Hyperion Small Growth Companies Fund

ARSN 089 548 943

Annual report - 30 June 2018

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Contents Page

Directors' report	2
Auditor's independence declaration	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	30
Independent auditor's report to the unitholders of the Hyperion Small Growth Companies Fund	31

These financial statements cover the Hyperion Small Growth Companies Fund as an individual entity.

The Responsible Entity of the Hyperion Small Growth Companies Fund is Pinnacle Fund Services Limited (ABN 29 082 494 362). The Responsible Entity's registered office is Level 19, 307 Queen Street, Brisbane, QLD 4000.

Directors' report

The directors of Pinnacle Fund Services Limited, the Responsible Entity of the Hyperion Small Growth Companies Fund ("the Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2018.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia.

The Fund aims to achieve medium to long-term capital growth and income through investing in high calibre Australian companies primarily listed outside the S&P/ASX 100 Index, at the time of investment.

Hyperion Asset Management Limited is the Investment Manager of the Fund.

The Fund did not have any employees during the year.

Directors

The following persons held office as directors of Pinnacle Fund Services Limited during the year or since the end of the year and up to the date of this report:

Mr I Macoun
Mr A Ihlenfeldt
Mr A Findlay (resigned 29 March 2018)
Mr C Kwok
Mr T O'Callaghan (appointed 29 March 2018)

The Responsible Entity also has a Compliance Committee consisting of one non-independent person and two independent persons. The committee's role is to oversee the compliance requirements of the Fund operated by the Responsible Entity. The committee met four times during the financial year under review.

Review and results of operations

There have been no significant changes to the operations of the Fund since the previous financial period. The Fund continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Fund.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2018 $'000	30 June 2017 $'000
Net operating profit/(loss) before finance costs attributable to unitholders	**56,117**	27,674
Distributions		
Distributions paid and payable	**70,561**	37,002
Distributions (cents per unit)	**96.0560**	39.4142

Significant changes in state of affairs

The Fund has amended its constitution to change the obligation to distribute trust income to unitholders effective 1 July 2017 as part of a process to become eligible to elect into the new AMIT tax regime.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

Directors' report (continued)

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

(i) the operations of the Fund in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Fund and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Fund.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of Pinnacle Fund Services Limited or the auditors of the Fund. So long as the officers of Pinnacle Fund Services Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

The auditors of the Fund are not indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Fund's property during the year are disclosed in note 14 to the financial statements.

No fees were paid out of the Fund's property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 14 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 13 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

Amounts in the directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191,* unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors.

Mr A Ihlenfeldt
Director

Brisbane
20 September 2018

Auditor's Independence Declaration

As lead auditor for the audit of Hyperion Small Growth Companies Fund for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ben Woodbridge
Partner
PricewaterhouseCoopers

Brisbane
20 September 2018

Statement of comprehensive income

	Notes	Year ended **30 June 2018 $'000**	 30 June 2017 $'000
Investment income			
Interest income from financial assets not held at fair value through profit or loss		**243**	167
Dividend/Trust distribution income	5	**7,967**	11,957
Net gains/(losses) on financial instruments held at fair value through profit or loss	6	**53,302**	22,025
Total net investment income		**61,512**	34,149
Expenses			
Management fees	14	**4,792**	5,950
Transaction costs		**603**	525
Total operating expenses		**5,395**	6,475
Operating profit/(loss)		**56,117**	27,674
Finance costs attributable to unitholders*			
Distributions to unitholders	8	**-**	(37,002)
(Increase)/decrease in net assets attributable to unitholders	13	**-**	9,328
Profit/(loss) for the year		**56,117**	-
Other comprehensive income		**-**	-
Total comprehensive income		**56,117**	-

*Net assets attributable to unitholders have been reclassified from liabilities to equity. As a result, the distributions are no longer classified as finance cost in the statement of comprehensive income but rather as distributions paid/payable in the statement of changes in equity. Refer to note 1 for further detail.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

	Notes	As at **30 June 2018 $'000**	 30 June 2017 $'000
Assets			
Cash and cash equivalents	9	**19,825**	25,393
Receivables	11	**12,003**	8,709
Financial assets held at fair value through profit or loss	10	**349,989**	415,763
Total assets		**381,817**	449,865
Liabilities			
Distributions payable		**67,071**	29,779
Payables	12	**602**	1,994
Total liabilities (30 June 2017: excluding net assets attributable to unitholders)		**67,673**	31,773
Net assets attributable to unitholders - equity*	13	**314,144**	-
Net assets attributable to unitholders - liability*	13	**-**	418,092

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further detail.

