottomley</b>	Director	-	-	-
<b>Ray Kellerman</b>	Non-executive Director	36,530	3,470	40,000
		<b>36,530</b>	<b>3,470</b>	<b>40,000</b>

#### Year ended 30 June 2019

Director	Position	Short-term employee benefits Cash salary \$	Post-employment benefits Superannuation \$	Total \$
<b>Peter Constable</b>	Chairman	-	-	-
<b>David Bottomley</b>	Director	-	-	-
<b>Ray Kellerman</b>	Non-executive Director	31,963	3,615	35,578
		<b>31,963</b>	<b>3,615</b>	<b>35,578</b>

# Ryder Capital Limited Annual Report For the year ended 30 June 2020

## Director Related Entity Remuneration

The Company has outsourced its investment management function to Ryder Investment Management Pty Limited (the "Investment Manager") a company controlled by Peter Constable and David Bottomley. The Investment Manager is privately owned and was incorporated in November 2008.

### (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.

### (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 during the year and payable to the Manager at year end were as follows:

	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Management fees paid and payable during the year	1,313,629	1,080,946
Performance fees payable during the year	1,416,708	-
Management fees payable at year end	102,679	94,122

## 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 2020

Director	Opening balance	Acquisitions/ Options exercised	Shares acquired/ (disposed)	Closing balance as at 30 June 2020
Peter Constable <sup>1</sup>	8,441,000	-	234,000	8,675,000
David Bottomley <sup>1</sup>	3,023,000	-	25,000	3,048,000
Ray Kellerman	1,020,000	-	-	1,020,000
	<b>12,484,000</b>	<b>-</b>	<b>259,000</b>	<b>12,743,000</b>

### Options (RYDOA) as at 30 June 2020

Director	Opening balance	Issued/acquired	Lapsed/exercised	Closing balance as at 30 June 2020
Peter Constable	3,462,500	-	-	3,462,500
David Bottomley	1,025,000	-	-	1,025,000
Ray Kellerman	510,000	-	-	510,000
	<b>4,997,500</b>	<b>-</b>	<b>-</b>	<b>4,997,500</b>

<sup>1</sup> 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.

**Ryder Capital Limited**  
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**For the year ended 30 June 2020**

**Shares as at 30 June 2019**

Director	Opening balance	Acquisitions/ Options Exercised	Shares Acquired/ (disposed)	Closing balance as at 30 June 2019
Peter Constable <sup>1</sup>	5,378,500	3,062,500	-	8,441,000
David Bottomley <sup>1</sup>	2,145,000	1,130,000	(252,000)	3,023,000
Ray Kellerman	510,000	510,000	-	1,020,000
	<b>8,033,500</b>	<b>4,702,500</b>	<b>(252,000)</b>	<b>12,484,000</b>

**Options (RYDOA) as at 30 June 2019**

Director	Opening balance	Issued/Acquired	Lapsed/Exercised	Closing balance as at 30 June 2019
Peter Constable	400,000	3,062,500	-	3,462,500
David Bottomley	172,500	852,500	-	1,025,000
Ray Kellerman	-	510,000	-	510,000
	<b>572,500</b>	<b>4,425,000</b>	<b>-</b>	<b>4,997,500</b>

**Options (RYDO) as at 30 June 2019**

Director	Opening balance	Issued/Acquired	Lapsed/Exercised	Closing balance as at 30 June 2019
Peter Constable	4,562,500	-	(4,562,500)	-
David Bottomley	1,795,000	-	(1,795,000)	-
Ray Kellerman	510,000	-	(510,000)	-
	<b>6,867,500</b>	<b>-</b>	<b>(6,867,500)</b>	<b>-</b>

<sup>1</sup> Director and shareholder (>20%) of Ryder Investment Management Pty Ltd 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.

The options outstanding and available to Directors are on the same terms and conditions as offered to all other option holders.

**End of remuneration report.**

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**

**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 and Risk Committee, is satisfied that the provision of non-audit services during the year 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 11 did not compromise the external auditor's independence for the following reasons:

- (a) all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor;
- (b) none of the services contravene the independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct in relation to the audit.

**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 18.

Signed in accordance with a resolution of the directors.

**Peter Constable**

Chairman  
Ryder Capital Limited

Sydney, 14 August 2020

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**  
**Auditor's Independence Declaration**



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**Auditor's Independence Declaration**  
**To the Directors of Ryder Capital Limited**  
**ABN 74 606 695 854**

In relation to the independent audit of Ryder Capital Limited for the year ended 30 June 2020, 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 APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

A handwritten signature in black ink, appearing to read "S M Whiddett".

S M Whiddett  
Partner

Pitcher Partners  
Sydney

14 August 2020

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Ryder Capital Limited**  
**Annual Report**  
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<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
	Note	Year ended 30 June 2020	Year ended 30 June 2019
<b>Investment Income</b>		<b>\$</b>	<b>\$</b>
Interest income		158,191	356,647
Dividend income net of franking credits		2,395,790	1,382,725
Net gain on financial instruments at fair value through profit or loss		820,525	1,035
Other income		17,563	36,326
<b>Total investment income</b>		<b>3,392,069</b>	<b>1,776,733</b>
<b>Expenses</b>			
Management fees	13	(1,224,063)	(1,007,245)
Directors' fees	13	(40,000)	(33,647)
Performance fees	13	(1,416,708)	-
Other operating expenses		(318,303)	(370,529)
<b>Total expenses</b>		<b>(2,999,074)</b>	<b>(1,411,421)</b>
<b>Profit for the year before income tax benefit</b>		<b>392,995</b>	<b>365,312</b>
Income tax benefit	4(a)	359,323	201,002
<b>Profit/(loss) for the year</b>		<b>752,318</b>	<b>566,314</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Movement in fair value of long term equity investments, net of tax	10(d)	6,925,241	2,520,513
<b>Total comprehensive income for the year</b>		<b>7,677,559</b>	<b>3,086,827</b>
<b>Basic earnings/(losses) per share</b>	5	<b>1.27 cents</b>	<b>1.06 cents</b>
<b>Diluted earnings/(losses) per share</b>	5	<b>1.27 cents</b>	<b>1.06 cents</b>

