

Colinton Capital Partners Fund 1(A) Trust
ABN 95 978 765 842

Special Purpose Financial Report
Year ended 30 June 2021

Colinton Capital Partners Fund 1(A) Trust

ABN 95 978 765 842

Special Purpose Financial Report

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Colinton Capital Partners Fund 1(A) Trust

ABN 95 978 765 842

Trust Information

Trustee

Colinton Capital Partners Fund 1(A) Pty Ltd
Level 6
7 - 15 Macquarie Place
Sydney NSW 2000
Australia

Investment Manager

Colinton Capital Partners Pty Ltd
Level 6
7 - 15 Macquarie Place
Sydney NSW 2000
Australia

Accountants

Lumina Chartered Accountants
Level 43
25 Martin Place
Sydney NSW 2000
Australia

Legal Advisors

DLA Piper Australia
Level 9
480 Queen Street
Brisbane QLD 4000
Australia

Independent Auditor

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Australia

Colinton Capital Partners Fund 1(A) Trust

ABN 95 978 765 842

Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021 AU\$	30 June 2020 AU\$
Assets			
Cash and cash equivalents	4(a)	9,970,566	473,064
Financial assets held at fair value through profit or loss	5	69,828,645	47,163,098
Other receivables		52,680	284,768
Total assets		79,851,891	47,920,930
Liabilities			
Distributions payable		3,866	59,864
Trade and other payables	6	1,607,193	272,376
Other non-current liabilities	7	150,000	-
Total liabilities		1,761,059	332,240
Net assets attributable to unitholders		78,090,832	47,588,690
Net asset value per unit attributable to participating unitholders			
Number of participating units	8	67,517,455	51,675,607
Net asset value per unit		1.1566	0.9209

The statement of financial position is to be read in conjunction with the notes to the financial statements.

Colinton Capital Partners Fund 1(A) Trust

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Schedule of investments

As at 30 June 2021

	Note	Cost 30 June 2021 AU\$	Fair value 30 June 2021 AU\$	Cost 30 June 2020 AU\$	Fair value 30 June 2020 AU\$
Investments in equity instruments					
Shares in Neptune Holdco Pty Ltd		11,500,000	9,200,000	11,500,000	8,625,000
Shares in AMA Group Limited		17,348,254	11,024,234	17,226,379	11,258,936
Shares in TGM Holdco Pty Ltd		12,467,500	24,062,275	12,467,500	15,958,400
Shares in Alexium International Group Limited		4,465,317	3,731,117	4,235,317	4,268,714
Shares in IntelliHR Limited		3,368,711	9,656,971	2,737,500	1,898,000
Shares in Clear Dynamics Holdings Pty Ltd		6,000,000	6,000,000	-	-
Shares in Fiber Sense Pty Ltd		1,000,000	1,000,000	-	-
Total investments in equity instruments		56,149,782	64,674,597	48,166,696	42,009,050
Investments in debt securities					
Convertible note from Alexium International Group Limited		5,154,048	5,154,048	5,154,048	5,154,048
Total investments in debt securities		5,154,048	5,154,048	5,154,048	5,154,048
Total investments	5	61,303,830	69,828,645	53,320,744	47,163,098

The schedule of investments is to be read in conjunction with the notes to the financial statements.

Colinton Capital Partners Fund 1(A) Trust

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Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	30 June 2021 AU\$	30 June 2020 AU\$
Income			
Dividend income		3,740,250	270,000
Interest income		308,671	161,906
Fee rebate		-	1,422,200
Underwriting fee		-	150,000
Gain on fair value of financial assets held at fair value through profit or loss		14,682,461	-
Total income		18,731,382	2,004,106
Expenses			
Loss on fair value of financial assets held at fair value through profit or loss		-	11,975,996
Professional fees	9	286,243	319,713
Other operating expenses		11,651	116,080
Total expenses		297,894	12,411,789
Net operating profit / (loss) before finance costs		18,433,488	(10,407,683)
Finance costs attributable to unitholders			
Distributions to unitholders		3,843,611	1,641,376
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		14,589,877	(12,049,059)

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

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Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 30 June 2021

	Notes	30 June 2021 AU\$	30 June 2020 AU\$
Opening net assets attributable to unitholders		47,588,690	41,250,729
Application for units	8	15,912,265	18,387,020
Total comprehensive income /(loss) for the year		14,589,877	(12,049,059)
Closing net assets attributable to unitholders		78,090,832	47,588,690

The statement of changes in net assets attributable to unitholders is to be read in conjunction with the notes to the financial statements.