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Notes	Year ended 30 June 2018 $'000	30 June 2017 $'000
Total equity at the beginning of the financial year		**-**	-
Reclassification due to AMIT tax regime implementation*	13	**418,092**	-
Comprehensive income for the financial year			
Profit/(loss) for the year		**56,117**	-
Other comprehensive income		**-**	-
Total comprehensive income for the financial year		**56,117**	-
Transactions with unitholders			
Redemptions	13	**(89,504)**	-
Distributions paid and payable	13	**(70,561)**	-
Total transactions with unitholders		**(160,065)**	-
Total equity at the end of the financial year*		**314,144**	-

*Effective from 1 July 2017, the Fund's units have been reclassified from financial liability to equity. Refer to note 1 and note 13 for further detail. As a result, equity transactions including distributions have been disclosed in the above statement for the year ended 30 June 2018.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Notes	**Year ended 30 June 2018 $'000**	Year ended 30 June 2017 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held at fair value through profit or loss		**268,538**	184,375
Purchase of financial instruments held at fair value through profit or loss		**(153,132)**	(101,421)
Transaction costs on financial instruments held at fair value through profit or loss		**(603)**	(525)
Dividend/Trust distributions received		**8,114**	12,109
Interest received		**243**	193
Management fees paid		**(4,879)**	(5,985)
RITC received		**21**	3
Net cash inflow/(outflow) from operating activities	15(a)	**118,302**	88,749
Cash flows from financing activities			
Proceeds from applications by unitholders		**-**	1,063
Payments for redemptions by unitholders		**(90,601)**	(72,180)
Distributions paid		**(33,269)**	(7,392)
Net cash inflow/(outflow) from financing activities		**(123,870)**	(78,509)
Net increase/(decrease) in cash and cash equivalents		**(5,568)**	10,240
Cash and cash equivalents at the beginning of the year		**25,393**	15,153
Cash and cash equivalents at the end of the year	15(b), 9	**19,825**	25,393

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

		Page
1	General information	11
2	Summary of significant accounting policies	11
3	Financial risk management	17
4	Fair value measurements	20
5	Dividend/Trust distributions income	22
6	Net gains/(losses) on financial instruments held at fair value through profit or loss	22
7	Auditor's remuneration	22
8	Distributions to unitholders	23
9	Cash and cash equivalents	23
10	Financial assets held at fair value through profit or loss	23
11	Receivables	24
12	Payables	24
13	Net assets attributable to unitholders	24
14	Related party transactions	26
15	Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	28
16	Contingent assets and liabilities and commitments	29
17	Events occurring after the reporting period	29

1 General information

These financial statements cover the Hyperion Small Growth Companies Fund ("the Fund") as an individual entity. The Fund was constituted on 4 November 1992. The Fund will terminate on 4 November 2072 unless terminated earlier in accordance with the provisions of the Fund's Constitution.

The Responsible Entity of the Fund is Pinnacle Fund Services Limited (the "Responsible Entity"). The Responsible Entity's registered office is Level 19, 307 Queen Street, Brisbane, QLD 4000. The financial statements are presented in the Australian currency.

The Responsible Entity is incorporated and domiciled in Australia.

The Custodian of the Fund is RBC Investor Services Trust.

The financial statements were authorised for issue by the directors on 20 September 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements after they have been issued.

Reclassification of units from financial liability to equity

On 5 May 2016, a new tax regime applying to Managed Investment Trusts ("MITs") was established under the *Tax Law Amendment (New Tax System for Management Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows MITs that meet certain requirements to make an irrevocable choice to be an AMIT. In order to allow the Fund to elect into the AMIT tax regime, the Fund's Constitution has been amended and the other conditions to adopt the AMIT tax regime have been met effective from 1 July 2017. The Responsible Entity is therefore no longer contractually obligated to pay distributions. Consequently, the units in the Fund have been reclassified from a financial liability to equity on 1 July 2017, see note 13 for further information.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The Hyperion Small Growth Companies Fund is a for-profit unit trust for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within twelve months, however, an estimate of that amount cannot be determined as at balance date.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Fund.