*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**  
**Annual Report**  
**For the year ended 30 June 2020**

<b>Statement of Financial Position</b>			
	Note	As at 30 June 2020	As at 30 June 2019
<b>Assets</b>		<b>\$</b>	<b>\$</b>
<i>Current assets</i>			
Cash and cash equivalents	12(a)	17,433,819	22,525,023
Receivables	6	223,281	69,844
<b>Total current assets</b>		<b>17,657,100</b>	<b>22,594,867</b>
<i>Non-current assets</i>			
Long-term equity investments	7, 3	80,271,942	67,506,755
Deferred tax asset	4(d)	2,760	499,263
<b>Total non-current assets</b>		<b>80,274,702</b>	<b>68,006,018</b>
<b>Total assets</b>		<b>97,931,802</b>	<b>90,600,885</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Payables	8	1,683,253	823,457
Current tax liability	4(c)	5,375,334	3,150,713
<b>Total current liabilities</b>		<b>7,058,587</b>	<b>3,974,170</b>
<i>Non-current liabilities</i>			
Deferred tax liability	4(d)	3,944,426	3,592,031
<b>Total non-current liabilities</b>		<b>3,944,426</b>	<b>3,592,031</b>
<b>Total liabilities</b>		<b>11,003,013</b>	<b>7,566,201</b>
<b>Net assets</b>		<b>86,928,789</b>	<b>83,034,684</b>
<b>Equity</b>			
Issued capital	9(a)	64,222,935	65,050,053
Retained earnings/(losses)	10(a)	(5,221,011)	(2,876,206)
Profit reserve	10(b)	1,916,989	-
Capital profits reserve	10(c)	16,944,472	11,424,280
Asset revaluation reserve	10(d)	9,065,404	9,436,557
<b>Total equity</b>		<b>86,928,789</b>	<b>83,034,684</b>

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

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**

Statement of Changes in Equity							
	Note	Issued capital	Retained earnings/ (losses)	Profits reserve	Capital profit reserve	Asset revaluation reserve	Total equity
		\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2018</b>		<b>40,904,728</b>	<b>(2,836,231)</b>	<b>-</b>	<b>3,384,226</b>	<b>15,954,210</b>	<b>57,406,933</b>
Profit for the year		-	566,314	-	-	-	566,314
Net revaluation of investments		-	-	-	-	2,520,513	2,520,513
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>566,314</b>	<b>-</b>	<b>-</b>	<b>2,520,513</b>	<b>3,086,827</b>
<b>Other</b>							
Transfer of realised gains on sale of investments, net of tax	10(c)	-	-	-	9,038,166	(9,038,166)	-
Transfer to profit reserve	10(a)	-	(606,289)	606,289	-	-	-
		-	(606,289)	606,289	9,038,166	(9,038,166)	-
<b>Transactions with owners in their capacity as owners</b>							
Shares and options issued during the year	9(a)	28,138,966	-	-	-	-	28,138,966
Shares acquired under buy-back during the year	9(a)	(3,987,676)	-	-	-	-	(3,987,676)
Transactions costs on shares acquired under buy-back	9(a)	(8,227)	-	-	-	-	(8,227)
Income tax on transactions costs	9(a)	2,262	-	-	-	-	2,262
Dividends provided for or paid	10(b),(c)	-	-	(606,289)	(998,112)	-	(1,604,401)
		<b>24,145,325</b>	<b>-</b>	<b>(606,289)</b>	<b>(998,112)</b>	<b>-</b>	<b>22,540,924</b>
<b>Balance at 30 June 2019</b>		<b>65,050,053</b>	<b>(2,876,206)</b>	<b>-</b>	<b>11,424,280</b>	<b>9,436,557</b>	<b>83,034,684</b>
Profit for the year		-	752,318	-	-	-	752,318
Net revaluation of investments		-	-	-	-	6,925,241	6,925,241
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>752,318</b>	<b>-</b>	<b>-</b>	<b>6,925,241</b>	<b>7,677,559</b>
<b>Other</b>							
Transfer of realised gains on sale of investments, net of tax	10(c)	-	-	-	7,296,394	(7,296,394)	-
Transfer to profit reserve	10(a)	-	(3,097,123)	3,097,123	-	-	-
		-	(3,097,123)	3,097,123	7,296,394	(7,296,394)	-
<b>Transactions with owners in their capacity as owners</b>							
Shares acquired under buy-back during the year	9(a)	(825,366)	-	-	-	-	(825,366)
Transactions costs on shares acquired under buy-back	9(a)	(1,725)	-	-	-	-	(1,725)
Income tax on transactions costs	9(a)	(27)	-	-	-	-	(27)
Dividends provided for or paid	10(b),(c)	-	-	(1,180,134)	(1,776,202)	-	(2,956,336)
		(827,118)	-	(1,180,134)	(1,776,202)	-	(3,783,454)
<b>Balance at 30 June 2020</b>		<b>64,222,935</b>	<b>(5,221,011)</b>	<b>1,916,989</b>	<b>16,944,472</b>	<b>9,065,404</b>	<b>86,928,789</b>

