
Pyne Gould Corporation Limited

INTERIM FINANCIAL REPORT

For the period ended 31 December 2014

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COMPANY REPORT

Pyne Gould Corporation (“PGC”) recorded an (unaudited) interim loss of GBP3.36m (NZD6.7m) for the half year to 31 December 2014, in line with the same period last year (a loss of GBP3.29m restated from NZD6.6m). After other comprehensive income the PGC Net Tangible Asset per share at 31 December 2014 was 35 pence (NZD0.70), up from 29 pence (NZD0.58) the previous year.

The core operating business of PGC contributed a cash profit of circa GBP850k (NZD1.7m). After allowing for higher transitional administrative costs (legal, accounting and compliance) and non-cash accounting charges (principally GBP1.0m of foreign exchange adjustments), the NPAT was a loss of GBP3.36m.

As previously advised, PGC held 25.33% of Torchlight Fund LP as at 31 March 2014 – which through one of its subsidiaries had experienced delay in closing its 31 March 2014 audit. This was due to a requirement by the auditor to fully value at 31 March 2014 the real estate assets – a process that has only just been completed. The net impact on PGC of this is minimal and is reflected in the associate’s equity accounting. In short, the negative impact of valuations as at 31 March 2014 has been offset by, principally, RCL cash profit received between 31 March 2014 and 31 December 2014. This was due to stronger than expected performance from RCL, a major beneficiary of lower interest rates in Australia. An additional positive contributing factor was a very strong dividend flow from Local World, Torchlight’s UK newspaper investment, which has now returned its entire purchase price in dividends.

Had the independent valuations within Torchlight been available at the time of the audit of PGC’s 30 June 2014 financial statements, this would have reduced the Group’s NPAT by GBP5.8m, from GBP13.6m to GBP7.8m. Correspondingly in the Group’s results for the 6 months ending 31 December 2014 the NPAT would have increased by GBP5.8m from a loss of GBP3.4m to a profit of GBP2.4m.

Other Comprehensive Income

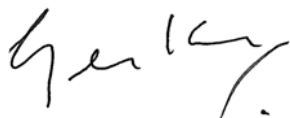
The largest other item was a non-cash charge of GBP1.4m (NZD2.9m) relating to the Perpetual Trust Limited receivable – which PGC has changed accounting treatment to a financial asset – held available for sale. This (as previously advised to the market) is required to be valued by an independent valuer. It was previously held at NZD22.2m, and after independent valuation by Grant Thornton, PGC expects to fully recover the NZD22.2m. However it has been revalued to NZD19.3m, to reflect uncertainty around timing of receipt.

Auditors: As previously advised to the market PGC is to change auditors from PwC to Grant Thornton at the completion of the Torchlight 31 March 2014 audit.

UK Listing, Buy backs and Dividends

PGC is continuing to prepare for a London Stock Exchange listing – and as such has now changed its reporting currency to GBP.

PGC will continue to buy back shares as per previous announcements. We will report back to the market once a final decision on a dividend is confirmed.



George Kerr
Managing Director
27 March 2015

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 December 2014

		UNAUDITED 6 months to 31 Dec 2014	UNAUDITED 6 months to 31 Dec 2013 Restated*	AUDITED 12 months to 30 Jun 2014 Restated*
	NOTE	£000	£000	£000
Continuing operations				
Management fees revenue		1,147	1,532	2,641
Other income		122	20	256
Total fees and other income		1,269	1,552	2,897
Interest income		264	999	1,268
Interest expense		(21)	(54)	(62)
Net interest income		243	945	1,206
Investment income	19	368	-	4,797
Net operating income		1,880	2,497	8,900
Selling and administration expenses	5	(3,396)	(2,821)	(2,203)
Operating profit /(loss)		(1,516)	(324)	6,697
Foreign exchange losses		(1,003)	(1,816)	(1,929)
Impaired asset (expense)/reversal of impairment	6	(445)	2	(5,548)
Share of equity accounted investees' profits/(losses)		(393)	(1,155)	2,932
Other income		-	-	-
(Loss)/profit from continuing operations before income tax		(3,357)	(3,293)	2,152
Income tax expense	7	-	-	-
(Loss)/profit from continuing operations		(3,357)	(3,293)	2,152
Discontinued operations				
Gain on disposal of discontinued operations	22	-	-	11,418
(Loss)/profit for the year including discontinued operations before tax		(3,357)	(3,293)	13,570
Income tax expense	7	-	-	-
(Loss)/profit for the period after tax		(3,357)	(3,293)	13,570
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Change in fair value of available for sale financial asset	22	(1,439)	-	-
Share of associates' other comprehensive income, after tax		-	818	305
Translation of foreign associates		-	-	(1,976)
Foreign currency translation differences		(378)	(3,821)	(2,281)
Total comprehensive (loss)/income for the period		(5,174)	(6,296)	9,618
(Loss)/profit attributable to:				
Owners of the Company		(3,357)	(3,293)	13,570
Non-controlling interests		-	-	-
(Loss)/profit for the period		(3,357)	(3,293)	13,570
Total comprehensive income attributable to:				
Owners of the Company		(5,174)	(6,296)	9,618
Non-controlling interests		-	-	-
Total comprehensive (loss)/income for the period		(5,174)	(6,296)	9,618
Earnings per share				
		Pence	Pence	Pence
Basic and diluted (loss)/earnings per share	9	(1.6)	(1.5)	6.4
Basic and diluted (loss)/earnings per share – continuing operations	9	(1.6)	(1.5)	1.0