The amendments made by AASB 2016-2 *Amendments to Australian Accounting Standard - Disclosure Initiative: Amendments to AASB 107* require disclosure of changes in liabilities arising from financing activities. The relevant information is provided in note 13.

(b) Financial instruments

(i) Classification

The Fund's investments are classified as at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Any gains or losses arising on derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statement of comprehensive income in the year the asset is derecognised as realised gains or losses on financial instruments.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately in the statement of comprehensive income. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

Further details on how the fair values of financial instruments are determined are disclosed in note 4 to the financial statements.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund’s net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the unitholder exercises the right to put the unit back to the Fund. This amount represents the expected cash flows on redemption of these units.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments: Presentation:*

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund’s liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund’s own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

As at 30 June 2017, net assets attributable to unitholders are classified as a financial liability. Effective from 1 July 2017, the Fund’s units have been reclassified from a financial liability to equity as they satisfy the above criteria.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in current liabilities in the statement of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(e) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

2 Summary of significant accounting policies (continued)

(e) Investment income (continued)

Dividend income is recognised on the ex-dividend date net of any related foreign withholding tax.

Trust distributions are recognised on an entitlements basis.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at year end and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

(f) Expenses

All expenses, including manager's fees, are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes the entirety of its taxable income to unitholders.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

(h) Distributions

The Fund distributes its distributable income adjusted for amounts determined by the Responsible Entity in accordance with the Fund's Constitution, to unitholders by cash or reinvestment. As a result of the reclassification of net assets attributable to unitholders from liability to equity, the Fund's distributions are no longer classified as finance costs in the statement of comprehensive income, but rather as distributions paid/payable in the statement of changes in equity. Unrealised gains and losses on financial assets and liabilities held for trading that recognised as income are transfered to net assets attributable to unitholders and are not assessable and distributable until realised. Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains.

(i) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Prior to 1 July 2017, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs. Effective from 1 July 2017, as a result of the reclassification of net assets attributable to unitholders from liability to equity, the Fund’s distributions are no longer classified as finance cost in the statement of comprehensive income, but rather as distributions paid/payable in the statement of changes in equity.

(j) Foreign currency translation

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 competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

2 Summary of significant accounting policies (continued)

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within two business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired.

(l) Receivables

Receivables may include amounts for dividends, interest, trust distributions and amounts due from brokers. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(e). Amounts are generally received within 30 days of being recorded as receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent financial year, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(m) Payables

Payables include liabilities, amounts due to brokers and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the reporting period is recognised separately in the statement of financial position.

(n) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined by reference to the net assets of the Fund divided by the number of units on issue.

2 Summary of significant accounting policies (continued)

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as audit fees, custodial services and investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55%; hence investment management fees, custodial fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(p) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For more information on how fair value is calculated please see note 4 to the financial statements.

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is applicable from 1 January 2018 but is available for early adoption.

The directors have accessed the impact of AASB 9 on the Fund's financial statements. There are no investments which could result in a reclassification of the financial instruments to amortised cost or fair value through other comprehensive income ('FVOCI'), the adoption of AASB 9 is not expect to have a significant impact on the recognition and measurement of the Fund's financial instruments.

The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting.

AASB 15 Revenue from Contracts with Customers, (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

2 Summary of significant accounting policies (continued)

(q) New accounting standards and interpretations (continued)

AASB15 (continued)

The Fund's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

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

(r) Rounding of amounts

The Fund is an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191,* relating to the 'rounding off' amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3 Financial risk management

(a) Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund’s overall risk management program focuses on ensuring compliance with the Fund’s Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below:

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Fund’s direct investments and not on a look-through basis for investments held in the Fund.

(i) Price risk

Equity price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk exposure arises from the Fund's investment portfolio. The investments are classified on the statement of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Investment Manager manages this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

3 Financial risk management (continued)

(b) Market risk (continued)

The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager and are reviewed at least quarterly by the Board.

Compliance with the Fund's Product Disclosure Statement is reported to the Board on a quarterly basis.