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



**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**

<b>Statement of Cash Flows</b>			
	Note	Year ended 30 June 2020	Year ended 30 June 2019
<b>Cash flows from operating activities</b>		<b>\$</b>	<b>\$</b>
Interest received		204,181	310,657
Dividends received		2,198,280	1,382,725
Management fees paid		(1,215,506)	(982,568)
Performance fees paid		-	(2,953,362)
Directors' fees paid		(40,000)	(41,147)
Other operating expenses paid		(320,220)	(354,819)
Other income received		17,563	36,326
Income tax paid		-	(19,040)
<b>Net cash provided by / (used in) operating activities</b>	12(b)	<b>844,298</b>	<b>(2,621,228)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		51,868,382	19,951,361
Payments for purchase of investments		(54,020,457)	(28,918,381)
<b>Net cash used in investing activities</b>		<b>(2,152,075)</b>	<b>(8,967,020)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(2,956,336)	(1,604,401)
Proceeds from shares issued		-	28,138,966
Payments for shares buy-back		(825,366)	(3,987,676)
Issue costs (paid)		(1,725)	(5,965)
<b>Net cash (used in) / provided by financing activities</b>		<b>(3,783,427)</b>	<b>22,540,924</b>
<b>Net (decrease) / increase in cash held</b>		<b>(5,091,204)</b>	<b>10,952,676</b>
Cash and cash equivalents at beginning of the financial year		22,525,023	11,572,347
<b>Cash and cash equivalents at end of the financial year</b>	12(a)	<b>17,433,819</b>	<b>22,525,023</b>

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

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**  
**Notes to the Financial Statements**

## 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 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.

Updater Inc. delisted from the ASX in October 2018 and became a privately held Delaware incorporated company. In September 2018, the Board of Directors resolved to amend the Company's investment strategy to allow for continued ownership of Updater Inc. notwithstanding it being an unlisted Delaware incorporated company.

These general purpose financial statements are for the year ended 30 June 2020, and were authorised for issue by the Directors on 14 August 2020.

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 Standards.

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 has 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 (short-term equity investments)*

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 and Other Comprehensive Income.

Derivative financial instruments such as futures 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 has irrevocably elected to present subsequent changes in the fair value of the investments in the Statement of Profit or Loss and Other Comprehensive Income.

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

#### 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.

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

**(c) Investments (continued)**

**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 other comprehensive income. Net exchange gains and losses arising on the revaluation of long-term equity investments are included in gains and losses presented in the Statement of Profit or Loss and Other Comprehensive Income.

**(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.

**(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.

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

**(g) Income**

Revenue is recognised when it is probable that the economic benefit will flow to the 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 include 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.

Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

Receivables are reviewed at the end of each reporting period to determine the need to raise a loss allowance for expected credit losses. The entity has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, a review is undertaken of the nature of the receivables, the counterparty, the days overdue and the economic environment.

**(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 year, 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.

**(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.

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

**(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(c) to these financial statements.

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

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the Company.

**(p) New accounting standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

**(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 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.

**(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 Investment Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Investment Manager minimises the Company's concentration of credit risk by undertaking most 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 2020 is 1.26% (2019: 1.71%).

*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.

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**2. FINANCIAL RISK MANAGEMENT (continued)**

**(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 requirements.

*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
<b>As at 30 June 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	1,525,208	-	-	-	1,525,208
Due to brokers - payable for securities purchased	158,045	-	-	-	158,045
<b>Total Financial Liabilities</b>	<b>1,683,253</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,683,253</b>
<b>As at 30 June 2019</b>					
Trade and other payables	99,943	-	-	-	99,943
Due to brokers - payable for securities purchased	723,514	-	-	-	723,514
<b>Total Financial Liabilities</b>	<b>823,457</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>823,457</b>

**(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 investing in equity securities where there is a significant 'margin of safety' between the underlying companies' value and share price. The Company has set parameters as to a maximum margin of safety in addition to having set parameters regarding a maximum amount of the portfolio that can be invested in a single company or sector as prescribed in the Prospectus.

**(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 29.

Interest rate risk is actively managed by the Investment Manager. The majority of the Company's interest bearing assets are held with reputable banks to ensure the Company obtains competitive rates of return while providing sufficient liquidity to meet cash flow requirements.

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**2. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Market risk (continued)**

**(i) Interest rate risk (continued)**

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.

	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate	Total
<b>As at 30 June 2020</b>	%	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	1.26	17,415,941	17,878	-	17,433,819
Trade and other receivables		-	223,281	-	223,281
<i>Long-term equity investments:</i>					
Listed equities		-	70,412,717	-	70,412,717
Unlisted equities		-	9,859,225	-	9,859,225
<b>Total Financial Assets</b>		<b>17,415,941</b>	<b>80,513,101</b>	<b>-</b>	<b>97,929,042</b>
<b>Financial Liabilities</b>					
Trade and other payables		-	1,683,253	-	1,683,253
<b>Total Financial Liabilities</b>		<b>-</b>	<b>1,683,253</b>	<b>-</b>	<b>1,683,253</b>
<b>As at 30 June 2019</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1.71	22,525,023	-	-	22,525,023
Trade and other receivables		-	69,844	-	69,844
<i>Long-term equity investments:</i>					
Listed equities		-	57,885,463	-	57,885,463
Unlisted equities		-	9,621,292	-	9,621,292
<b>Total Financial Assets</b>		<b>22,525,023</b>	<b>67,576,599</b>	<b>-</b>	<b>90,101,622</b>
<b>Financial Liabilities</b>					
Trade and other payables		-	823,457	-	823,457
<b>Total Financial Liabilities</b>		<b>-</b>	<b>823,457</b>	<b>-</b>	<b>823,457</b>

**(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.



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**2. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Market risk (continued)**

