

Anacacia Global Fund

ABN 90 238 987 160

Special purpose financial report
for the financial year ended 30 June 2022

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Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2022

	Notes	2022 \$	3 March 2021 to 30 June 2021 \$
Income			
Dividend income		489,882	15,217
Net (loss)/gain arising on financial assets designated at fair value through profit or loss		(7,164,611)	378,773
Foreign currency exchange (loss)/gain		(1,633)	2,318
Other income		690	-
Total income		(6,675,672)	396,308
Expenses			
Management fees	8	(609,260)	(138,835)
Audit fee	10	(23,301)	(15,675)
Other expenses		(49,193)	(1,710)
Withholding expense tax on dividends		(77,939)	(1,753)
Total expenses		(759,693)	(157,973)
Net (loss)/profit for the year		(7,435,365)	238,335
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(7,435,365)	238,335

The above Statement of Profit or Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2022

	Notes	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	7(b)	3,834,314	29,010,776
Receivables	3	31,953	13,275
Other assets	4	17,407	22,050
Total current assets		3,883,674	29,046,101
Non-current assets			
Financial assets designated at fair value through profit or loss	5	26,592,326	6,471,194
Total non-current assets		26,592,326	6,471,194
Total assets		30,476,000	35,517,295
Current liabilities			
Payables	6	117,830	38,995
Proceeds for units to be issued subsequent to year end		20,000	2,350,000
Total current liabilities		137,830	2,388,990
Net assets attributable to unit holders		30,338,170	33,128,305
Equity			
Issued units		37,535,200	32,889,970
Accumulated funds		(7,197,030)	238,335
Total equity		30,338,170	33,128,305

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity Attributable to Unit Holders for the Financial year ended 30 June 2022

	Issued units \$	Accumulated profit \$	Equity attributable to Unit holders \$
Balance as at 3 March 2021	-	-	-
Issue of units	32,889,970	-	32,889,970
Net profit for the period	-	238,335	238,335
Other comprehensive income for the period	-	-	-
Balance as at 30 June 2021	32,889,970	238,335	33,128,305
Issue of units	4,645,230	-	4,645,230
Net loss for the year	-	(7,435,365)	(7,435,365)
Other comprehensive income for the year	-	-	-
Balance as at 30 June 2022	37,535,200	(7,197,030)	30,338,170

The above Statement of Changes in Equity Attributable to Unit Holders should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the financial year ended 30 June 2022

	Notes	2022 \$	3 March 2021 to 30 June 2021 \$
Cash flows from operating activities			
Receipts of interest and dividend income		475,770	15,217
Payment of expenses		(700,087)	(154,308)
Net cash flows from / (used in) operating activities	7(a)	(224,317)	(139,091)
Cash flows from investing activities			
Net payments for investments		(27,287,742)	(6,092,421)
Net cash flows from investing activities		(27,287,742)	(6,092,421)
Cash flows from financing activities			
Proceeds from issue of units		2,315,230	32,889,970
Proceeds for units to be issued subsequent to year end		20,000	2,350,000
Net cash flows from financing activities		2,335,230	35,239,970
Net increase in cash and cash equivalents held		(25,176,829)	29,008,458
Cash and cash equivalents held at the beginning of the financial year		29,010,776	-
Effects of foreign currency exchange rate changes on cash and cash equivalents		(1,663)	2,318
Cash and cash equivalents held at the end of the financial year		3,834,314	29,010,776

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the financial year ended 30 June 2022

1. Corporate information

The Trust Deed dated 3 March 2021 (“the Trust Deed”) constituted the Anacacia Global Fund (“the Trust”). The trustee of the Trust is Anacacia Pty Ltd (“the Trustee”) and the manager of the Trust is Anacacia Capital Pty Limited (the “Manager”). The sole director and secretary of the Manager during the financial year was Jeremy Samuel.

The Trust will continue in operation until it is terminated pursuant to the provisions of the Trust Deed and therefore the Trust does not have a specified life. However, under the Trust Deed, in order to comply with the rule against perpetuities, the units must be redeemed within 80 years of the commencement date.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. The financial report is for the Trust as an individual entity.

2. Summary of significant accounting policies

(a) Basis of accounting

This special purpose financial report has been prepared in accordance with the requirements of the Trust Deed, Accounting Standards and other authoritative pronouncements. The accounting policies used in the preparation of this financial report, as described below, are, in the opinion of the Trustee, appropriate to meet the needs of the unit holders:

(i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

(ii) The Trust is not a reporting entity because, in the opinion of the Trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

Accordingly, the financial report has been prepared in accordance with the Trust Deed, the basis of accounting specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

The Trustee has determined that in order for the financial report to present fairly the Trust's performance, cash flows and financial position, it should comply with the requirements of Australian Accounting Standards and other financial reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity.