* Restated from NZD to GBP (see note 2(b))

The notes on pages 8 to 24 are an integral part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 December 2014

	Share Capital £000	Foreign Currency Translation Reserve £000	Accumulated Losses £000	Total Equity £000
DECEMBER 2014 – UNAUDITED				
Balance at 1 July 2014	180,440	(5,304)	(97,335)	77,801
Total comprehensive income for the period				
Profit for the period	-	-	(3,357)	(3,357)
Other comprehensive income				
Impairment of available for sale asset	-	-	(1,439)	(1,439)
Translation of foreign subsidiaries	-	(378)	-	(378)
Total other comprehensive income	-	(378)	(1,439)	(1,817)
Total comprehensive income for the period	-	(378)	(4,796)	(5,174)
Transactions with owners, recorded directly in equity				
Share buy backs	(116)	-	-	(116)
Total transactions with owners	(116)	-	-	(116)
Balance at 31 December 2014	180,324	(5,682)	(102,131)	72,511

	Share Capital £000	Foreign Currency Translation Reserve £000	Accumulated Losses £000	Total Equity £000
DECEMBER 2013 – UNAUDITED – Restated*				
Balance at 1 July 2013	182,374	(1,412)	(110,845)	70,117
Total comprehensive income for the period				
Profit for the period	-	-	(3,293)	(3,293)
Other comprehensive income				
Share of associates' other comprehensive income, net of income tax	-	-	818	818
Translation of foreign subsidiaries	-	(6,623)	2,802	(3,821)
Total other comprehensive income	-	(6,623)	3,620	(3,003)
Total comprehensive income for the period	-	(6,623)	327	(6,296)
Transactions with owners, recorded directly in equity				
Share buy backs	(1,553)	-	-	(1,553)
Total transactions with owners	(1,553)	-	-	(1,553)
Balance at 31 December 2013	180,821	(8,035)	(110,518)	62,268

* Restated from NZD to GBP (see note 2(b))

The notes on pages 8 to 24 are an integral part of these financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(CONTINUED)
For the period ended 31 December 2014**

	Share Capital £000	Foreign Currency Translation Reserve £000	Accumulated Losses £000	Total Equity £000
JUNE 2014 – AUDITED - Restated*				
Balance at 1 July 2013	182,374	(1,412)	(110,845)	70,117
Total comprehensive income for the year				
Profit for the year	-	-	13,570	13,570
Other comprehensive income				
Share of associates' other comprehensive income, net of income tax	-	-	305	305
Translation of foreign associates	-	(1,976)	-	(1,976)
Translation of foreign subsidiaries	-	(1,916)	(365)	(2,281)
Total other comprehensive income	-	(3,892)	(60)	(3,952)
Total comprehensive income for the year	-	(3,892)	13,510	9,618
Transactions with owners, recorded directly in equity				
Share buy backs	(1,934)	-	-	(1,934)
	(1,934)	-	-	(1,934)
Total transactions with owners				
Balance at 30 June 2014	180,440	(5,304)	(97,335)	77,801

* Restated from NZD to GBP (see note 2(b))

The notes on pages 8 to 24 are an integral part of these financial statements.

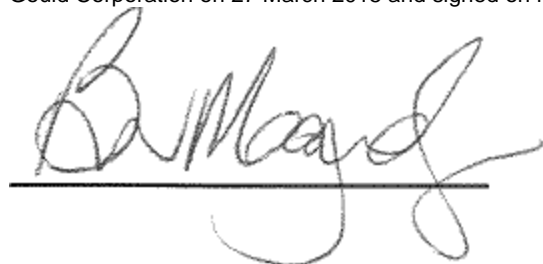
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

		UNAUDITED 31 Dec 2014	UNAUDITED 31 Dec 2013 Restated*	AUDITED 30 Jun 2014 Restated*
	NOTE	£000	£000	£000
ASSETS				
Current assets				
Cash and cash equivalents		5,818	189	91
Advances to associates	18	9,525	5,821	5,182
Finance receivables – Other	11	1,282	1,320	2,138
Current tax asset		6	8	7
Assets held for sale	15	2,956	1,692	539
Prepayments		442	131	103
Available for sale financial assets	16	9,726	-	-
Trade and other receivables		800	3,086	13,494
Total current assets		30,555	12,247	21,554
Non-current assets				
Advances to associates	18	-	603	-
Finance receivables – other	11	14,787	16,811	17,242
Investment property	12	-	2,389	2,458
Property, plant and equipment		7	909	8
Investment in associates	14	29,902	32,212	26,707
Available for sale financial assets	16	-	3	-
Investments – Loans and receivables	13	-	176	-
Investments – Fair value through profit or loss	19	-	3,019	12,842
Total non-current assets		44,696	56,122	59,257
Total assets		75,251	68,369	80,811
LIABILITIES				
Current liabilities				
Bank overdrafts		60	49	56
Borrowings		81	210	81
Advances from associates	18	-	493	-
Other liabilities	17	2,599	5,349	2,873
Total current liabilities		2,740	6,101	3,010
Total liabilities		2,740	6,101	3,010
EQUITY				
Share capital		180,799	176,232	181,006
Accumulated losses and reserves		(108,288)	(113,964)	(103,205)
Total equity		72,511	62,268	77,801
Total equity and liabilities		75,251	68,369	80,811

Net tangible assets per share 9 35 pence 29 pence 37 pence

* Restated from NZD to GBP (see note 2(b))

The financial statements presented on pages 3 to 24 were approved and authorised for issue by the Board of Pyne Gould Corporation on 27 March 2015 and signed on its behalf by:



