



## 2017 ANNUAL REPORT

## CORPORATE DIRECTORY

**Directors of Responsible Entity**

Steven Pritchard  
Enzo Pirillo  
Brett Hall

**Company secretary**

Enzo Pirillo

**Registered Office**

10 Murray Street  
Hamilton NSW 2303  
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Facsimile +61 2 4920 2878  
Email: [mail@hamiltonam.com.au](mailto:mail@hamiltonam.com.au)  
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**Principal Place of Office**

10 Murray Street  
Hamilton NSW 2303  
Telephone +61 2 4920 2877  
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**Unit Registry**

Rees Pritchard Investor Services Pty Limited  
10 Murray Street  
Hamilton NSW 2303  
Telephone +61 2 4920 2877  
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**Auditors**

PKF Newcastle  
755 Hunter Street  
Newcastle West NSW 2302  
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# Newcastle Securities and General Trust

## DIRECTORS' REPORT

The directors of Hamilton Asset Management Limited, the Responsible Entity of the Newcastle Securities and General Trust ("the Fund"), present their report for the financial year ended 30 June 2017 and the independent auditor's report thereon.

### Directors

The names of directors of the Responsible Entity in office at any time during or since the end of the financial year are:

Name	Period of directorship
Steven S Pritchard	Appointed 18 September 2009
Enzo Pirillo	Appointed 18 September 2009
Brett A Hall	Appointed 18 September 2009

### Review of operations

The Fund aims to achieve a return of 8% per annum over the medium to long term.

The Fund achieved a return of 23% for the year, after all costs, for investors who held their units for the entire period. This is 15% in excess of its targeted rate of return.

During the year, the Fund issued an additional 94,525 units for \$112,152 leaving a total amount of units on issue at the end of the year of 714,194 and unit holder funds of \$799,324.

Currently, the Fund is only available for investment by associates of the Hamilton Asset Management Limited. The Fund has now adopted a new constitution and will issue an Information Memorandum that will allow the Fund to be made available for investment to those persons who are classified as wholesale investors under the Corporations Act.

### Results

The results of the operations of the Fund are disclosed in the Statement of Comprehensive Income of these financial statements.

The profit attributable to unit holders for the year ended 30 June 2017 was \$19,871 (2016 loss \$43,461).

### Distributions

The distribution payable to unit holders for the year ended 30 June 2017 was \$9,166 equivalent to \$0.0128 (2016: \$11,152 equivalent to \$0.0214 per share).

### Unit price history

The Fund calculates the net asset value of Fund's units as at the last business day of each month. The net asset value of the Fund is calculated by deducting the gross value of the Fund's assets from the liabilities of the Fund.

The following table shows the ex-distribution unit exit price for the Fund at the close of business on the reporting date/redemption date and the highest and lowest exit price during the period.

Ordinary units	2017	2016
	\$	\$
Ordinary units		
At 30 June		
- Pre-distribution	1.1192	1.0949
- Post-distribution	1.1064	1.0769
Period to 30 June:		
- High	1.2402	1.1850
- Low	1.1192	1.0852

### Changes in state of affairs

There were significant changes in the state of affairs of the Fund during the financial year.

### Interests in the Fund

Details of the units in the Fund issued during the financial period, withdrawals from the Fund during the financial period and the number of units on issue in the Fund as at the end of the financial period are contained in Note 9 to the financial statements. Units in the Fund held by Hamilton Asset Management Limited and its associates are contained in Note 13 to the financial statements.

### Future Developments, Prospects and Business Strategies

Disclosure of information regarding likely developments in the operations of the Fund in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the Fund. Accordingly, this information has not been disclosed in this report.

# Newcastle Securities and General Trust

## DIRECTORS' REPORT

### Options granted

No options were:

- (i) Granted over unissued units in the Fund during or since the end of the financial period; or
- (ii) Granted to the Responsible Entity

No unissued units in the Fund were under option as at the date on which this Report is made.

No units were issued in the Fund during or since the end of the financial period as a result of the exercise of an option over unissued units in the Fund.