The financial report is presented in Australian dollars and rounds all values to the nearest dollar unless it states otherwise.

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (continued)

(b) Statement of compliance

This special purpose financial report complies with Australian Accounting Standards as described in note 2(a).

(c) Cash and cash equivalents

For the purposes of the statement of cash flows cash and cash equivalents include cash at bank and highly liquid short-term investments that can be drawn down on demand.

(d) Financial assets and liabilities designated at fair value through profit or loss

(i) Classification of financial assets

The Trust classifies its investments in equity securities, as financial assets designated at fair value through profit or loss. These financial assets are classified as held for trading or designated by the Trustee at fair value through profit or loss at inception. As at 30 June 2022, the Trust's financial assets designated at fair value through profit or loss were comprised of the equity investments traded in an active market.

Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Trust's documented investment strategy.

The Trust's policy requires the Trustee to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(ii) Recognition/derecognition and measurement

The Trust recognises financial assets on the date it becomes party to the contractual agreement (trade date).

Financial assets designated at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets designated at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets designated at fair through profit or loss' category are presented in profit or loss within changes in fair value of financial assets designated at fair value through profit or loss in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss within other operating income when the Trust's right to receive payment is established.

The Trust values its equity investments at their quoted market price at the reporting date without any deduction for estimated future selling costs.

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (continued)

(e) Payables

Liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, and billed to the Trust. Payables to related parties are carried at the principal amount.

(f) Capital contribution

All units issued are shown as Equity for the Trust at the value of the units issued.

(g) 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 part of the cost of acquisition of the asset or part of an item of the expense. The Trust qualifies for reduced input tax credits for most items. Hence the Trust has recognised management fees in the statement of comprehensive income net of the amount of GST recoverable from the ATO. The amount of GST recoverable from the ATO is included in other assets in the Statement of Financial Position. Cash flows relating to GST are included in the statement of cash flows on a net basis.

(h) Income tax

Under current income tax legislation, the Trust is not liable to pay income tax as the net income of the trust as calculated in accordance with Section 95(1) of the Income Tax Assessment Act, is assessable in the hands of the unit holders who are ‘presently entitled’ to the income of the trust. There is no income of the Trust to which the unit holders are not presently entitled and additionally, the Trust Deed requires the distribution of the full amount of the net income of the Trust to the unit holders each year.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Trust, these gains would be included in the taxable income that is assessable in the hands of the unit holders as noted above.

Realised capital losses are not distributed to unit holders but are retained within the Trust to be offset against any realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset the excess included in taxable income that is assessable in the hands of unit holders in that period and is distributed to unit holders in accordance with the requirements of the Trust Deed.

These benefits of imputation credits and foreign tax paid are passed on to unit holders.

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2022

2. Summary of significant accounting policies (continued)

(i) Distributions

In accordance with the Trust Deed, the Trustee has sole and absolute discretion in determining the distributable income for a financial period.

(j) Foreign currency

(i) Functional and presentation currency

Items included in the Fund'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 Fund raises funds and is regulated. The Australian dollar is also the Fund's presentation currency. AASB121(21)(28)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. AASB121(23)(c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/ (losses) on financial instruments at fair value through profit or loss.

(k) Significant accounting estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to investments. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets that are not readily apparent from other sources. Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments

All investments have been classified as financial assets designated at fair value through profit or loss. The investments are traded in an active market, and are valued at their quoted market price at the reporting date without any deduction for estimated future selling costs.

(l) Corresponding period

The comparatives are for the period 3 March 2021 (date of establishment of the Trust) to 30 June 2021.

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2022

3. Receivables

	2022	2021
	\$	\$
Dividends accrued	17,021	2,219
Other receivable	747	247
GST receivable	14,185	10,809
	<u>31,953</u>	<u>13,275</u>

4. Other assets

	2022	2021
	\$	\$
Fund set up costs	17,407	22,050
	<u>17,407</u>	<u>22,050</u>

5. Financial assets designated at fair value through profit or loss

	2022	2021
	\$	\$
Listed equity investments	26,592,326	6,471,194
Total financial assets designated at fair value through profit or loss	<u>26,592,326</u>	<u>6,471,194</u>

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2022

6. Payables

	2022	2021
	\$	\$
Accrued expenses	64,758	38,990
Management fee payable	53,072	-
	117,830	38,990

7. Statement of cash flows

	2022	2021
	\$	\$
(a) Reconciliation of net profit to the net cash flows from operations		
Net (loss)/profit for the period	(7,435,365)	238,335
Adjustments:		
Net gain/(loss) arising from financial assets	7,164,611	(378,773)
Net realised gain/(loss) arising on foreign exchange rate on cash and cash equivalents	1,633	(2,318)
Changes in assets and liabilities		
Increase/(decrease) in receivables	(18,680)	(13,275)
Increase/(decrease) in other assets	4,643	(22,050)
Increase in payables	58,841	38,990
Net cash used in operating activities	(224,317)	(139,091)
(b) Reconciliation of cash and cash equivalents		
Cash and cash equivalents balance comprises:		
- Cash at bank and on deposit	3,834,314	29,010,776
	3,834,314	29,010,776

8. Related party transactions

Trustee

Anacacia Pty Ltd is the trustee of the Trust.