**(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 the Investment Manager'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 Impact on other comprehensive income		Income rate risk Impact on other comprehensive income		Foreign exchange risk Impact on other comprehensive income	
<b>30 June 2020</b>	<b>-10%</b> (8,027,194)	<b>+10%</b> 8,027,194	<b>-100 bps</b> -	<b>+100 bps</b> -	<b>-10%</b> (985,923)	<b>+10%</b> 985,923
<b>30 June 2019</b>	<b>-10%</b> (6,750,676)	<b>+10%</b> 6,750,676	<b>-100 bps</b> -	<b>+100 bps</b> -	<b>-10%</b> -	<b>+10%</b> -

	Price risk Impact on operating profit/ (loss)		Income rate risk Impact on operating profit/ (loss)		Foreign exchange risk Impact on operating profit/ (loss)	
<b>30 June 2020</b>	<b>-10%</b> -	<b>+10%</b> -	<b>-100 bps</b> (1,742)	<b>+100 bps</b> 1,742	<b>-10%</b> -	<b>+10%</b> -
<b>30 June 2019</b>	<b>-10%</b> -	<b>+10%</b> -	<b>-100 bps</b> (3,962)	<b>+100 bps</b> 3,962	<b>-10%</b> -	<b>+10%</b> -

**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

**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.



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**3. FAIR VALUE MEASUREMENT (continued)**

**(a) Recognised fair value measurements**

The following table presents the Company's assets measured and recognised at fair value as at 30 June 2020 and 30 June 2019.

At 30 June 2020				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
<i>Long-term equity investments</i>				
Listed investments	70,412,717	-	-	70,412,717
Unlisted investments	-	-	9,859,225	9,859,225
<b>Total financial assets</b>	<b>70,412,717</b>	<b>-</b>	<b>9,859,225</b>	<b>80,271,942</b>
At 30 June 2019				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
<i>Long-term equity investments</i>				
Listed investments	57,885,463	-	-	57,885,463
Unlisted investments	-	-	9,621,292	9,621,292
<b>Total financial assets</b>	<b>57,885,463</b>	<b>-</b>	<b>9,621,292</b>	<b>67,506,755</b>

**(b) Transfer between levels**

The Investment Manager's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following table presents the transfers between levels at the end of the reporting period.

As at 30 June 2020			
	Level 1	Level 2	Level 3
	\$	\$	\$
Transfer between levels			
Unlisted investments	-	-	-
As at 30 June 2019			
	Level 1	Level 2	Level 3
	\$	\$	\$
Transfer between levels			
Unlisted investments	(9,621,292)	-	9,621,292

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

As at 30 June 2019, the Investment Manager had transferred the Company's investments in listed equities from level 1 to level 3 on the fair value hierarchy on the basis that security Updater Inc. (ASX: UPD) was removed from official list of ASX Limited on the 10 October 2018 and became an unlisted Delaware incorporated Company.

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**3. FAIR VALUE MEASUREMENT (continued)**

**(c) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the movement in level 3 instruments for the year ended 30 June 2020 by class of financial instrument.

	Unlisted investments	Total
	\$	\$
<b>Opening balance – 1 July 2018</b>	-	-
Transfer into/(out) from Level 3	4,725,355	4,725,355
Purchases	-	-
Sales	-	-
Unrealised gains recognised in the Statement of Profit or Loss and Other Comprehensive Income	4,895,937	4,895,937
<b>Closing balance – 30 June 2019</b>	<b>9,621,292</b>	<b>9,621,292</b>
Transfer into/(out) from Level 3	-	-
Purchases	-	-
Sales	-	-
Unrealised gains recognised in the Statement of Profit or Loss and Other Comprehensive Income	237,933	237,933
<b>Closing balance – 30 June 2020</b>	<b>9,859,225</b>	<b>9,859,225</b>

**(i) Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

Description	Fair value \$	Unobservable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
<b>As at 30 June 2020</b>				
Updater Inc.	9,859,225	Last trade price	N/A	N/A
<b>As at 30 June 2019</b>				
Updater Inc.	9,621,292	Last trade price	N/A	N/A

Updater Inc. (Updater) an unlisted Delaware incorporated company was carried at a value of A\$24.875 per Common Stock as at 30 June 2019. This was the equivalent value of its last traded ASX price (8 October 2018) for Updater post CDI to common stock and stock consolidation at a ratio of 25:1 (CDI to Common Stock). During the period however, Ryder Investment Management Pty Ltd ("RYDM") decided to restate the investment into its base currency (USD) and then convert this in line with the daily foreign exchange (FX) rate to AUD. As such, the investment is being carried at USD\$17.55 per Common Stock, with a total value of A\$9.859m as at 30 June 2020 taking into account the FX movement during the year.

As at 30 June 2019, insufficient observable private market or other data was available to determine the fair value for the Company's Investment in Updater. As such, a qualified audit opinion was issued in the respect of this matter in the prior year. Since then, Updater's management have provided its shareholders with further information. Using this new information, RYDM prepared a discounted cash flow model which supports the carrying value of the Company's investment in Updater as at 30 June 2020.

**(ii) Valuation processes**

Portfolio reviews are undertaken regularly by the Investment Manager to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

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(iii) **Description of significant unobservable inputs to valuation**

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2020 are shown below.

Description	Unobservable inputs	Value	Sensitivity
<b>Ordinary shares at fair value through other comprehensive income</b>	5-Year Compounding Annual Revenue Growth rate	34.6%	5.00% increase would increase fair value by \$2,138,810 and a 5.00% decrease would decrease fair value by \$2,118,203
	Discount rate	13.73%	1.00% increase would decrease fair value by \$773,203 and a 1.00% decrease would increase fair value by \$926,566
	Terminal growth rate	2.0%	1.00% increase would increase fair value by \$577,704 and a 1.00% decrease would decrease fair value by \$486,948

(d) **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.