Bryan Mogridge
Director

The notes on pages 8 to 24 are an integral part of these financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 December 2014

	UNAUDITED 6 months to 31 Dec 2014	UNAUDITED 6 months to 31 Dec 2013 Restated*	AUDITED 12 months to 30 Jun 2014 Restated*
NOTE	£000	£000	£000
Cash flows from operating activities			
Interest received	-	1	3
Rental income	7	8	17
Fees and other income received	1,107	1,433	2,811
Total cash provided from operating activities	1,114	1,442	2,831
Payments to suppliers and employees	(3,464)	(3,216)	(5,810)
Interest paid	(18)	(54)	(19)
Taxation refunded	-	-	2
Total cash applied to operating activities	(3,482)	(3,270)	(5,827)
Net cash flows applied to operating activities	8	(2,368)	(2,996)
Cash flows from investing activities			
Proceeds from sale of assets held for sale	232	-	-
Proceeds from settlement of finance receivables	60	525	3,787
Proceeds from sale of investment property	-	248	677
Proceeds from sale of Perpetual Trust Ltd property	-	-	1,154
Proceeds of advances from related parties	-	306	-
Repayments of advances to other related parties	2,295	-	-
Proceeds from advances to associates	-	4,061	6,105
Proceeds from disposal of business	12,690	3,944	5,178
Proceeds from redemption of available for sale financial assets	-	86	-
Total cash provided from investing activities	15,277	9,170	16,901
Increase in advances to associates	(4,464)	-	(2,077)
Increase in finance receivables	-	(1,811)	(767)
Increase in other investments	(251)	-	-
Increase in investment in associates	(1,308)	(3,360)	(8,533)
Increase in advances to other related parties	(561)	(445)	-
Total cash applied to investing activities	(6,584)	(5,616)	(11,377)
Net cash flows from investing activities	8,693	3,554	5,524
Cash flows from financing activities			
Decrease in borrowings	-	(84)	(559)
Share buy backs	(497)	(1,567)	(1,975)
Total cash applied to financing activities	(497)	(1,651)	(2,534)
Net increase/(decrease) in cash and cash equivalents	5,828	75	(6)
Opening cash and cash equivalents	35	70	70
Foreign exchange translation adjustment	(105)	(5)	(29)
Closing cash and cash equivalents	5,758	140	35

* Restated from NZD to GBP (see note 2(b))

The notes on pages 8 to 24 are an integral part of these financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
For the period ended 31 December 2014**

1. REPORTING ENTITY

Pyne Gould Corporation Limited is a listed Company in New Zealand. The financial statements presented are the condensed interim consolidated financial statements comprising Pyne Gould Corporation Limited ("the Holding Company" or "the Company") and its subsidiaries and associates (together "the Group").

Entities within the Group offer financial and asset management services. The registered office address is Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 4NA.

On 12 February 2014, the Company was deregistered as a New Zealand company and re-registered as a Guernsey domiciled company. In New Zealand the Company is now registered as an Overseas Non-ASIC Company.

2. BASIS OF PREPARATION

The financial statements presented here are for the following periods:

At 31 December 2014: 6 month period - unaudited

At 31 December 2013: 6 month period - unaudited and restated

At 30 June 2014: 12 month period - audited and restated

(a) Statement of compliance

The consolidated condensed interim financial statements ("financial statements") have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and The Companies (Guernsey) Law, 2008. They comply with NZ IAS 34 and IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the Group as at and for the year ended 30 June 2014 ("annual financial statements").

The Company and all entities within the Group are profit-oriented entities. The Company is a reporting entity and an issuer for the purposes of the New Zealand Financial Reporting Act 1993 and its financial statements comply with that Act.

(b) Change of presentational currency from New Zealand dollars to Pound Sterling and restatement of comparatives

The Board of Directors considers New Zealand dollars as the functional currency of the Holding Company, as it is the currency in which capital is raised and returned. However, due to the migration of the Company from New Zealand to Guernsey and the intention to become listed on the London Stock Exchange during 2015, the Board of Directors agreed the presentational currency of these financial statements should be changed from New Zealand dollars to Pound Sterling. Comparative information has been restated in accordance with the guidance defined in NZ IAS 21. The financial statements and related notes have been translated from New Zealand dollars to Pound Sterling ("GBP" or "£") using the procedures outlined below:

- Assets and liabilities have been translated into GBP using the closing rates of exchange applicable at 31 December 2014 (for comparatives, at 30 June 2014 and 31 December 2013);
- Trading results have been translated into GBP at average rates of exchange for the relevant accounting period;
- Share capital and share premium brought forward at 1 July 2013, the start date of the comparative periods, have been translated into GBP at the rate of exchange applicable at that date;
- Subsequent movements in share capital and share premium have been translated into GBP at the rates applicable at the dates of the transactions;
- All differences arising on the above translations have been taken to the translation reserve.

Unless otherwise indicated, amounts are rounded to the nearest thousand.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS, CONTINUED
For the period ended 31 December 2014**

2. BASIS OF PREPARATION, continued

(c) Going concern

These financial statements have been prepared on a going concern basis, which the directors consider to be appropriate. The Group is profitable, Group current assets exceed current liabilities and assets are expected to be realised to meet liabilities as and when they fall due.

3. SIGNIFICANT ACCOUNTING POLICIES

Other than the adoption of Pound Sterling as the presentational currency of the Group (see note 2(b)), the accounting policies applied in these financial statements are the same as those applied in the Group's annual financial statements for the year ended 30 June 2014.