### Indemnification of officers and auditors

During the financial period, the Responsible Entity paid a premium in respect of a contract insuring the directors of the Responsible Entity (as named above) against a liability incurred as such a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

### Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Fund, the results of the Fund, or the state of affairs of the Fund in future financial periods.

### Auditor's independence declaration

The auditor's independence declaration is included on page 3 of this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

Signed on behalf of the Directors of the Responsible Entity Hamilton Asset Management Limited.



Steven Shane Pritchard

Director

Hamilton, 15 January 2018

Hamilton Asset Management Limited as Responsible Entity for the  
Newcastle Securities & General Trust

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



MARTIN MATTHEWS  
PARTNER

15 JANUARY 2018  
NEWCASTLE, NSW

**Newcastle Securities and General Trust**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	<b>30 June 2017</b>	<b>30 June 2016</b>
	\$	\$
<b>Investment Income</b>		
Dividends received	15,290	12,518
Interest	477	687
Trust distributions	4,774	3,536
Net changes to fair value of investments	15,665	(46,171)
<b>Total investment income</b>	<b>36,206</b>	<b>(29,430)</b>
 <b>Operating Expenses</b>		
Bank charges	101	96
Expense recovery	4,059	3,482
Management fees	12,175	10,453
Performance fees	-	-
<b>Total expenses from operating activities</b>	<b>16,335</b>	<b>14,031</b>
<b>Operating profit/(loss)</b>	<b>19,871</b>	<b>(43,461)</b>
 <b>Finance costs and other comprehensive income</b>		
Distribution to unit holders	(9,166)	11,152
Change in Net Assets Attributable to Unit holders	(10,705)	54,613
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

## Newcastle Securities and General Trust

### STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	30 June 2017	30 June 2016
		\$	\$
<b>ASSETS</b>			
Cash and cash equivalents	3	8,531	8,292
Trade and other receivables	4	12,287	2,429
Investments	5	779,899	670,202
<b>TOTAL ASSETS</b>		<b>800,717</b>	<b>680,923</b>
<b>LIABILITIES</b>			
Trade and other payables	6	1,393	2,471
Distributions payable	7	9,166	11,152
<b>TOTAL LIABILITIES</b>		<b>10,559</b>	<b>13,623</b>
 <b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	 9	 <b>790,158</b>	 <b>667,300</b>
Liability attributable to unit holders		(790,158)	(667,300)
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.



## Newcastle Securities and General Trust

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	\$
<b>Balance at 01.07.2015</b>	-
Profit or Loss for the period	-
Other comprehensive income for the period	-
<b>Total comprehensive income for the year</b>	-
<b>Balance at 30.06.2016</b>	-
<b>Balance at 01.07.2016</b>	-
Profit or Loss for the period	-
Other comprehensive income for the period	-
<b>Total comprehensive income for the year</b>	-
<b>Balance at 30.06.2017</b>	-

For the purposes of these Financial Reports net assets attributable to unit holders is classified as a financial liability and disclosed as such in the statement of financial position.

The accompanying notes form part of these financial statements.

## Newcastle Securities and General Trust

### STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	30 June 2017	30 June 2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Distribution received		4,951	3,112
Dividends received		14,514	12,824
Interest received		477	687
Administration expenses		(18,485)	(22,656)
Bank charges		(101)	(96)
Other receipts		1,534	2,151
Net cash provided by/ (used in) operating activities	10	2,890	(3,978)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of investments		72,700	70,007
Payments to acquire investments		(176,351)	(208,733)
Net cash used in investing activities		(103,651)	(138,726)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt from issue of units to unit holders		101,000	103,900
Net cash provided by financing activities		101,000	103,900
Net increase/ (decrease) in cash held		239	(38,804)
Cash at beginning of period		8,292	47,096
<b>Cash at end of period</b>	<b>3</b>	<b>8,531</b>	<b>8,292</b>

The accompanying notes form part of these financial statements.