**4. TAXATION**

	30 June 2020	30 June 2019
	\$	\$
<b>(a) Numerical reconciliation of income tax benefit</b>		
Prima facie tax payable/(benefit) on profit before income tax at 30% (2019: 27.5%)	117,899	100,461
Adjusted for tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Imputation gross up on dividends received	220,952	114,348
Franking credits on dividends received	(736,508)	(415,811)
Prior year over provision	42,527	-
Tax effect on income tax rate uplift to 30%	(4,193)	-
<b>Income tax benefit</b>	<b>(359,323)</b>	<b>(201,002)</b>
Applicable weighted average effective tax rate	91%	55%
The income tax benefit results in a:		
Current tax asset	(902,405)	(266,134)
Current tax liability	(59,253)	(12,647)
Deferred tax liability	496,476	14,405
Deferred tax asset	105,859	63,374
<b>Income tax benefit</b>	<b>(359,323)</b>	<b>(201,002)</b>
<b>(b) Amounts recognised directly in equity</b>		
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	(27)	(2,262)
Unrealised gains on long term equity investments	(3,885,173)	(3,579,384)
Realised gains on long term equity investments	(3,127,026)	(3,428,270)
<b>Net deferred tax - debited directly to equity</b>	<b>(7,012,226)</b>	<b>(7,009,916)</b>

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**4. TAXATION (continued)**

	As at 30 June 2020	As at 30 June 2019
<b>(c) Movement in current tax liability/(assets)</b>	<b>\$</b>	<b>\$</b>
<i>Opening balance</i>	3,150,713	(28,201)
Income tax refund/(payment)	-	16,778
Charged / (credited) to profit or loss		
to profit or loss	(902,405)	(266,134)
directly to equity	3,127,026	3,428,270
<b>Closing balance</b>	<b>5,375,334</b>	<b>3,150,713</b>

**(d) Net deferred tax liabilities**

*Deferred tax liabilities*

Deferred income tax comprises the estimated tax payable at the current income tax rate of 30% (2019: 27.5%) on the following items:

Tax on unrealised gains on investment portfolio	3,885,173	3,579,384
Accrued interest	-	12,647
Dividend receivable	59,253	-
	<b>3,944,426</b>	<b>3,592,031</b>

*Movements:*

Opening balance	3,592,031	6,051,597
Charged / (credited)		
to profit or loss	59,253	12,647
directly to equity	293,142	(2,472,213)
<b>Closing balance</b>	<b>3,944,426</b>	<b>3,592,031</b>

*Net deferred tax assets*

Deferred tax assets comprises the estimated tax deductible at the current income tax rate of 30% (2019: 27.5%) on the following items:

Transition costs on equity issue	113,949	116,871
Reduction in transition costs on equity issue	(111,189)	(87,478)
Tax losses	-	469,870
<b>Net deferred tax assets</b>	<b>2,760</b>	<b>499,263</b>

*Movements:*

Opening balance	499,263	515,930
Charged / (credited)		
to profit or loss	(496,476)	(14,405)
directly to equity	(27)	(2,262)
<b>Closing balance</b>	<b>2,760</b>	<b>499,263</b>

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**5. EARNINGS PER SHARE**

	30 June 2020	30 June 2019
	\$	\$
<b>Basic earnings/(losses) per share</b>	<b>1.27 cents</b>	<b>1.06 cents</b>
<b>Diluted earnings/(losses) per share</b>	<b>1.27 cents</b>	<b>1.06 cents</b>
Earnings/(losses) used in calculating basic earnings/(losses) per share	752,318	566,314
Earnings/(losses) used in calculating diluted earnings/(losses) per share	752,318	566,314
Weighted average number of ordinary shares used in the calculation of basic earnings per share	59,067,077	53,381,128
Weighted average number of shares used in the calculation of diluted earnings per share	59,067,077	53,381,128

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 2019 to 30 June 2020.

**6. RECEIVABLES**

	As at 30 June 2020	As at 30 June 2019
	\$	\$
Dividend receivable	197,510	-
Interest receivable	-	45,990
GST receivable	25,771	23,854
	<b>223,281</b>	<b>69,844</b>

**Terms and conditions**

GST receivable can be recovered from the Australian Tax Office. No interest is applicable to any of these amounts. The maximum credit risk exposure in relation to receivables is the carrying amount.

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**7. INVESTMENTS**

	As at 30 June 2020	As at 30 June 2019
	\$	\$
<i>Financial assets designated at fair value through other comprehensive income</i>		
Listed equities	70,412,717	57,885,463
Unlisted equities	9,859,225	9,621,292
<b>Total financial assets designated at fair value through other comprehensive income</b>	<b>80,271,942</b>	<b>67,506,755</b>
<b>Total financial assets</b>	<b>80,271,942</b>	<b>67,506,755</b>

The total dividends received on these investments sold which are included in the Statement of Comprehensive Income were:

	30 June 2020	30 June 2019
	\$	\$
Dividend income comprises:		
Listed equity securities held at year-end*	1,576,000	1,581,257
Listed equity securities sold during the year*	1,641,379	217,279

\*Dividend income amounts are disclosed gross of franking credits.

During the year, the total fair value of investments sold in the normal course of the business and to preserve capital were:

	30 June 2020	30 June 2019
	\$	\$
<b>Fair value at disposal date</b>		
Listed equity securities	57,611,200	19,948,910
<b>Gain on disposal after tax</b>		
Listed equity securities	7,296,394	8,414,843

**8. PAYABLES**

	As at 30 June 2020	As at 30 June 2019
	\$	\$
Management fees payable	102,679	94,122
Performance fees payable	1,416,708	-
Directors fees payable	1,821	1,821
Other payable	4,000	4,000
Due to brokers - payable for securities purchased	158,045	723,514
	<b>1,683,253</b>	<b>823,457</b>

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**9. 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.