There were no new standards or amendments to standards that were applied during the period.

4. SEGMENTAL ANALYSIS

The Group has 3 reportable segments, as described below, which are the Group's strategic divisions.

The following summary describes the operations in each of the Group's reportable segments for the current period:

Torchlight Group	Provider of investment management services and a proprietary investor (both directly and in funds it manages).
Property Group	Management of the Group's property assets.
Head Office	Parent Company that holds investments in and advances to/from subsidiaries.

Included in Group's reportable segments during the prior year were the operations of:

Perpetual Group (discontinued prior year)	Personal trust, estate and corporate trustee and wealth management services.
van Eyk Group (discontinued prior year)	Financial research and management.

Information regarding the results of each reportable segment is shown below. Performance is measured based on segment profit/(loss) for the period, as included in the internal management reports that are reviewed by the Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS, CONTINUED**
For the period ended 31 December 2014

4. SEGMENTAL ANALYSIS (CONTINUED)

	CONTINUING OPERATIONS				
	Torchlight Group £000	Property Group £000	Head Office £000	Inter- segment Elimination £000	Total £000
GROUP					
December 2014 - Unaudited					
External income					
Management fees revenue	1,147	-	-	-	1,147
Interest income	253	9	2	-	264
Other income	7	7	108	-	122
Investment income	(14)	-	382	-	368
Total segment income	1,393	16	492	-	1,901
Expenses					
Interest expense	(6)	(4)	(11)	-	(21)
Other operating expenses	(816)	(92)	(2,488)	-	(3,396)
Total operating expenses	(822)	(96)	(2,499)	-	(3,417)
Impairment	(445)	-	-	-	(445)
Equity accounted share of loss	(393)	-	-	-	(393)
Exchange differences	(732)	-	(271)	-	(1,003)
Loss before tax	(999)	(80)	(2,278)	-	(3,357)
Income tax expense	-	-	-	-	-
Loss after tax	(999)	(80)	(2,278)	-	(3,357)
Total assets	88,728	2,829	54,160	(70,466)	75,251
Total liabilities	10,227	11,740	(19,217)	(10)	2,740

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS, CONTINUED**
For the period ended 31 December 2014

4. SEGMENTAL ANALYSIS (CONTINUED)

	CONTINUING OPERATIONS				Total £000
	Torchlight Group	Property Group	Head Office	Inter- segment Elimination	
	£000	£000	£000	£000	
GROUP					
December 2013 – Unaudited - Restated					
External income					
Management fees	1,532	-	-	-	1,532
Interest income	957	9	33	-	999
Other income	11	9	-	-	20
Internal income					
Commissions and fees	-	-	51	(51)	-
Total segment income	2,500	18	84	(51)	2,551
Expenses					
Interest expense	(5)	(37)	(12)	-	(54)
Other operating expenses	(1,363)	(97)	(1,361)	-	(2,821)
Total operating expenses	(1,368)	(134)	(1,373)	-	(2,875)
(Impairment)/impairment reversal	(2)	4	-	-	2
Equity accounted share of loss	(1,155)	-	-	-	(1,155)
Exchange differences	(1,327)	-	(336)	(153)	(1,816)
Loss before tax	(1,352)	(112)	(1,625)	(204)	(3,293)
Income tax expense	-	-	-	-	-
Loss after tax	(1,352)	(112)	(1,625)	(204)	(3,293)
Total assets	128,930	4,250	22,747	(87,558)	68,369
Total liabilities	20,398	11,682	(19,687)	(6,292)	6,101

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS, CONTINUED**
For the period ended 31 December 2014

4. SEGMENTAL ANALYSIS (CONTINUED)

	DISCONTINUED OPERATIONS		CONTINUING OPERATIONS				Total £000
	Perpetual	van Eyk Group	Torchlight Group	Property Group	Head Office	Inter- segment Elimination	
	£000	£000	£000	£000	£000	£000	
GROUP							
June 2014 – Audited - Restated							
External income							
Management fees	-	-	2,641	-	-	-	2,641
Interest income	-	-	925	17	326	-	1,268
Other income	-	-	238	18	-	-	256
Gain on disposal of discontinued operation	11,361	57	-	-	-	-	11,418
Investment income	-	-	-	-	4,797	-	4,797
Internal income							
Commissions and fees	-	-	-	-	51	(51)	-
Other income	-	-	-	-	4,822	(4,822)	-
Total segment income	11,361	57	3,804	35	9,996	(4,873)	20,380
Expenses							
Interest expense	-	-	(10)	(40)	(12)	-	(62)
Other operating expenses	-	-	282	(215)	(2,321)	51	(2,203)
Total operating expenses	-	-	272	(255)	(2,333)	51	(2,265)
(Impairment)/impairment reversal			(4,403)	(826)	14,634	(14,953)	(5,548)
Equity accounted share of profit	-	-	2,932	-	-	-	2,932
Exchange differences	-	-	(1,395)	-	(390)	(144)	(1,929)
Profit/(loss) before tax	11,361	57	1,210	(1,046)	21,907	(19,919)	13,570
Income tax expense	-	-	-	-	-	-	-
Profit/(loss) after tax	11,361	57	1,210	(1,046)	21,907	(19,919)	13,570
Total assets	-	-	79,352	3,127	71,034	(72,702)	80,811
Total liabilities	-	-	(1,675)	12,089	(7,394)	(10)	3,010

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS, CONTINUED**
For the period ended 31 December 2014