# Newcastle Securities and General Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

### NOTE 1: FINANCIAL REPORTING FRAMEWORK

#### Statement of compliance and basis of preparation

The financial report is a special purpose financial report prepared in accordance with the requirements of the Fund's Constitution, Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Newcastle Securities and General Trust ("the Fund") is a wholesale managed investment scheme domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs, except where stated, in accordance with the requirements of the Fund's constitution. Fund investments are revalued to fair value. Cost is based on the fair value of the consideration given in exchange for assets.

The address of its registered office and principal place of business is 10 Murray Street, Hamilton, New South Wales.

The principal activity of the Fund is disclosed in the directors' report.

All amounts are presented in Australian dollars, unless otherwise noted.

The financial report was approved by the Board of directors and authorised for issue on 8 September 2017.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Report:

#### (a) Income recognition

Income revenue is recognised on a proportional basis taking into account the interest rates applicable to the relevant financial asset.

Trust distributions are recognised on a receivable basis as of the date the unit value is quoted ex-distribution. If the distributions are capital returns the amount of the distribution is treated as an adjustment to the carry value of the securities.

#### (b) Taxation

Under current legislation the Fund is not subject to income tax, provided taxable income including assessable capital gains is fully distributed to unitholders for the financial year. The Fund fully distributes its distributable income, calculated in accordance with the Fund's constitution and applicable taxation legislation, to the unitholders who are presently entitled under the constitution.

If the Fund makes a net realised capital loss, the loss is not distributed to unitholders, but is retained in the Fund to be offset against any future realised capital gains.

#### (c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

# Newcastle Securities and General Trust

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Fair value of financial assets and liabilities

##### *Recognition and initial measurement*

Financial assets and liabilities are recognised when each Fund becomes a party to the contractual provisions of the instrument. For financial assets this is equivalent to the date that the Fund commits itself to either the purchase or sale of the assets (i.e. trade date accounting is adopted).

Financial assets and liabilities are valued at fair value. Financial instruments are classified into the following categories and fair values of financial instruments are determined on the following basis:

##### *i. Investments*

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment. Gains and losses on investments are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Investment performance is measured and evaluated by Key Management Personnel on the basis of fair value movement and managed in accordance with the documented investment strategy.

##### *ii. Monetary financial assets and liabilities not traded in an organised financial market*

Financial assets and liabilities related to trade debtors, trade accounts payable, accruals and distributions receivable and payable are valued on a cost basis carrying amount (which approximates fair value).

##### *iii. Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measure at amortised cost. Receivables are included in current assets, except for those which are not expected to mature within 12 months following the end of the reporting period.

##### *iv. Financial liabilities*

Non-derivative financial liabilities are subsequently measured at amortised cost and can include trade accounts payable and accrued expense provisions.

#### (e) Distributions

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

#### (f) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- a. Where the amount of GST incurred is not recoverable from the taxation authority, the GST amount is recognised as part of the cost of acquisition of an asset or as an expense.
- b. For receivables and payables, which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority is classified as cash flows from operating activities.

#### (g) Application and redemption prices

The application and redemptions prices are determined as the net asset value of the Fund adjusted for the estimated transaction costs, divided by the number of units on issue on the date of the application or redemption.

#### (h) Segment Information

The Fund has adopted AASB 8 Operating Segments. Since the Fund is unlisted and is not in the process of issuing any class of instruments in the public market, disclosure of segment information is not required in the Fund's annual report.

**Newcastle Securities and General Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Critical accounting estimates and judgements**

The preparation of financial reports in conformity with AIFRS requires the use of certain critical accounting estimates. This requires the Board and management to exercise their judgement in the process of applying the Fund's accounting policies.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 9 the fair value of the fund's Financial Assets have in the absence of an active market for those assets been determined by the directors of the responsible entity.

Apart from this, there are no key assumptions or sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

**(j) Adoption of new and revised accounting standards**

The Fund has not applied any Australian Accounting Standards or AASB Interpretations that have been issued at balance date but are not yet operative for the year ended 30 June 2017 ("the inoperative standards") The impact of the inoperative standards has been assessed and the impact has been identified as not being material. The Fund only intends to adopt inoperative standards at the date at which their adoption becomes mandatory.