Net assets attributable to unitholders include investments in equity securities. At 30 June 2018 and 30 June 2017, the overall market exposures to price risk were as follows:

	As at	
	30 June 2018	30 June 2017
	$'000	$'000
Securities designated at fair value through profit or loss	**349,989**	415,763

At 30 June 2018, if the equity prices had increased by 10% (2017: 10%) with all other variables held constant, this would have increased net assets attributable to unitholders (and net operating profit/(loss)) by approximately $34,998,905 (2017: $41,576,261). Conversely, if the equity prices had decreased by 10% (2017: 10%), this would have decreased net assets attributable to unitholders (and net operating profit/(loss)) by approximately $34,998,905 (2017: $41,576,261).

(ii) Foreign exchange risk

The Fund is not exposed to significant risks from movements in foreign exchange rates as there are no financial assets and liabilities denominated in foreign currencies.

(iii) Cash flow and fair value interest rate risk

The majority of the Fund's financial assets and liabilities are non interest bearing. Interest-bearing financial assets and interest-bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Fund is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Fund holds no collateral as security or any other credit enhancements. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due.

There are no material concentrations of credit risk at 30 June 2018 and 30 June 2017.

(d) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. This risk is controlled through the Fund's investment in financial instruments, which under normal market conditions are readily convertible to cash, as the majority are listed on the ASX. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Fund's Constitution provides for daily application and redemption of units and it is therefore exposed to liquidity risk of meeting unitholder redemptions at any time.

In accordance with the Fund's policy, the Responsible Entity monitors the Fund's liquidity position on a daily basis. The Fund's policy is reviewed annually.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

Maturity analysis for non-derivative financial liabilities

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Units are redeemed on demand at the unitholder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

At 30 June 2018	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	12-60 months $'000
Distributions payable	67,071	-	-	-
Redemptions payable	198	-	-	-
Accrued expenses	404	-	-	-
Total financial liabilities	**67,673**	-	-	-

At 30 June 2017	Less than 1 month $'000	1-3 months $'000	3-12 months $'000	12-60 months $'000
Distributions payable	29,779	-	-	-
Redemptions payable	1,294	-	-	-
Due to brokers - payable for securities purchased	209	-	-	-
Accrued expenses	491	-	-	-
Net assets attributable to unitholders	418,092	-	-	-
Total financial liabilities	449,865	-	-	-

4 Fair value measurements

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

- Financial assets / liabilities designated at fair value through profit or loss (FVTPL)
- Financial assets / liabilities held for trading

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

Classification of financial assets and financial liabilities

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in note 2. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The foreign currency contracts are valued at the forward rate.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such trusts.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

Recognised fair value measurements

The tables below set out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2018 and 30 June 2017:

As at 30 June 2018	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equities	**349,989**	**-**	**-**	**349,989**
Total assets	**349,989**	**-**	**-**	**349,989**

As at 30 June 2017	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets designated at fair value through profit or loss:				
Listed equities	415,763	-	-	415,763
Total assets	415,763	-	-	415,763

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

5 Dividend/Trust distributions income

	Year ended	
	30 June 2018	30 June 2017
	$'000	$'000
Dividends	**7,967**	11,957
Total dividend/trust distributions income	**7,967**	11,957

6 Net gains/(losses) on financial instruments held at fair value through profit or loss

	Year ended	
	30 June 2018	30 June 2017
	$'000	$'000
Financial assets		
Net unrealised gain/(loss) on financial assets designated at fair value through profit or loss	**(5,557)**	(3,030)
Net realised gain/(loss) on financial assets designated at fair value through profit or loss	**58,859**	25,055
Total net gains/(losses) on financial instruments held at fair value through profit or loss	**53,302**	22,025

7 Auditor's remuneration

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

	Year ended	
	30 June 2018	30 June 2017
	$	$
PwC Australian firm		
Audit and other assurance service		
Audit and review of financial statements	**18,323**	17,644
Audit of compliance plan	**2,790**	2,709
Total remuneration of audit services	**21,113**	20,353
Taxation services		
Tax compliance services	**6,260**	4,896
Total remuneration for taxation services	**6,260**	4,896
Total remuneration of PwC	**27,373**	25,249

The fees for audit and non audit services (principally tax advice) are paid by the Investment Manager out of the management fee that they earn.