5. SELLING AND ADMINISTRATION EXPENSES

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	UNAUDITED Jun 2014 restated £000
Personnel expenses	-	(1)	(1)
Directors' fees	92	80	160
Audit fees – PricewaterhouseCoopers	48	128	240
Loss on disposal of assets	-	(4)	(213)
Legal and consultancy fees	2,033	1,644	1,377
Other operating expenses*	1,223	974	640
Selling and administration expenses	3,396	2,821	2,203

*Other operating expenses include property expenses, listing and regulatory costs and other overhead expenditure

6. IMPAIRED ASSET EXPENSE

	UNAUDITED Dec 2014 NOTE £000	UNAUDITED Dec 2013 restated £000	UNAUDITED Jun 2014 restated £000
Assets held for sale	-	(4)	178
Other finance receivables individually assessed	-	-	318
Available for sale financial assets (see note 16)	445	2	-
Investment property held for sale	-	-	652
Impairment of goodwill in associate	-	-	4,400
Total impaired asset expense/(impairment reversal)	445	(2)	5,548

7. TAX

As a Guernsey Company, PGC is exempt from Guernsey income tax and is charged an annual exemption fee of £600 (£1,200 with effect from 1 January 2015). There is no tax chargeable relating to items included in other comprehensive income.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS, CONTINUED**
For the period ended 31 December 2014

**8. RECONCILIATION OF (LOSS)/PROFIT AFTER TAX TO NET CASH FLOWS
FROM OPERATING ACTIVITIES**

	UNAUDITED Dec 2014	UNAUDITED Dec 2013 restated	AUDITED Jun 2014 restated
	£000	£000	£000
(Loss)/profit for the period/year	(3,357)	(3,293)	13,570
Add/(less) non-cash items:			
Loss on disposal of investments	6	11	-
Gain on disposal of assets	-	-	(213)
Gain on disposal of business	-	-	(11,418)
Foreign exchange loss	1,002	1,816	362
Share of equity accounted investees' loss/(profit)	393	1,155	(2,932)
Investment income	(108)	-	-
Impairment of finance receivables	499	-	-
Impairment loss on non-current assets recognised in profit or loss	-	-	1,467
Impairment of goodwill in associate	-	-	4,400
Change in fair value of investments	(373)	2	(4,797)
Management fees	137	-	-
Write back of accruals	-	-	(1,209)
Total non-cash items	1,556	2,984	(14,340)
<i>(Less) /add movements in workings capital items:</i>			
Trade and other receivables	35	4,203	(84)
Other assets	-	275	-
Other liabilities	3	(1,011)	-
Advances to associates	(231)	4,386	-
Advances from associates	-	217	-
Trade and other payables	(365)	(84)	(2,152)
Current tax	-	1	2
Total movements in working capital items	(558)	7,987	(2,234)
<i>(Less) /add classified as investing activities</i>	<i>(9)</i>	<i>(9,506)</i>	<i>8</i>
<i>Add/(less) classified as financing activities</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net cash flows applied to operating activities	(2,368)	(1,828)	(2,996)

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9. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net profit after tax by the weighted average number of ordinary shares on issue during the period.

	UNAUDITED Dec 2014	UNAUDITED Dec 2013 restated	AUDITED Jun 2014 restated
	£000	£000	£000
(Loss)/profit after tax attributable to Owners of the Company	(3,357)	(3,293)	13,570
(Loss)/profit after tax attributable to Owners of the Company – continuing operations	(3,357)	(3,293)	2,152
Profit after tax attributable to Owners of the Company – discontinued operations	-	-	11,418
Weighted average number of ordinary shares in issue (000s)	207,891	215,092	212,134
Basic and diluted earnings (pence per share)	(1.6p)	(1.5p)	6.4p
Basic and diluted (loss)/earnings – continuing operations (pence per share)	(1.6p)	(1.5p)	1.0p
Basic and diluted earnings – discontinued operations (pence per share)	-	-	5.4p
Net tangible assets per share*	35p	29p	37p

* Net tangible assets per share are calculated by dividing the net tangible assets by the shares in issue at 31 December 2014.

10. SHARE CAPITAL

	Dec 2014 shares 000	Dec 2013 shares 000	Jun 2014 shares 000
Number of issued shares			
Opening balance	208,074	216,630	216,630
Share buy backs	(611)	(6,866)	(8,556)
Closing balance	207,463	209,764	208,074

The shares bought back in the period were cancelled immediately.

11. FINANCE RECEIVABLES - OTHER

	UNAUDITED Dec 2014	UNAUDITED Dec 2013 restated	AUDITED Jun 2014 restated
NOTE	£000	£000	£000
Current			
Gross finance receivables	1,635	1,356	2,496
Less allowance for impairment	(353)	(36)	(358)
Total current	1,282	1,320	2,138
Non-Current			
Gross finance receivables – Co-investments in RCL	14,787	16,811	17,242
Total non-current	14,787	16,811	17,242
Total finance receivables	16,069	18,131	19,380

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12. INVESTMENT PROPERTY

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	AUDITED Jun 2014 restated £000
Opening balance	2,458	2,444	2,444
Acquisitions and enforced security	-	6	6
FX adjustment	(37)	(61)	8
Transfer to assets held for sale	(2,421)	-	-
Closing balance	-	2,389	2,458

13. INVESTMENTS - LOANS AND RECEIVABLES

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	AUDITED Jun 2014 restated £000
Other loans and receivables	-	176	-
Total Investments – Loans and Receivables	-	176	-

14. INVESTMENT IN ASSOCIATES

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	AUDITED Jun 2014 restated £000
Torchlight Fund Limited Partnership (TFLP)	29,902	24,422	26,707
Equity Partners Infrastructure Company No.1 Limited (EPIC)	-	7,790	-
Total carrying amount at end of year	29,902	32,212	26,707
Total assets of associates	127,164	212,613	231,368
Total liabilities of associates	(28,573)	(67,343)	(125,497)
Total revenue of associates	22,536	460	28,045
Total net profit/(loss)after tax of associates	20,225	(4,281)	11,540

Torchlight Fund Limited Partnership (TFLP)

The Group increased its investment in TFLP to 27.75% at 31 December 2014 through the purchase of partnership interests from existing limited partners during the period. The Group considers TFLP to be an associate.