*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.

*Options*

No options were issued during the year (2019: 26,732,673). At balance date the Company has 26,732,673 (2019: 26,732,673) options on issue exercisable on or before 10 December 2021 for an exercise price of \$1.50

	30 June 2020		30 June 2019	
	Units	\$	Units	\$
<b>(a) Movements in ordinary share capital</b>				
Opening balance	59,396,321	65,050,053	40,197,445	40,904,728
Shares buy-back	(639,598)	(825,366)	(3,312,297)	(3,987,676)
Transactions costs on shares acquired under buy-back	-	(1,725)	-	(8,227)
Income tax on transaction costs	-	(27)	-	2,262
Shares issued upon the exercise of options	-	-	22,511,173	28,138,966
Costs of issued capital, net of tax	-	-	-	-
<b>Closing balance</b>	<b>58,756,723</b>	<b>64,222,935</b>	<b>59,396,321</b>	<b>65,050,053</b>
<b>(b) Options issued</b>				
Opening balance	26,732,673	-	32,607,000	-
Options exercised during the year	-	-	(22,511,173)	-
Options not taken up as at date of expiry	-	-	(10,095,827)	-
Secondary options issued upon exercise of initial options	-	-	26,732,673	-
<b>Closing balance</b>	<b>26,732,673</b>	<b>-</b>	<b>26,732,673</b>	<b>-</b>

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**10. RESERVES AND RETAINED PROFITS**

	30 June 2020	30 June 2019
	\$	\$
<b>(a) Retained earnings/(losses)</b>		
Balance at the beginning of the year	(2,876,206)	(2,836,231)
Net profit/(loss) attributable to members of the Company	752,318	566,314
Transfer to profit reserve	(3,097,123)	(606,289)
<b>Balance at 30 June</b>	<b>(5,221,011)</b>	<b>(2,876,206)</b>
<b>(b) Profits reserve</b>		
The reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.		
Balance at the beginning of the year	-	-
Dividends paid	(1,180,134)	(606,289)
Transfer from retained earnings	3,097,123	606,289
<b>Balance at 30 June</b>	<b>1,916,989</b>	<b>-</b>
<b>(c) Capital profits reserve</b>		
The reserve records gains or losses arising from disposal of long-term equity investments.		
Balance at the beginning of the year	11,424,280	3,384,226
Realised profit on sale of investments, net of tax	7,296,394	9,038,166
Dividends paid	(1,776,202)	(998,112)
<b>Balance at 30 June</b>	<b>16,944,472</b>	<b>11,424,280</b>
<b>(d) Asset revaluation reserve</b>		
The reserve records revaluations of long-term equity investments.		
Balance at the beginning of the year	9,436,557	15,954,210
Movement in fair value of long-term equity investments, net of tax	6,925,241	2,520,513
Realised profit on sale of investments, net of tax transferred to capital profits reserve	(7,296,394)	(9,038,166)
<b>Balance at 30 June</b>	<b>9,065,404</b>	<b>9,436,557</b>

**11. 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 2020	30 June 2019
	\$	\$
<b>Pitcher Partners</b>		
Audit and other assurance services		
Audit and review of financial statements	65,587	42,000
<b>Total remuneration for audit and other assurance services</b>	<b>65,587</b>	<b>42,000</b>
Taxation Services	14,405	8,250
<b>Total remuneration of Pitcher Partners</b>	<b>79,992</b>	<b>50,250</b>

The Company's Audit and Risk Committee oversees the relationship with the Company's External Auditors. The Audit and Risk 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 not compromise independence.



**Ryder Capital Limited**  
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**12. CASH FLOW INFORMATION**

	As at 30 June 2020	As at 30 June 2019
	\$	\$
<b>(a) Reconciliation of cash</b>		
For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents comprise:		
Cash at bank	17,433,819	22,525,023
<b>Total cash and cash equivalents</b>	<b>17,433,819</b>	<b>22,525,023</b>
<b>(b) Reconciliation of net profit/(loss) attributable to members of the Company to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss) attributable to members of the Company	392,995	365,312
Net gain on financial instruments at fair value through profit or loss	(820,525)	(1,035)
Income tax benefit	-	(19,040)
Net change in receivables	(153,437)	(30,280)
Net change in payables	1,425,265	(2,936,185)
<b>Net cash provided by / (used in) operating activities</b>	<b>844,298</b>	<b>(2,621,228)</b>

**13. 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 "Investment Manager") a company controlled by Peter Constable and David Bottomley. The Manager is privately owned and was incorporated in November 2008.

**(i) Management fee**

The Investment 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 Investment 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 during the year and payable to the Investment Manager at year end were as follows:

	30 June 2020	30 June 2019
	\$	\$
Management fees paid and payable during the year	1,313,629	1,080,946
Performance fees paid during the year	1,416,708	-
Management fees payable at year end	102,679	94,122

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**13. 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 is set out below:

	30 June 2020	30 June 2019
	\$	\$
Cash salary, fees and commissions	36,530	31,963
<b>Short-term employee benefits</b>	<b>36,530</b>	<b>31,963</b>
Superannuation	3,470	3,615
<b>Post-employment benefits</b>	<b>3,470</b>	<b>3,615</b>
<b>Total employment benefits</b>	<b>40,000</b>	<b>35,578</b>