8 Distributions to unitholders

The distributions were paid/payable as follows:

	Year ended		Year ended	
	30 June 2018	**30 June 2018**	30 June 2017	30 June 2017
	$'000	**CPU**	$'000	CPU
Distributions				
Distributions paid - September	**1,912**	**2.1710**	2,855	2.7829
Distributions paid - December	**1,125**	**1.3772**	2,070	2.0649
Distributions paid - March	**453**	**0.5869**	2,298	2.3580
Distributions payable - June	**67,071**	**91.9209**	29,779	32.2084
	70,561	**96.0560**	37,002	39.4142

9 Cash and cash equivalents

	As at	
	30 June 2018	30 June 2017
	$'000	$'000
Cash at bank	**19,825**	25,393
Total cash and cash equivalents	**19,825**	25,393

10 Financial assets held at fair value through profit or loss

	As at	
	30 June 2018	30 June 2017
	$'000	$'000
Designated at fair value through profit or loss		
Listed equities	**349,989**	415,763
Total financial assets held at fair value through profit or loss	**349,989**	415,763

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 3.

11 Receivables

	As at	
	30 June 2018	30 June 2017
	$'000	$'000
Accrued income	**423**	569
GST receivable	**90**	111
Due from brokers - receivable for securities sold	**11,490**	8,029
Total receivables	**12,003**	8,709

12 Payables

	As at	
	30 June 2018	30 June 2017
	$'000	$'000
Redemptions payable	**198**	1,294
Due to brokers - payable for securities purchased	**-**	209
Accrued expenses	**404**	491
Total payable	**602**	1,994

13 Net assets attributable to unitholders

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Prior to 1 July 2017 the Fund classified its net assets attributable to unitholders as liabilities in accordance with AASB 132. On 1 July 2017, the Fund qualifies as an AMIT. The Fund's Constitution has been amended and it no longer has a contractual obligation to pay distributions to unitholders. Therefore the net assets attributable to unitholders of the Fund meet the criteria set out under AASB 132 and are classified as equity from 1 July 2017 onwards.

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Fund's distributions are no longer classified as finance cost in the statement of comprehensive income but rather as distributions paid/payable in the statement of changes in equity.

13 Net assets attributable to unitholders (continued)

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	As at			
	30 June 2018 No.'000	30 June 2017 No.'000	**30 June 2018 $'000**	30 June 2017 $'000
Net assets attributable to unitholders				
Balance as at 1 July*	**92,457**	107,398	**418,092**	499,240
Applications	**-**	213	**-**	1,063
Redemptions	**(19,491)**	(15,154)	**(89,504)**	(72,883)
Increase/(decrease) in net assets attributable to unitholders	**-**	-	**-**	(9,328)
Distribution paid and payable	**-**	-	**(70,561)**	-
Profit/(loss) for the year	**-**	-	**56,117**	-
Closing balance	**72,966**	92,457	**314,144**	418,092

*Net assets attributable to unitholders are classified as equity at 30 June 2018 and as a financial liability at 30 June 2017. Refer to note 1 for further detail.

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability until 30 June 2017 and as equity from 1 July 2017. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

The Fund monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. The Fund’s strategy was to hold a certain portion of the net assets attributable to unitholders in liquid investments. Liquid assets include cash and cash equivalents and listed equities. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units, if the exercise of such discretion is in the best interests of unitholders.

14 Related party transactions

Responsible entity

The Responsible Entity of the Hyperion Small Growth Companies Fund is Pinnacle Fund Services Limited.

Pinnacle Investment Management Limited is the parent company of Pinnacle Fund Services Limited. Pinnacle Investment Management Group Limited is the ultimate holding company of Pinnacle Fund Services Limited.

Hyperion Asset Management Limited is the Investment Manager of the Fund.

Key management personnel

Directors

Key management personnel includes persons who were directors of Pinnacle Fund Services Limited and Pinnacle Investment Management Limited at any time during the financial year as follows:

Pinnacle Fund Services Limited

Mr I Macoun
Mr A Ihlenfeldt
Mr A Findlay (resigned 29 March 2018)
Mr C Kwok
Mr T O'Callaghan (appointed 29 March 2018)

Pinnacle Investment Management Limited

Mr I Macoun
Mr A Ihlenfeldt
Mr A Whittingham

Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

Management fees and other transactions

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity and the Investment Manager were as follows:

	Year ended	
	30 June 2018	30 June 2017
	$	$
Management fees for the year paid/payable by the Fund	**4,792,127**	5,949,598
Aggregate amount payable to the Investment Manager at the reporting date	**404,748**	491,334

The management fee of 1.25% p.a. is calculated daily based on the gross asset value of the Fund. The performance fee of 15% of the Fund’s return in excess of the benchmark return is calculated net of management fee. The benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

14 Related party transactions (continued)

Responsible Entity fees are paid by the Investment Manager out of the fees that they earn.