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Statement of Cash Flows

For the year ended 30 June 2021

	Notes	30 June 2021 AU\$	30 June 2020 AU\$
Cash flows from operating activities			
Interest received		308,129	109,858
Dividend received		3,740,250	270,000
Other income received		232,720	1,474,200
Operating expenses paid		(479,648)	(648,900)
Net cash flows provided by operating activities	4(b)	3,801,451	1,205,158
Cash flows from investing activities			
Purchase of investments		(6,983,085)	(17,914,844)
Net cash flows used in investing activities		(6,983,085)	(17,914,844)
Cash flows from financing activities			
Issue of units		15,912,265	18,387,020
Distributions paid		(3,899,610)	(1,581,512)
Contribution from co-investor		150,000	-
Funds received on behalf of investment manager		516,481	-
Net cash flows provided by financing activities		12,679,136	16,805,508
Net movement in cash and cash equivalents		9,497,502	95,822
Cash and cash equivalents at the beginning of the year		473,064	377,242
Cash and cash equivalents at the end of the year	4(a)	9,970,566	473,064

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

Colinton Capital Partners Fund 1(A) Trust

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Notes to the Financial Statements

For the year ended 30 June 2021

1. Trust information

The Trust was constituted on 28 November 2017 and will terminate on a date determined by the unitholders or the date on which the Trust terminates in accordance with another provision of the Trust Deed or the law. The Trust commenced operations on 1 May 2018.

The Trustee of the Trust is Colinton Capital Partners Fund 1(A) Pty Ltd (the "Trustee"). The Trustee's registered office is Level 6, 7-15 Macquarie Place, Sydney, NSW 2000.

The Trust had no employees during the year.

The Trust's administration is delegated to Colinton Capital Partners Pty Ltd (ACN 616 424 269) (the "Investment Manager").

2. Summary of significant accounting policies

(a) Basis of preparation

In the opinion of the sole director of the Trustee, the Trust is not a reporting entity because there are no users dependent on general purpose financial statements. The financial report of the Trust has been drawn up as special purpose financial statements for distribution to the unitholders.

The accounting policies used in the preparation of this financial report, as described below, are consistent with the requirements of the Trust Deed and are, in the opinion of the sole director, appropriate to meet the needs of the unitholders:

- (i) The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption, except for investments in financial assets which have been measured at fair value.
- (ii) The financial report is presented in Australian dollars.
- (iii) The financial report has been prepared in accordance with the recognition and measurement aspects of all applicable Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB).

As the report is a special purpose financial report, the following accounting standards have been applied:

AASB 101	<i>Presentation of Financial Statements</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 1048	<i>Interpretation of Standards</i>
AASB 1054	<i>Australian Additional Disclosures</i>

(b) Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or complexity are disclosed in the notes.

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Notes to the Financial Statements (continued)

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

(c) Comparative information

Comparative information discloses the results of the Trust for the year ended 30 June 2020. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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 change in value.

(e) Financial assets held at fair value through profit or loss

All investments have been classified as financial assets held at fair value through profit or loss ("FVTPL") and are initially recognised at fair value. All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at trade date, which is the date on which the Trust commits to purchase or sell the investment.

Investments are subsequently re-measured at fair value. Investments or other assets for which market quotations are not readily available are valued at their fair value as determined in good faith in accordance with the procedures adopted by the Trustee with the advice from the Investment Manager. This includes applying valuation techniques by reference to the fair value of recent arms length transactions and discounted cash flow analyses, refined to reflect the issuer's specific circumstances. Gains and losses arising from changes in the fair value of the FVTPL category are included in the statement of comprehensive income as they arise.

(f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable. Revenue is recognised as follows:

i) Dividend income

Revenue is recognised when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Trust and the amount of the dividend can be measured reliably.

ii) Interest income

Interest is recognised on an accrual basis.

iii) Changes in fair value of investments designated at fair value through profit or loss

Unrealised gains or losses arising from changes in the fair value of the investments are recognised as income or expense in the statement of comprehensive income.

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Notes to the Financial Statements (continued)

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

(g) Trade and other payables

Trade and other payables are carried at cost and due to their short-term nature, are not discounted. They represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days after recognition.