**(c) Shareholdings**

2020				
	Opening balance	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Balance at 30 June 2020
<b>Ordinary Shares</b>				
Peter Constable <sup>1</sup>	8,441,000	-	234,000	8,675,000
David Bottomley <sup>1</sup>	3,023,000	-	25,000	3,048,000
Ray Kellerman	1,020,000	-	-	1,020,000
	<b>12,484,000</b>	<b>-</b>	<b>259,000</b>	<b>12,743,000</b>
2019				
	Opening balance	Acquisitions/ Options Exercised	Shares acquired / (disposed)	Balance at 30 June 2019
<b>Ordinary Shares</b>				
Peter Constable <sup>1</sup>	5,378,500	3,062,500	-	8,441,000
David Bottomley <sup>1</sup>	2,145,000	1,130,000	(252,000)	3,023,000
Ray Kellerman	510,000	510,000	-	1,020,000
	<b>8,033,500</b>	<b>4,702,500</b>	<b>(252,000)</b>	<b>12,484,000</b>

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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**13. RELATED PARTY TRANSACTIONS (CONTINUED)**

**(d) Options to acquire shares**

<b>2020</b>			
	Opening balance	Issued/ Acquired	Balance at 30 June 2020
<b>Options (RYDOA)</b>			
Peter Constable	3,462,500	-	3,462,500
David Bottomley	1,025,000	-	1,025,000
Ray Kellerman	510,000	-	510,000
	<b>4,997,500</b>	<b>-</b>	<b>4,997,500</b>

<b>2019</b>			
	Opening balance	Issued/ Acquired	Balance at 30 June 2019
<b>Options (RYDOA)</b>			
Peter Constable	400,000	3,062,500	3,462,500
David Bottomley	172,500	852,500	1,025,000
Ray Kellerman	-	510,000	510,000
	<b>572,500</b>	<b>4,425,000</b>	<b>4,997,500</b>

<b>2019</b>				
	Opening balance	Issued/ Acquired	Lapsed/ Exercised	Balance at 30 June 2019
<b>Options (RYDO)</b>				
Peter Constable	4,562,500	-	(4,562,500)	-
David Bottomley	1,795,000	-	(1,795,000)	-
Ray Kellerman	510,000	-	(510,000)	-
	<b>6,867,500</b>	<b>-</b>	<b>(6,867,500)</b>	<b>-</b>

All shares and options acquired on the same basis as all shareholders.

**14. CONTINGENT LIABILITIES AND COMMITMENTS**

As at 30 June 2020 and 30 June 2019, the Company had no contingent liabilities or commitments.

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**15. DIVIDENDS**

On 9 August 2019, the Directors declared a fully franked dividend of 3.00 cent per share paid on 4 September 2019 on ordinary shares held as at record date 15 August 2019.

On 18 February 2020, the Directors declared a fully franked dividend of 2.00 cent per share paid on 23 March 2020 on ordinary shares held as at record date 9 March 2020.

Subsequent to balance date, on 14 August 2020, the Directors declared a fully franked dividend of 3.0 cent per share which will be paid on 9 September 2020 on ordinary shares held as at record date 20 August 2020 (ex-dividend date of 19 August 2020).

	30 June 2020	30 June 2019
	\$	\$
<b>Dividend franking account</b>		
Opening balance of franking account	457,997	649,366
Franking credits on dividends received	736,508	415,811
Franking credits on dividends paid	(1,121,369)	(608,566)
Tax payment made	-	1,386
<b>Closing balance of franking account</b>	<b>73,136</b>	<b>457,997</b>
Franking credits on tax payable in respect of the current period's profits	5,375,334	3,150,713
<b>Adjusted franking account balance</b>	<b>5,448,470</b>	<b>3,608,710</b>

The impact on the dividend franking account of the dividends proposed after balance sheet date but not recognised as a liability is to decrease it by \$755,444 (2019: \$673,732).

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

**16. 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.

**17. EVENTS SUBSEQUENT TO REPORTING DATE**

Except in relation to the dividend declared subsequent to balance date and referred to in the dividends note above, 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.

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**Director's Declaration**

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 2020 and performance of the Company, for the year ended 30 June 2020;
- (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, 14 August 2020

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**Independent Auditor's Audit Report to the Members**



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**Independent Auditor's Report**  
**To the Members of Ryder Capital Limited**  
**ABN 74 606 695 854**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of Ryder Capital Limited ("the Company"), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying 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 2020 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 (including Independence Standards)* ("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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Ryder Capital Limited**  
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**Independent Auditor's Report**  
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**ABN 74 606 695 854**

*Emphasis of Matter*

We draw attention to Note 3 of the financial report, which discloses that in the prior year, there was a lack of observable private market or other data to assist in deriving a carrying value of the Company's Investment in Updater Inc. as at 30 June 2019. This caused us to qualify our audit opinion on the 30 June 2019 financial report as we were unable to satisfy ourselves by alternative means concerning the carrying value of the Company's investment in Updater Inc. as at that year end. Our opinion is not modified with respect to this matter.

*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. 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.