The adoption of the various Australian Accounting Standards and Interpretations in issue but not yet effective will not impact the Fund's accounting policies. However, the pronouncements will result in changes to information currently disclosed in the financial statements. The Fund does not intend to adopt any of these pronouncements before their effective dates.

## Newcastle Securities and General Trust

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	30 June 2017	30 June 2016
	\$	\$
<b>NOTE 3: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	8,531	8,292
<b>Total cash and cash equivalents</b>	<b>8,531</b>	<b>8,292</b>
<b>NOTE 4: TRADE AND OTHER RECEIVABLES</b>		
Trade and other receivables	2,787	377
Accrued income	9,500	2,052
	<b>12,287</b>	<b>2,429</b>
<b>NOTE 5: INVESTMENTS</b>		
Investments measured at fair value through profit or loss	779,899	670,202
	<b>779,899</b>	<b>670,202</b>
<b>NOTE 6: TRADE AND OTHER PAYABLES</b>		
Trade payables	25	1,290
Accrued charges	1,368	1,181
	<b>1,393</b>	<b>2,471</b>
<b>NOTE 7: DISTRIBUTIONS PAYABLE</b>		
Distribution payable to unit holders	9,166	11,152
<b>NOTE 8: NUMBER OF ISSUED UNITS</b>		
	<b>30 June 2017</b>	<b>30 June 2016</b>
	<b>Units</b>	<b>Units</b>
At beginning of the year	619,669	521,258
Units issued during the year	83,373	89,191
Reinvestment of distribution	11,152	9,220
<b>On issue at year-end</b>	<b>714,194</b>	<b>619,669</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		
At beginning of the year	<b>667,300</b>	<b>607,231</b>
Unit applications	101,000	103,900
Reinvestment of distribution	11,152	10,782
(Decrease)/ increase in net assets attributable to unit holders	10,706	(54,613)
<b>Net assets attributable to unit holders</b>	<b>790,158</b>	<b>667,300</b>

## Newcastle Securities and General Trust

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	30 June 2017	30 June 2016
	\$	\$
<b>NOTE 10: CASH FLOW INFORMATION</b>		
Profit/ (loss) attributable to unit holders	19,871	(43,461)
Changes to net fair value of investments	(15,664)	46,172
(Increase)/ decrease in trade and other receivables	(239)	399
Decrease in trade payables and accruals	(1,078)	(7,088)
<b>Cash flow from operations</b>	<b>2,890</b>	<b>(3,978)</b>

#### NOTE 11: FINANCIAL RISK MANAGEMENT

The Fund's financial instruments consist mainly of deposits with banks, investments, distributions receivable and payable and accounts payable. The capital structure of the Fund consists of the proceeds from the issue of the units of the Fund. The Responsible Entity aims to ensure that there is sufficient capital for possible redemptions by Unitholders.

Financial instruments held by the Fund:

##### Financial assets

Cash and cash equivalents	8,531	8,292
Investments at fair value	779,899	670,202
Trade and other receivables	12,287	2,429
	<b>800,717</b>	<b>680,923</b>

##### Financial liabilities

Trade and other payables	1,393	2,471
Distributions payable	9,166	11,152
	<b>10,559</b>	<b>13,623</b>

#### a) Market risk

##### i. Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund. None of the Fund's equity investments are publicly traded.

A general rise/ (fall) in market prices of 5% or 10%, if spread equally over all assets in the portfolio, would lead to an increase/ (decrease) in the Fund's portfolio value of \$38,995 or \$77,990 respectively.

##### ii. Interest rate risk

The majority of the Fund's financial assets are not interest-bearing. The main interest rate risk for the Fund arises from its cash holdings. The Fund's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

#### b) Credit risk

This 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.

Credit risk is managed as noted in the Notes to the financial statements with respect to cash and trade and other receivables. None of these assets are overdue or considered to be impaired.

#### c) Liquidity risk

The liquidity risks associated with the need to satisfy Unit holders' requests for redemptions are mitigated by requiring a 180 day notice period for redemption requests.

## Newcastle Securities and General Trust

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

#### NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

##### d) Net fair value of financial assets and liabilities

The Fund's financial assets and liabilities are measured at fair value at the end of each reporting period.