The audit of TFLP for 31 March 2014 is due to be completed in April 2015. As part of that audit process, independent valuations were completed for one of TFLP's subsidiaries. Based on these, the Group's investment in TFLP at 31 December 2014 has been valued in these financial statements at £29.9 million. Had these independent valuations been available at the time of the audit of the Group's 30 June 2014 annual financial statements, this would have had a negative impact of £5.8 million on the Group's Statement of Financial Position and Statement of Comprehensive Income as shown in those annual financial statements.

The net impact of the reduction in value from the completed TFLP audit on these interim financial statements has been minimal, however, as this reduction in the 30 June 2014 Statement of Comprehensive Income has been almost completely offset by profits recorded in TFLP for the 9 month period to 31 December 2014. In addition, the Group has increased its Limited Partnership interests in TFLP by £3.5 million.

For the purposes of applying the equity method of accounting, the TFLP financial statements for the nine months ended 30 September 2014 have been used.

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14. INVESTMENT IN ASSOCIATES (CONTINUED)

Equity Partners Infrastructure Company No.1 Limited (EPIC)

For the comparative period, the EPIC's reporting date was 31 March and 30 September. In the prior period, for the purpose of applying the equity method of accounting for the 31 December 2013 comparative period, the EPIC financial statements for the six months ended 30 September 2013 have been used. The directors consider there were no significant transactions between that date and 31 December 2013 and as such no adjustments were made.

As at 30 June 2014, it was considered that the Group no longer had significant influence over EPIC. As significant influence is required for the Group to equity account for its investment in EPIC, the Group accounted for the investment at fair value (refer to note 18).

Subsequently, on 22 October 2014, the Group sold its entire 41.89 million shares in EPIC for £0.30 per share, a total of £12.6m.

15. ASSETS HELD FOR SALE

	UNAUDITED Dec 2014	UNAUDITED Dec 2013 restated	AUDITED Jun 2014 restated
	£000	£000	£000
Investment Property	2,715	1,692	539
Listed equity investments	241	-	-
Total assets held for sale	2,956	1,692	539

16. AVAILABLE FOR SALE ASSETS

	UNAUDITED Dec 2014	UNAUDITED Dec 2013 restated	AUDITED Jun 2014 restated
	£000	£000	£000
Consideration receivable from sale of business (see note 22)	9,726	-	-
Listed equity investments	-	3	-
Total available for sale assets	9,726	3	-

17. OTHER LIABILITIES

	UNAUDITED Dec 2014	UNAUDITED Dec 2013 restated	AUDITED Jun 2014 restated
	£000	£000	£000
Current			
Trade and other payables	2,599	5,349	2,873
Total other liabilities	2,599	5,349	2,873

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18. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Parent and its associated entity

Australasian Equity Partners Fund No. 1 LP (AEP LP)

AEP LP is the parent of PGC holding 79.93% of PGC's shares at 31 December 2014.

No consulting and administrative fees were charged to PGC from AEP LP during the period (31 December 2013: £0.03 million; 30 June 2014: £0.01 million cost reimbursement for transaction advice). There was no outstanding balance payable at 31 December 2014 (31 December 2013: £0.03 million; 30 June 2014: no fees receivable).

Australasian Equity Partners (GP) No. 1 Limited (AEP GP)

AEP GP is the general partner of AEP LP. No management fees were charged to PGC from AEP GP during the period (31 December 2013: £0.15 million; 30 June 2014: £0.15 million). No outstanding balance was payable at 31 December 2014 (31 December 2013: £0.1 million; 30 June 2014: £nil).

AEP GP charged PGC £0.6 million in accounting and administrative fees during the period (31 December 2013: £0.4 million; 30 June 2014: £nil). No outstanding balance was payable at 31 December 2014 (31 December 2013: £0.1 million; 30 June 2014: £nil).

The above expenses are charged to Other Operating Expenses in the Statement of Comprehensive Income and included in Other Liabilities in the Statement of Financial Position.

Subsidiaries

Advances to and from subsidiaries are interest free and repayable on demand. During the period ended 31 December 2014, no impairment was recognised in respect of these advances (31 December 2013: £nil; 30 June 2014: £nil). The total balance receivable at 31 December 2014 is £20.5 million (31 December 2013: £9.0 million; 30 June 2014: £67.8 million) and there was no outstanding balance payable to subsidiaries at 31 December 2014 (31 December 2013: £45.7 million; 30 June 2014: £nil).