(h) Units on issue

Units issued are classified as liabilities. All units are of equal class and carry the right to share in the income of the Trust and the right to share in the surplus assets of the Trust on winding up.

(i) Expenses

(i) Finance costs

Finance costs include distributions declared in respect of the financial year and to which unitholders are presently entitled.

(ii) Other expenses

All other expenses are recognised in the statement of comprehensive income on an accrual basis.

(j) Distribution and taxation

Under current legislation, the Trust is not subject to income tax as its taxable income (including assessable capital gains) is distributed in full to the unitholders. The Trust fully distributes its distributable income, calculated in accordance with the Trust Deed and applicable taxation legislation, to the unitholders who are presently entitled to income under the Trust Deed.

Financial assets held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Trust is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses the excess is distributed to the unitholders.

Distributions paid and payable on units are recognised in the statement of comprehensive income as finance costs and as a liability where not paid. Distributions payable are included in cash flows from financing activities in the statement of cash flows.

3. New accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the reporting year ended 30 June 2021. The impact of these standards and interpretations has been assessed and is set out below.

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Notes to the Financial Statements (continued)

For the year ended 30 June 2021

3. New accounting standards and interpretations (continued)

AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities

In March 2020, the AASB approved amendments to Australian Accounting Standards (AAS) that remove the ability of certain for-profit private sector entities to prepare special purpose financial statements (SPFS). These amendments apply for financial years commencing on or after 1 July 2021. For-profit private sector entities which will be affected include those that are currently preparing SPFS and are either required by legislation to comply with AAS or 'accounting standards', or required by their constitutions or other documents (such as trust deeds) to prepare financial statements in accordance with AAS, provided that the relevant document was created or amended on or after 1 July 2021.

The financial report of the Trust has been prepared to comply with the requirements of the Trust Deed that the accounts of the Trust be kept and prepared in accordance with applicable AAS. As the Trust Deed was created before 1 July 2021 with no subsequent amendments, AASB 2020-2 is not expected to have an impact on the financial reports to be prepared by the Trust from 1 July 2021.

There are no other standards or interpretations that are not yet effective that are expected to have a material impact on the Trust in the current or future reporting periods and on foreseeable future transactions.

	30 June 2021 AU\$	30 June 2020 AU\$
4. Cash and cash equivalents		
(a) Cash at bank	9,970,566	473,064
	9,970,566	473,064
(b) Reconciliation of net operating profit / (loss) to net cash flows from operating activities:		
Net operating profit / (loss) for the year	18,433,488	(10,407,683)
Movement in the fair value of financial assets held at fair value through profit or loss	(14,682,461)	11,975,996
Adjustments for:		
Decrease / (increase) in other receivables	232,088	(284,768)
(Decrease) in trade and accruals	(181,664)	(78,387)
Net cash flows provided by operating activities	3,801,451	1,205,158

Colinton Capital Partners Fund 1(A) Trust

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Notes to the Financial Statements (continued)

For the year ended 30 June 2021

	30 June 2021 AU\$	30 June 2020 AU\$
5. Financial assets held at fair value through profit or loss		
Investments in equity instruments	64,674,597	42,009,050
Investment in debt instruments	5,154,048	5,154,048
	69,828,645	47,163,098

As part of its ongoing investment monitoring procedures, the Trustee has performed its own independent assessment of the valuation of the investments with advice from the Investment Manager, based on valuation techniques by reference to the fair value of recent arm's length transactions and discounted cash flow analyses, refined to reflect the issuer's specific circumstances. For equity instruments issued by listed entities, valuation of the Trust's investments in these instruments is based on the quoted market price as at reporting date.

The Trustee believes that the value of the financial assets disclosed in these financial statements reflect the best estimate of fair value as at 30 June 2021.

In accordance with the classification of the financial assets, the revaluation is reflected in the statement of comprehensive income.

	30 June 2021 AU\$	30 June 2020 AU\$
6. Trade and other payables		
Trade payable	47,333	75,444
Accruals	43,379	61,045
GST payable	-	135,887
Other payables	1,516,481	-
	1,607,193	272,376

Other payables include \$1,000,000 due to an investor who paid for the Trust's investment in FibreSense on behalf of the Trust, prior to the Trust making a capital call to its investors to fund this investment. The capital call was subsequently made in late June 2021 and the investor was repaid in July 2021 on receipt of funding from investors. The remaining \$516,481 is the portion of the funds received by the Trust as part of this capital call, which is for the semi-annual monitoring and management fees due from the investors to the Investment Manager. These fees were also transferred to the Investment Manager in July 2021.

