



2022 ANNUAL REPORT

CORPORATE DIRECTORY

Directors of Trustee Company

Steven Pritchard
Enzo Pirillo
Brett Hall

Company secretary

Enzo Pirillo

Registered Office

10 Murray Street
Hamilton NSW 2303
Telephone +61 2 4920 2877
Facsimile +61 2 4920 2878
Email: mail@hamiltonam.com.au
Web: www.hamiltonam.com.au

Principal Place of Office

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Unit Registry

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

PKF Newcastle
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Newcastle West NSW 2302
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Newcastle Securities and General Trust

DIRECTORS' REPORT

The directors of Hamilton Asset Management Limited, the Trustee Company of the Newcastle Securities and General Trust ("the Fund"), present their report for the financial year ended 30 June 2022 and the independent auditor's report thereon.

Directors

The names of directors of the Trustee Company 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's value fell by 10.10% after all costs, for investors who held their units for the entire period.

During the year, the Fund issued an additional 1,735 units for \$2,879, leaving a total amount of units on issue at the end of the year of 933,411 and unit holder funds of \$1,396,597.

Currently, the Fund is 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 loss attributable to unit holders for the year ended 30 June 2022 was \$156,988 (2021: \$254,774 profit).

Distributions

There was no distribution payable to unit holders for the year ended 30 June 2022 (2021: no distribution payable).

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 | 2022 | 2021 |
|---------------------|--------|--------|
| | \$ | \$ |
| At 30 June | | |
| - Pre-distribution | 1.4962 | 1.6644 |
| - Post-distribution | 1.4962 | 1.6644 |
| Period to 30 June: | | |
| - High | 1.8041 | 1.6644 |
| - Low | 1.4962 | 1.3802 |

Changes in state of affairs

There were no 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 12 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 Trustee Company

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 Trustee Company paid a premium in respect of a contract insuring the directors of the Trustee Company (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 Trustee Company 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 Trustee Company 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 Trustee Company Hamilton Asset Management Limited.



Steven Shane Pritchard

Director

Hamilton, 21 September 2022

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 2022, 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

21 SEPTEMBER 2022
NEWCASTLE, NSW

Newcastle Securities and General Trust
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

| | 30 June 2022 | 30 June 2021 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Investment Income | | |
| Dividends received | 19,129 | 12,566 |
| Interest | 531 | 426 |
| Trust distributions | 88 | 3,648 |
| Net changes to fair value of investments | (144,121) | 267,134 |
| Total investment income | (124,373) | 283,774 |
| | | |
| Operating Expenses | | |
| Bank charges | - | 3 |
| Expense recovery | 8,154 | 7,249 |
| Management fees | 24,461 | 21,748 |
| Total expenses from operating activities | 32,615 | 29,000 |
| Operating (loss)/ profit | (156,988) | 254,774 |
| | | |
| Finance costs and other comprehensive income | | |
| Distribution to unit holders | - | - |
| Change in Net Assets Attributable to Unit holders | 156,988 | (254,774) |
| Total comprehensive income | - | - |

The accompanying notes form part of these financial statements.

Newcastle Securities and General Trust

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

| | Note | 30 June 2022 | 30 June 2021 |
|--|-------|----------------------|----------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Cash and cash equivalents | 3 | 25,480 | 142,432 |
| Trade and other receivables | 4 | 3,533 | 4,244 |
| Investments | 5 | 1,370,090 | 1,406,637 |
| TOTAL ASSETS | | 1,399,103 | 1,553,313 |
| LIABILITIES | | | |
| Trade and other payables | 6 | 2,506 | 2,607 |
| Distributions payable | 7 | - | - |
| TOTAL LIABILITIES | | 2,506 | 2,607 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | 8 | 1,396,597 | 1,550,706 |
| Liability attributable to unit holders | | (1,396,597) | (1,550,706) |
| NET ASSETS | | - | - |

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 2022

| | \$ |
|--|---|
| Balance at 01.07.2020 | - |
| Profit or Loss for the period | - |
| Other comprehensive income for the period | - |
| Total comprehensive income for the year | - |
| Balance at 30.06.2021 | - |
| | <hr style="border-top: 3px double black;"/> |
| Balance at 01.07.2021 | - |
| Profit or Loss for the period | - |
| Other comprehensive income for the period | - |
| Total comprehensive income for the year | - |
| Balance at 30.06.2022 | - |
| | <hr style="border-top: 3px double black;"/> |

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 2022

| | Note | 30 June 2022 | 30 June 2021 |
|--|----------|----------------------|-----------------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Distributions received | | 1,428 | 826 |
| Dividends received | | 18,232 | 11,800 |
| Interest received | | 531 | 426 |
| Administration expenses | | (35,620) | (30,665) |
| Bank charges | | - | (3) |
| Other receipts | | 2,509 | 2,258 |
| Net cash used in operating activities | 10 | <u>(12,920)</u> | <u>(15,357)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from the sale of investments | | 132,147 | 211,657 |
| Payments to acquire investments | | (239,058) | (110,258) |
| Net cash (used in)/ provided by investing activities | | <u>(106,911)</u> | <u>101,399</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from the issue of units | | 2,879 | - |
| Repayment of borrowings | | - | (3,454) |
| Net cash provided by/ (used in) financing activities | | <u>2,879</u> | <u>(3,454)</u> |
| Net (decrease)/ increase in cash held | | (116,952) | 82,588 |
| Cash at beginning of period | | 142,432 | 59,844 |
| Cash at end of period | 3 | <u>25,480</u> | <u>142,432</u> |

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 2022

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 21 September 2022.

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 2022

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).

At initial recognition, the Fund measures financial assets and financial liabilities at fair value. Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income in the period in which they arise.

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured according to their classification.