Related party unitholdings

Parties related to the Fund (including Pinnacle Fund Services Limited, its related parties and other schemes managed by Pinnacle Fund Services Limited), held units in the Fund as follows:

2018

Unitholders	**Number of units held opening (Units)**	**Number of units held closing (Units)**	**Fair value of investment ($)**	**Interest held (%)**	**Number of units acquired (Units)**	**Number of units disposed (Units)**	**Distributions paid/payable by the Fund ($)**
Pinnacle Charitable Foundation Ltd	**78,272**	**94,962**	**408,145**	**0.13**	**16,690**	**-**	**3,237**
Macoun Family Super Pty Ltd ATF	**57,584**	**69,862**	**300,269**	**0.10**	**12,278**	**-**	**2,381**
Adrian Whittingham Super Fund Pty Ltd	**24,800**	**24,800**	**106,589**	**0.03**	**-**	**-**	**23,822**

2017

Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment ($)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund ($)
Pinnacle Charitable Foundation Ltd	78,272	78,272	353,608	0.08	-	-	30,850
Macoun Super Fund	57,584	-	-	-	-	57,584	-
Macoun Family Super Pty Ltd ATF	-	57,584	260,147	0.06	57,584	-	22,696

14 Related party transactions (continued)

Investments

The Fund did not hold any investments in Pinnacle Fund Services Limited or its related parties during the year.

Key management personnel compensation

Key management personnel of Pinnacle Fund Services Limited are paid by Pinnacle Services Administration Pty Ltd. Payments made from the Fund to Pinnacle Fund Services Limited do not include any amounts directly attributable to key management personnel remuneration.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Fund

From time to time directors of Pinnacle Fund Services Limited, or their director related entities, may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are not material in nature.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

15 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2018	30 June 2017
	$'000	$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Net profit/(loss) for the year	**56,117**	-
Increase/(decrease) in net assets attributable to unitholders	**-**	(9,328)
Proceeds from sale of financial instruments held at fair value through profit or loss	**268,538**	184,375
Purchase of financial instruments held at fair value through profit or loss	**(153,132)**	(101,421)
Net (gains)/losses on financial instruments held at fair value through profit or loss	**(53,302)**	(22,025)
Distributions to unitholders	**-**	37,002
Net change in receivables and other assets	**168**	181
Net change in payables and other liabilities	**(87)**	(35)
Net cash inflow/(outflow) from operating activities	**118,302**	88,749

(b) Cash and cash equivalents		
Cash at bank	**19,825**	25,393
	19,825	25,393

15 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

As described in note 2(i), income not distributed is included in net assets attributable to unitholders. The change in this amount each year (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

16 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2018 and 30 June 2017.

17 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund as at 30 June 2018 or on the results and cash flows of the Fund for the year ended on that date.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

The directors of the Responsible Entity declare that:

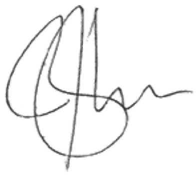
(a) the financial statements and notes set out on pages 6 to 29 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its performance for the financial year ended on that date.

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

(c) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Mr A Ihlenfeldt
Director

Brisbane
20 September 2018

Independent auditor's report

To the unitholders of Hyperion Small Growth Companies Fund

Our opinion

In our opinion:

The accompanying annual report of Hyperion Small Growth Companies Fund (the Registered Scheme) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Registered Scheme's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The annual report comprises:

- the statement of financial position as at 30 June 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors of the Responsible Entity's declaration.

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 annual report* section of our report.

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

Independence

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the annual report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The Directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Director's report for the year ended 30 June 2018, including the Director's report, but does not include the annual report and our auditor's report thereon.

Our opinion on the annual report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors of the Responsible Entity for the annual report

The directors of the Responsible Entity of the Registered Scheme are responsible for the preparation of the annual report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the annual report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the annual report, the directors of the Responsible Entity are responsible for assessing the ability of the Registered Scheme to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Registered Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual report

Our objectives are to obtain reasonable assurance about whether the annual 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 the annual report.

A further description of our responsibilities for the audit of the annual 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Ben Woodbridge

Ben Woodbridge
Partner

Brisbane
20 September 2018