<b>Key audit matter</b>	<b>How our audit addressed the matter</b>
<b>Existence and Valuation of Financial Instruments</b>	
<b>Refer to Note 3: Fair Value Measurement and Note 7: Investments</b>	
<p>We focused our audit effort on the valuation and existence of the Company's financial assets as they represent the most significant driver of the Company's Net Tangible Assets and Total Comprehensive Income.</p> <p>The majority of the Company's investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX or other observable markets. Consequently, these investments are classified under Australian Accounting Standards as either "level 1" (i.e. where the valuation is based on quoted prices in the market) and "level 3" (i.e. where inputs are unobservable).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of the investment management process and controls;</li> <li>▪ Reviewing and evaluating the independent audit report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the period 1 July 2019 to 30 June 2020 for the Custodian;</li> <li>▪ Obtaining a confirmation of the investment holdings directly from the Custodian;</li> <li>▪ Recalculating and assessing the Company's valuation of individual investment holdings to independent pricing sources for Level 1 investments and for level 3 investments where there was no observable market data, obtaining and assessing other relevant valuation data;</li> <li>▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and</li> <li>▪ Assessing the adequacy of disclosures in the financial statements.</li> </ul>

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**Independent Auditor's Report**  
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**ABN 74 606 695 854**

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<b>Accuracy and Existence of Management and Performance Fees</b> <b>Refer to Note 8: Payables and Note 13: Related party transactions</b>	
<p>We focused our audit effort on the accuracy, completeness and existence of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include portfolio movements, index benchmarking and applying the correct set percentage 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 favourable than if they had been with an independent third-party.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of and evaluating the processes and controls for calculating the management and performance fees;</li> <li>▪ Making enquiries with the Investment Manager and Those Charged With Governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements;</li> <li>▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees;</li> <li>▪ Testing key inputs used in the calculation of management and performance fees and recalculation in accordance with our understanding of the Investment Management Agreement; and</li> <li>▪ Assessing the adequacy of disclosures made in the financial statements.</li> </ul>

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 inconsistent 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.



**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**  
**Independent Auditor's Audit Report to the Members**



**Independent Auditor's Report**  
**To the Members of Ryder Capital Limited**  
**ABN 74 606 695 854**

*Responsibilities of the Directors for the Financial Report*

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

In preparing the financial report, the Directors are responsible for assessing the ability of the Company 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 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 the 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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.
- 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.

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**  
**Independent Auditor's Audit Report to the Members**



**Independent Auditor's Report**  
**To the Members of Ryder Capital Limited**  
**ABN 74 606 695 854**

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.

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 the 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 14 to 16 of the Directors' Report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Ryder Capital Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The Directors of the Company 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.

A handwritten signature in black ink, appearing to read "S M Whiddett".

S M Whiddett  
Partner

A handwritten signature in black ink, appearing to read "Pitcher Partners".

Pitcher Partners  
Sydney

14 August 2020

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**  
**Top 20 Shareholders**

The Shareholder information set out below was applicable at 11 August 2020.

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

A. Distribution of equity securities	Investors	Shares	%
<b>Holding Ranges</b>			
1 to 1000	16	5,946	0.01
1001 to 5000	51	185,543	0.32
5001 to 10000	48	416,640	0.71
10001 to 100000	192	7,340,198	12.49
100001 and Over	93	50,808,396	86.47
<b>Total</b>	<b>400</b>	<b>58,756,723</b>	<b>100.00</b>

B. Equity security holders	Shares	%
<b>Twenty largest equity security holders</b>		
CONSVEST PTY LTD	3,900,000	6.64
BNP PARIBAS NOMS PTY LTD	2,400,000	4.08
PETER CHARLES CONSTABLE	2,000,000	3.40
MR TIMOTHY LINDSAY MCCAUGHEY	1,744,000	2.97
MR ROBERT JULIAN CONSTABLE & MRS JANET MARIE CONSTABLE	1,700,000	2.89
DAHO PTY LTD	1,375,000	2.34
CEDAR PARTY PTY LIMITED	1,200,000	2.04
GERICHTER SUPER INVESTMENTS PTY LTD	1,181,100	2.01
GERICHTER FAMILY INVESTMENTS PTY LTD	1,120,702	1.91
CEDAYU PTY LTD	1,000,000	1.70
DOOHAN SUPERANNUATION PTY LTD	1,000,000	1.70
FARIWEST PTY LTD	1,000,000	1.70
S LE M SUPERANNUATION PTY LTD	1,000,000	1.70
LEYRTH PTY LTD	1,000,000	1.70
WORKING DOG INVESTMENTS PTY LTD	1,000,000	1.70
RK SYDNEY PTY LTD	1,000,000	1.70
WORKING DOG INVESTMENTS PTY LTD	1,000,000	1.70
MAYUMI AND ZENTA INVESTMENTS PTY LTD	1,000,000	1.70
MR ROBERT JULIAN CONSTABLE & MRS JANET MARIE CONSTABLE	1,000,000	1.70
HALE UNION PTY LTD	1,000,000	1.70
BS CARTER SUPERANNUATION FUND PTY LTD	1,000,000	1.70

C. Substantial shareholders	Shares	%
Peter Charles Constable	8,675,000	14.76
David Harold Bottomley	3,048,000	5.19

**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.

**H. Investment transactions**

There were 409 investment transactions during the period, total brokerage paid on these transactions was \$162,437.18.

**Ryder Capital Limited**  
**Annual Report**  
**For the year ended 30 June 2020**  
**Corporate Directory**

<b>Directors</b>	Peter Constable (Chairman) David Bottomley Ray Kellerman
<b>Company Secretary</b>	David Bottomley Claudia Rososinski (appointed on 28 August 2019)
<b>Registered Office</b>	Level 25 88 Phillip Street Sydney NSW 2000
<b>Contact Details</b>	P: (02) 8211 2791 F: (02) 8211 0570 W: <a href="http://www.rydercapital.com.au">www.rydercapital.com.au</a>
<b>Share Registry</b>	Link Market Services Limited  Level 12, 680 George Street Sydney NSW 2000  P: 1300 554 474 W: <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
<b>Auditor</b>	Pitcher Partners Sydney  Level 16, Tower 2 Darling Park 201 Sussex Street Sydney NSW 2000  P: (02) 9221 2099
<b>Stock Exchange Listings</b>	Ryder Capital Limited securities are listed on the Australian Stock Exchange under the following exchange codes:  Shares RYD Options RYDOA

# RYDER CAPITAL

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F +61 (2) 8211 0570

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