Fixed deposits, cash and cash equivalents, due from brokers and receivables are carried at amortised cost.

(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.

(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 Trustee Company.

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.

Newcastle Securities and General Trust
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 2022 (“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 2022

| | 30 June 2022 | 30 June 2021 |
|---|---------------------|---------------------|
| | \$ | \$ |
| NOTE 3: CASH AND CASH EQUIVALENTS | | |
| Cash at bank | 25,480 | 142,432 |
| Total cash and cash equivalents | 25,480 | 142,432 |
| NOTE 4: TRADE AND OTHER RECEIVABLES | | |
| Trade and other receivables | 3,533 | 4,244 |
| | 3,533 | 4,244 |
| NOTE 5: INVESTMENTS | | |
| Investments measured at fair value through profit or loss | 1,370,090 | 1,406,637 |
| | 1,370,090 | 1,406,637 |
| NOTE 6: TRADE AND OTHER PAYABLES | | |
| Accrued charges | 2,506 | 2,607 |
| | 2,506 | 2,607 |
| NOTE 7: DISTRIBUTIONS PAYABLE | | |
| Distribution payable to unit holders | - | - |
| NOTE 8: NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | |
| At beginning of the year | 1,550,706 | 1,292,839 |
| Unit applications | 2,879 | - |
| Reinvestment of distribution | - | 3,093 |
| (Decrease)/ increase in net assets attributable to unit holders | (156,988) | 254,774 |
| Net assets attributable to unit holders | 1,396,597 | 1,550,706 |
| | 30 June 2022 | 30 June 2021 |
| | Units | Units |
| NOTE 9: NUMBER OF ISSUED UNITS | | |
| At beginning of the year | 931,676 | 929,453 |
| Unit applications | 1,735 | - |
| Reinvestment of distribution | - | 2,223 |
| On issue at year-end | 933,411 | 931,676 |

Newcastle Securities and General Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

| | 30 June 2022 | 30 June 2021 |
|---|-----------------|-----------------|
| | \$ | \$ |
| NOTE 10: CASH FLOW INFORMATION | | |
| (Loss)/ profit attributable to unit holders | (156,988) | 254,774 |
| Changes to net fair value of investments | 144,121 | (267,134) |
| Dividends/distributions reinvested | (897) | (2,248) |
| Decrease/ (increase) in trade and other receivables | 945 | (1,172) |
| (Decrease)/ increase in trade payables and accruals | (101) | 423 |
| Cash flow from operations | (12,920) | (15,357) |

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 Trustee Company 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 | 25,480 | 142,432 |
| Investments at fair value | 1,370,090 | 1,406,637 |
| Trade and other receivables | 3,533 | 4,244 |
| | 1,399,103 | 1,553,313 |

Financial liabilities

| | | |
|--------------------------|--------------|--------------|
| Trade and other payables | 2,506 | 2,607 |
| Distributions payable | - | - |
| | 2,506 | 2,607 |

a) Market risk

i. Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund. A majority 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 \$68,505 or \$137,009 respectively.

ii. Interest rate risk

The majority of the Fund's financial assets are not interest-bearing. 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.

Newcastle Securities and General Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk

The liquidity risks associated with the need to satisfy Unit holders' requests for redemptions are mitigated by requiring a 30 day notice period for redemption requests.

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 2022 | Note | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|---|------|----------------|----------------|---------------|------------------|
| Financial assets at fair value through profit or loss | | | | | |
| Investment Portfolio (Equities) | 5 | 737,827 | 632,263 | - | 1,370,090 |
| Total | | 737,827 | 623,263 | - | 1,370,090 |

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.

The company's level 2 investments consist of unlisted shares and trusts. The valuation of these investments have been determined on the basis of the net asset value of the investments as at 30 June 2022 and 30 June 2021.

There were no transfers between Level 1, 2 and 3 for assets measured at fair value on a recurring basis during the reporting period (2021: no transfers).

NOTE 12: RELATED PARTY DISCLOSURES

The Trustee 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 trustee is entitled to be paid \$32,615 (2021: \$28,997) for fees and expense reimbursements incurred on behalf of the Fund including amounts payable to Rees Pritchard Investor Services Pty Limited.

Newcastle Securities and General Trust

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

NOTE 12: RELATED PARTY DISCLOSURES (CONTINUED)

Rees Pritchard Investor Services Pty Limited

Steven Pritchard, Enzo Pirillo and Brett Hall directors of the trustee, 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 trustee. Transactions with the trustee are undertaken on normal commercial terms and conditions. Amounts payable to Rees Pritchard Investor Services Pty Limited for the period were:

| | 30 June 2022 | 30 June 2021 |
|-----------------------|--------------|--------------|
| | \$ | \$ |
| Expense recovery fees | 8,154 | 7,249 |

Loans to directors of the Trustee

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.

Trustee Company Unitholdings

As at 30 June 2022, the Trustee, held no units in the Fund.

NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION

a. Names and positions held of Directors of the Trustee Company 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 2021 | Units redeemed | Units reinvested | Units purchased | Units held as at 30 June 2022 |
|------------------------|------------------------------------|-------------------|---------------------|--------------------|-------------------------------------|
| Steven Shane Pritchard | 930,599 | - | - | 1,735 | 932,334 |
| Enzo Pirillo | 805,733 | - | - | 1,735 | 807,468 |
| Brett Hall | 1,077 | - | - | - | 1,077 |

NOTE 14: SUBSEQUENT EVENTS

There were no subsequent events after 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 2021 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 Trustee Company, Hamilton Asset Management Limited.



Steven Shane Pritchard

21 September 2022

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 2022, 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 Fund 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 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards 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.

In preparing the financial report, the Directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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.

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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

21 SEPTEMBER 2022
NEWCASTLE, NSW