##### Fair value measurements

The following table provides the fair values of the Fund's asset and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

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

30 June 2017	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss					
Investment Portfolio (Equities)	5	799,899	-	-	799,899
<b>Total</b>		<b>799,899</b>	<b>-</b>	<b>-</b>	<b>799,899</b>

The fair value of financial instruments traded in active markets (including publicly traded derivatives) is based on quoted market prices at the end of the reporting year. These instruments are included in level 1.

There were no transfers between Level 1, 2 and 3 for assets measured at fair value on a recurring basis during the reporting period (2016: no transfers).

#### NOTE 12: RELATED PARTY DISCLOSURES

The Responsible Entity of Newcastle Securities and General Trust is Hamilton Asset Management Limited ACN 139 473 699. Hamilton Asset Management Limited is a wholly owned subsidiary of Hamilton Asset Management Proprietary Holdings Limited ACN 133 313 069 whose ultimate parent entity is Hamilton Capital Proprietary Limited ACN 099 837 199. Accordingly transactions with entities related to the Hamilton Capital Group are disclosed below.

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

The Responsible Entity is entitled to be paid \$16,233 (2016: \$13,935) for fees and expense reimbursements incurred on behalf of the Fund including amounts payable to Rees Pritchard Investor Services Pty Limited.

##### Rees Pritchard Investor Services Pty Limited

Steven Pritchard, Enzo Pirillo and Brett Hall directors of the Responsible Entity, have an indirect beneficial ownership interest in Rees Pritchard Investor Services Pty Limited.

Rees Pritchard Investor Services Pty Limited provides fund administration services to the Responsible Entity. Transactions with the Responsible Entity are undertaken on normal commercial terms and conditions. Amounts payable to Rees Pritchard Investor Services Pty Limited for the period were:

	30 June 2017 \$	30 June 2016 \$
Expense recovery fees	4,058	3,482



**Newcastle Securities and General Trust**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

**NOTE 12: RELATED PARTY DISCLOSURES (CONTINUED)**

**Loans to directors of the Responsible Entity**

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

**Responsible Entity Unitholdings**

As at 30 June 2017, the Responsible Entity, held no units in the Fund.

**NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION**

- a. **Names and positions held of Directors of the Responsible Entity in office at any time during the financial year are:**

**Directors:**

Steven Shane Pritchard	Director
Enzo Pirillo	Director
Brett Hall	Director

- b. **Transactions in units – (includes units both directly and indirectly held)**

	Units held as at 1 July 2016	Units redeemed	Units reinvested	Units purchased	Units held as at 30 June 2017
Steven Shane Pritchard	618,654	-	10,339	84,169	713,162
Enzo Pirillo	551,232	-	9,212	62,561	623,005
Brett Hall	1,015	-	17	-	1,032

**NOTE 14: SUBSEQUENT EVENTS**

There were no subsequent events to year-end that require disclosure other than those matters referred to elsewhere in this report.

**NOTE 15: CONTINGENCIES**

At balance date the Directors are not aware of any other material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

# Newcastle Securities and General Trust

## DIRECTORS' DECLARATION

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the Board of Directors, the directors of the trustee company declare that:

1. The financial statements and notes as set out on page 4 to 14, present fairly the trust's financial position as at 30 June 2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the trustees' 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

Signed in accordance with a resolution of the Directors of the Responsible Entity, Hamilton Asset Management Limited.



Steven Shane Pritchard

15 January 2018

## INDEPENDENT AUDIT REPORT

### TO THE UNITHOLDERS OF NEWCASTLE SECURITIES & GENERAL TRUST

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Newcastle Securities & General Trust (the Trust), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Trust's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure requirements and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

##### Responsibilities of Directors of the Responsible Entity for the Financial Report

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

## Responsibilities of Directors of the Responsible Entity for the Financial Report (cont'd)

In preparing the financial report, the directors are responsible for assessing the 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 the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 Trust 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF



MARTIN MATTHEWS  
PARTNER

15 JANUARY 2018  
NEWCASTLE, NSW