Manager

Anacacia Capital Pty Limited owns 100% of Anacacia Pty Ltd and is the manager of the Trust. Unit holders in the Trust include the Manager's business advisory council members, investment and finance staff and related parties that have invested alongside external unit holders.

Notes to the Financial Statements (continued)

For the financial year ended 30 June 2022

8. Related party transactions (continued)

Management fee

Under the Trust Deed, the Manager is entitled to a Management Fee of 1.75% p.a. (plus GST) of the net asset value of the Trust. The Fee is payable monthly in advance based on the net asset value of the Trust at the start of each month, having regard to the net asset value from the end of the prior month plus any new subscriptions.

Fees of \$609,260 (2021: \$138,835) were paid by the Trust to the Manager for the year. The Trust also reimbursed the Manager for any third-party expenses related to the Trust.

Performance Fee

Under the Trust Deed, the Manager is entitled to receive performance fee. Performance fee is a maximum of 20% plus GST (net of reduced input credit) of the return (including franking credits) subject to the Fund exceeding a preferred 10% net per annum return. The performance fee will not be payable if the net per annum return of the Trust does not exceed 6%. Between a net return of 6% up to a net return of 10%, a scaled catch up performance fee will apply in accordance with the Trust Deed. The performance fee is accrued monthly and payable quarterly. The performance fee is payable subject to an annual high-water mark (payable only provided the annualised return in the prior 12 months is greater than 6% per annum). The performance fee is based on a fee per unit having regard to the return on unit price one year earlier.

There were no performance fees payable during the financial year ended 30 June 2022 (30 June 2021: Nil).

9. Financial instruments

Liquidity risk

Equity investing has significant risks including those that the Manager detailed in the private placement memorandum. For example, liquidity risk is the risk that the Trust will experience difficulty in realising illiquid or thinly traded assets. The Trust will seek to help manage this risk through limiting concentration of investment in any one security, counterparty or market and notes that investments are risky with no guarantee of return and the prospects do vary considerably.

10. Auditor's remuneration

	2022	2021
	\$	\$
Audit of financial report	18,301	10,675
Other professional services	5,000	5,000
Total auditor's remuneration	23,301	15,675

The auditor of the Anacacia Global Fund is Deloitte Touche Tohmatsu.

11. Contingent liabilities

There are no contingent liabilities and commitments as at 30 June 2022.

Trustee's Statement

As detailed in Note 2 to the financial statements, the Trust is not a reporting entity because in the opinion of the Trustee there are unlikely to be users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Trustee's reporting requirements under the Trust Deed.

Anacacia Pty Limited as the Trustee declares that:

- (1) The financial statements and notes of the Trust:
 - (a) Comply with the Trust Deed and applicable Accounting Standards to the extent disclosed in Note 2; and
 - (b) Present fairly the Trust's financial position as at 30 June 2022 and its performance for the financial period ended on that date.
- (2) There are reasonable grounds to believe the Trust will be able to pay its debts as when they fall due and payable.

This declaration is made in accordance with a resolution of the Trustee's Board.



Jeremy Samuel
Director

Date: 1 August 2022
Sydney

Independent Auditor's Report to the Unit Holders of Anacacia Global Fund

Opinion

We have audited the financial report, being a special purpose financial report, of Anacacia Global Fund (the "Entity") for the period ended 30 June 2022 including the statement of profit or loss and comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, other explanatory information, the Trustee's statement.

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the Entity's financial position as at 30 June 2022 and of its financial performance and its cash flows for the period then ended in accordance with the financial reporting requirements of the Entity's trust deed and accounting policies as described in Note 2.

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 Entity in accordance with the ethical requirements of the Accounting Professional & 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the Financial Report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the financial reporting requirements of the Entity's trust deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the unit holders and should not be distributed or used by parties other than the unit holders. Our opinion is not modified in respect of this matter.

Responsibilities of Director for the Financial report

The Director of the Trustee (the "Director") is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Australian Accounting Standards and has determined that the basis of preparation and accounting policies described in Note 2 to the financial report is appropriate to meet the requirements of the Entity's trust deed and is appropriate to meet the needs of the unit holders. The Director's responsibility also includes such internal control as the Director determines it is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Director either intend to liquidate the Entity or to cease operations, or has 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director.
- Conclude on the appropriateness of the Director's 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 Entity'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 Entity 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.

We communicate with the Director 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.



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants

Sydney, 1 August 2022