Associates

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	AUDITED Jun 2014 restated £000
Advances to associates			
Current			
Torchlight Fund LP (Caymans)	9,525	5,716	5,182
van Eyk Research Pty Limited	-	105	-
	9,525	5,821	5,182
Non-current			
van Eyk associated person	-	603	-
Total advances to associates	9,525	6,424	5,182
Advances from associates			
Current			
EPIC	-	(493)	-
Total net advances to associates	9,525	5,931	5,182

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18. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties, continued

Associates, continued

Equity Partners Infrastructure Company No.1 Ltd (EPIC)

Until the termination of its Management Agreement on 13 February 2012, the Group was the manager of EPIC. Under the EPIC termination and secondment agreement, certain professional costs were allowed to be reimbursed to EPIC. The Group's legal advice was that EPIC had incorrectly claimed that certain payments were reimbursable, as a result of which, during the year ended 30 June 2014, £1.0 million of expenses which had previously been recognised were deemed not payable. £0.2 million of expenses were recognised during the year and were payable as at 30 June 2014. At the same date a balance of £0.8 million was receivable from EPIC in relation to expenses incurred by the Group during the year on behalf of EPIC.

From 30 June 2014, it was considered that the Group no longer had significant influence over EPIC.

Subsequently, on 22 October 2014, the Group sold its entire 41.89 million shares in EPIC for £0.30 per share or £12.6m.

van Eyk and associated party

On 7 February 2014, PGC sold its residual stake in van Eyk, converting the AU\$5.6m convertible note to shares and selling these at book value (refer to note 19).

Torchlight Fund LP (TFLP)

A subsidiary of PGC, Torchlight GP Limited (a Caymans Registered company) is the general partner of TFLP and is entitled to management, investment acquisition and performance fees on a similar basis to the previous arrangement between the Group and Torchlight Fund No.1 LP (TLP). For the period ended 31 December 2014, management fees of £1.1 million were recognised (31 December 2013: £1.0 million; 30 June 2014: £2.6m).

During the year ended 30 June 2013, general loan advances were provided to TLP. These amounts are now repayable by TFLP. At 31 December 2014, the amount receivable from TFLP was £9.5 million (31 December 2013: £5.7 million; 30 June 2014: £5.2 million). General advances accrue interest at 9%. Total interest recognised during the period was £0.3 million (31 December 2013: £0.4 million; 30 June 2014: £0.25 million).

RCL Finance Receivables - co-investment

During the year ended 30 June 2013, subsidiaries of PGC co-invested with TFLP in RCL finance receivables through participation agreements in the sum of AU\$21.2 million. The total investment in RCL finance receivables as at 31 December 2014 is £14.8 million (31 December 2013: £16.8 million; 30 June 2014: £17.3 million). The Group's intention is for these co-investments in RCL to be converted into TFLP limited partner interests through Torchlight Group Limited investment in TFLP within the next financial period.

(b) Transactions with key management personnel

Key management personnel, being directors of the Group and staff reporting directly to the Managing Director transacted with the Group during the year as follows:

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	AUDITED Jun 2014 restated £000
Short-term employee benefits	-	362	177
Total transactions with key management personnel	-	362	177

For the period ended 31 December 2014, no direct employee costs were borne by the Group. Prior year employee expenses related to the Perpetual Group and van Eyk entities, which are now discontinued operations.

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19. INVESTMENTS - FAIR VALUE THROUGH PROFIT OR LOSS

	UNAUDITED Dec 2014 £000	UNAUDITED Dec 2013 restated £000	AUDITED Jun 2014 restated £000
Convertible note – van Eyk	-	3,019	-
Investment in EPIC	-	-	12,842
Total Investments – Fair value through profit or loss	-	3,019	12,842

During the year to 30 June 2014, the Group reclassified the investment in EPIC from being an investment in associate to an investment held at fair value through profit or loss (refer to note 14).

On 22 October 2014, the Company sold its entire 41.89 million shares in EPIC for £0.30 per share or £12.6 million, realising a net gain on disposal of £368,000.

The van Eyk convertible note was sold in February 2014 for its face value of AU\$5.6 million.

20. FAIR VALUE

The following methods and assumptions were used to estimate the fair value of each class of asset and financial liability.

Finance receivables

The fair value of the Group's finance receivables was calculated based on discounted cash flow analysis using current market interest rates for loans of similar nature and term or by reference to the value of the underlying collateral.

Other loans and receivables

The fair value of other loans and receivables are considered equivalent to their carrying value due to their short term nature.

Borrowings

The fair value of debenture stock, deposits, bank borrowings and other borrowings is based on the current market interest rates payable by the Group for debt of similar maturities.

Other financial assets and liabilities

The fair value of all other financial assets and liabilities is considered equivalent to their carrying value due to their short term nature.

Investments - Fair value through profit or loss

As at 30 June 2014, it was considered that the Group no longer had significant influence over EPIC (note 14). Therefore, for the purpose of the annual financial statements, EPIC was not deemed an Associate and the investment in EPIC was held at fair value through profit or loss. The EPIC investment was valued at £0.30 per share in line with the bid price. This bid price was an arm's length market transaction between EPIC and an independent third party, as a result the Directors considered the bid price of this transaction to best represent the fair value of the EPIC investment as at 30 June 2014.

On 22 October 2014, the Company sold its entire 41.89 million shares in EPIC for £0.30 per share or £12.6 million.

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20. FAIR VALUE (CONTINUED)

Investment property

After initial recognition, investment properties are measured at fair value. The fair values determined by independent valuers are arrived at by reference to the market evidence of transaction prices for similar properties, less estimated development costs, GST, selling and legal expenses and profit margins. The fair value is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Changes in fair values are recognised in the Statement of Comprehensive Income.