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Notes to the Financial Statements (continued)

For the year ended 30 June 2021

	30 June 2021 AU\$	30 June 2020 AU\$
7. Other non-current liabilities		
Other liabilities	150,000	-
	150,000	-

As part of the Trust's investment in Clear Dynamics, the Trust entered into a contribution agreement with a co-investor who agreed to contribute \$150,000 towards the investment. The Trust however remains the sole legal and beneficial owner of the shares in Clear Dynamics. Under the contribution agreement, the co-investor is entitled to 2.5% of the net investment proceeds received by the Trust in relation to its shares in Clear Dynamics. On disposal of the shares in Clear Dynamics, the co-investor will receive their contribution.

	30 June 2021 Units	30 June 2020 Units
8. Movement in units		
Units on issue at the beginning of the year	51,675,607	35,743,595
Units issued during the year	15,841,848	15,932,012
Units on issue at the end of the year	67,517,455	51,675,607

	30 June 2021 AU\$	30 June 2020 AU\$
9. Professional fees		
Accounting and custodian fees	106,154	111,311
Consulting fees	92,282	25,228
Legal fees	60,307	160,039
	258,743	296,578

Remuneration of auditor

During the year, the following fees were paid or payable for services provided by the auditor of the Trust:

Grant Thornton

Audit of trust financial report	27,500	23,135
	27,500	23,135
Total professional fees	286,243	319,713

10. Commitments and contingent liabilities

There were no significant commitments or contingent liabilities as at 30 June 2021 (2020: nil).

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Notes to the Financial Statements (continued)

For the year ended 30 June

11. Events after the reporting date

Subsequent to year end, an investment of \$8,000,000 was made in Buildsafe (a new portfolio company) using funds that were received in the capital call issued in late June 2021.

In July 2021, the Trust also issued units to a value of \$8,868,484. \$2,368,484 of these funds were used to make an additional investment in Australian Maritime Systems Group, an existing portfolio company, while the remaining \$6,500,000 is expected to be used to acquire additional shares in Clear Dynamics, another existing portfolio company, by the end of September 2021.

There have been no other matters or circumstances that have arisen since the end of the year and up to the date of this report that have significantly affected, or may affect, the Trust's operations in future financial years, the results of those operations or the Trust's state of affairs in future financial years.

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Trustee's Declaration

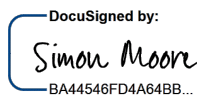
For the year ended 30 June 2021

The sole director of the Trustee, Colinton Capital Partners Fund 1(A) Pty Ltd, has determined that the Trust is not a reporting entity. The Trustee has determined that this special purpose financial report has been prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

The Trustee of the Trust declares that:

1. The financial statements and notes, as set out on pages 4 to 15, present fairly the Trust's financial position as at 30 June 2021 and performance for the financial year ended on that date in accordance with the accounting policies outlined in note 2 to the financial statements and the Trust Deed dated 28 November 2017;
2. In the Trustee's opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
3. The Trust has operated during the year in accordance with the provisions of the Trust Deed dated 28 November 2017; and
4. The register of unitholders has been properly drawn up and maintained during the year so as to give a true account of the unitholders of the Trust.

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

Director 
Simon Moore

Dated: 27 October 2021
Sydney

Independent Auditor's Report

To the Unitholders of Colinton Capital Partners Fund 1(A) Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of Colinton Capital Partners Fund 1(A) Trust (the Trust), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Trustee's declaration.

In our opinion, the accompanying financial report of the Colinton Capital Partners Fund 1(A) Trust:

- a presents fairly, in all material respects, the Trust's financial position as at 30 June 2021 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 2; and
- b complies with Australian Accounting Standards and to the extent 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 Trust in accordance with 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 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

We draw attention to Note 2 of the financial report, which describes the basis of accounting. The financial report has been prepared at the request of the Trustee. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial report

The Directors of the Trustee are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 2 to the financial report are appropriate to meet the requirements of the Trust Deed and meets the needs of the Unitholders. This responsibility also includes such internal controls as the Directors of the Trustee determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Trustee are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



G Layland
Director – Audit & Assurance

Sydney, 27 October 2021