Assets and liabilities at fair value

	UNAUDITED DEC 2014		UNAUDITED DEC 2013		AUDITED JUN 2014	
	Carrying Value £000	Fair Value £000	Carrying Value £000	Fair Value £000	Carrying Value £000	Fair Value £000
GROUP						
Assets						
Cash and cash equivalents	5,818	5,818	189	189	91	91
Finance receivables – other	16,069	16,069	18,131	18,131	19,380	19,380
Available for sale financial assets	9,726	9,726	3	3	-	-
Investment property	-	-	2,389	2,389	2,458	2,458
Assets held for sale	2,956	2,956	1,692	1,692	539	539
Advances to associates	9,525	9,525	6,424	6,424	5,182	5,182
Investments – Loans and receivables	-	-	176	176	-	-
Investments – Fair value through profit or loss	-	-	3,019	3,019	12,842	12,842
Trade and other receivables	800	800	3,086	3,086	13,494	13,494
Total assets	44,894	44,894	35,109	35,109	53,986	53,986
Liabilities						
Bank overdrafts	60	60	49	49	56	56
Borrowings	81	81	210	210	81	81
Advances from associates	-	-	493	493	-	-
Other financial liabilities	2,599	2,599	5,349	5,349	2,873	2,873
Total liabilities	2,740	2,740	6,101	6,101	3,010	3,010

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
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20. FAIR VALUE (CONTINUED)

Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value grouped as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- b) Level 2: inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices), and
- c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

		UNAUDITED DEC 2014			
NOTE	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	
Assets					
Assets held for sale	15	241	-	241	
Available for sale assets	16	-	9,726	9,726	
Total Assets		241	9,726	9,967	

There were no transfers between Levels 1, 2 and 3 in the period.

		UNAUDITED DEC 2013			
NOTE	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	
Assets					
Available for sale assets	16	3	-	3	
Investments held at fair value	19	-	3,019	3,019	
Total Assets		3	3,019	3,022	

There were no transfers between Levels 1, 2 and 3 in the period.

		AUDITED JUN 2014			
NOTE	Level 1 £000	Level 2 £000	Level 3 £000	Total £000	
Assets					
Investments held at fair value	19	-	12,842	12,842	
Total Assets		-	12,842	12,842	

There were no transfers between Levels 1, 2 and 3 in the year.

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20. FAIR VALUE (CONTINUED)

Reconciliation of Level 3 fair value measurements of financial instruments

	UNAUDITED DEC 2014 £000	UNAUDITED DEC 2013 £000	AUDITED JUN 2014 £000
Investments held at fair value			
<i>Balance at the beginning of the year</i>	-	3,366	3,366
Sales	-	-	(3,073)
Losses recognised in profit or loss	-	(269)	(284)
Exchange difference on translation	-	(78)	(9)
Transfers into Level 3	-	-	-
<i>Balance at the end of the year</i>	-	3,019	-

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Categories of financial instruments

	UNAUDITED DEC 2014 £000	UNAUDITED DEC 2013 £000	AUDITED JUN 2014 £000
Assets			
Fair value through profit or loss	-	3,019	12,842
Loans and receivables	32,212	28,006	38,147
Available-for-sale financial assets	9,726	3	-
Liabilities			
Financial liabilities at amortised cost	2,740	6,101	3,010

21. CONTINGENT LIABILITIES AND COMMITMENTS

	UNAUDITED DEC 2014 £000	UNAUDITED DEC 2013 £000	AUDITED JUN 2014 £000
Letters of credit, guarantees and performance bonds	-	57	-
Total contingent liabilities	-	57	-

During the last financial year Torchlight Fund No. 1 was placed into receivership. There is a risk that the receivers of Torchlight Fund No. 1 may lay claim to some of the assets of Torchlight Fund LP (an associate of the Company). There have been no further developments on this matter during the period and at this stage the Directors are not in a position to determine the quantum of any associated potential liability.

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22. DISCONTINUED OPERATIONS

During the year to 30 June 2013, the Board of Directors executed agreements to dispose of the Group's investment in Perpetual Group and van Eyk.

The Directors concluded that control of Perpetual Trust Limited ("PTL") passed to the new owner on signing of the sale agreement and PTL was de-consolidated at that point.

Under the terms of the agreement for sale of PTL, PGC was entitled to the payment of an additional amount (carry) of up to 40% of the proceeds in excess of the Purchase Price from certain future Corporate Events (as defined in the sales agreement).

During the year ended 30 June 2014, a Deed of Termination of Agreements between both parties was entered into. In consideration of this Deed, the purchaser agreed to list the shares of a newly incorporated company on the Main Board of the NZX Limited (the "IPO"). The Consideration Amount of \$22.0 million is to be paid, as soon as reasonable practicable, after this IPO. The Consideration Amount is a maximum amount and is subject to market conditions and a price earnings multiple for the newly incorporated company. Should market condition at the time of the IPO dictate that the price earnings multiple is not reflective of market expectations at the time of completion of the Deed of Terminations of Agreement, the Consideration Amount may be materially lower, however, at 30 June 2014 the Directors considered £11.2 million (\$22.0 million) an appropriate carrying amount for this receivable. The purchaser has contractual obligations which meet the conditions for this receivable to be recognised within this financial period.

At 31 December 2014, the Consideration Amount has been re-classified as an available for sale financial asset, and following an independent valuation completed by Grant Thornton, this financial asset has been revalued to £9.7 million (\$19.3 million), which reflected the uncertainty around the timing of receipt of the Consideration Amount.

23. SUBSEQUENT EVENTS

There were no material events subsequent to 31 December 2014 to the date when these financial statements were authorised for issue.