



## **Vasco Cash Enhanced Fund**

**ABN 71 964 253 466**

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2017

**VASCO CASH ENHANCED FUND**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

The Directors of the Trustee, Vasco Investment Managers Limited, present their report on the Vasco Cash Enhanced Fund ('the Fund') for the year ended 30 June 2017.

**1. Directors**

The names of Directors of the Trustee in office at any time during the financial year are:

Craig Mathew Dunstan (appointed 6 August 2009)

Fiona Jean Dunstan (appointed 6 August 2009)

Stephen George Hawkins (appointed 10 May 2010)

Jonathan William Martin (appointed 6 August 2009)

The Directors have been in office since the establishment of the Fund to the date of this report unless otherwise stated.

**2. Principal Activities**

The Fund invests in a portfolio of bank deposits, term deposits, ASX listed floating rate notes and managed investment schemes that provide a high level of security and liquidity. The investments will only include bank deposits, term deposits, government securities and ASX listed floating rate notes or units in managed funds with similar investment restrictions.

**3. Operating Results**

The operating profit of the Fund for the period ending 30 June 2017 was \$1,041.

**4. Distributions Paid or Recommended**

In accordance with the IM of the Fund, distributions are calculated and accrued on a daily basis and are paid to all unitholders monthly by way of direct credit or reinvestment in the Fund.

The Fund paid distributions of \$450 during the period. A distribution of \$591 was declared payable as at 30 June 2017.

**5. Review of Operations**

The net profit of the Fund for the period ending 30 June 2017 was nil.

During the period since inception the Fund has received applications of \$700,000. Of this amount \$25,521 was redeemed in April 2017. Distributions of \$97 were reinvested in the Fund.

The total issued capital as at 30 June 2017 is \$674,577.

**6. Significant Changes in State of Affairs**

Apart from those matters referred to in the previous sections of this report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

**7. After Balance Date Events**

From the Distribution declared 30 June 2017, \$175 was reinvested in the Fund in July 2017.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

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**8. Future Developments**

There are no future developments to report on.

**9. Environmental Issues**

The Fund complied with all environmental regulations during the course of the financial year.

**10. Indemnifying Officers or Auditor**

During or since the end of the financial year, the Trustee has paid insurance premiums to insure each of the aforementioned directors as well as officers of the Trustee against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Trustee, other than conduct involving a willful breach of duty in relation to the Trustee.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Trustee has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability incurred as such an officer or auditor.

**11. Options**

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The directors and executives of the Trustee hold no options over interests in the Fund.

**12. Proceedings on Behalf of the Fund**

No person has applied for leave of court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings. The Fund was not a party to any such proceedings during the period.

**13. Fees, Commissions or other charges by the Trustee or Related Parties of the Trustee.**

Management fees of 0.75% of Gross Asset Value are payable to the Trustee for the period to 30 June 2017.

**14. Units held by the Trustee or Related Parties**

As at 30 June 2017, Trustee and related parties held no units in the Fund.

**15. Interests Issued in the Fund**

Units issued in the Fund during the period were 700,000 units from applications. An additional 97 units were issued during the period from Distributions reinvested.

**16. Buy Back Arrangements**

As detailed in the Fund Constitution the Trustee is not under any obligation to buy back, purchase or redeem units from unitholders.

**17. Value of Scheme Assets**

The total value of the Fund's assets at the end of the reporting period was \$675,571.

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**18. Investments**

In June 2017 The Fund invested \$150,000 in a term deposit.

As at the end of the reporting period, the Fund had investments in a Term Deposit and an additional cash balance of \$525,570.

**19. Number of Interests on Issue**

As at 30 June 2017, the total number of units in the Fund was 674,577.

Signed in accordance with a resolution of the Board of Directors of Vasco Investment Managers Limited by:



**Craig Mathew Dunstan**  
Director  
Date: 20 September 2017

**VASCO CASH ENHANCED FUND**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Revenue and other income</b>			
Bank interest	2 (b)	2,032	-
Bank commission rebate	2 (b)	247	-
<b>Total revenue and other income</b>		<u><b>2,279</b></u>	<u>-</u>
<b>Expenses</b>			
Management fees	5(b)	1,208	-
GST expense (non-claimable)		30	-
<b>Total expenses</b>		<u><b>1,238</b></u>	<u>-</u>
<b>Total comprehensive income for the period attributable to unit holders before tax</b>		<u><b>1,041</b></u>	<u>-</u>
<b>Finance cost attributable to unitholders</b>			
Distribution paid to unitholders	3 (a)	450	-
Distribution payable to unitholders	3 (b)	591	-
		<u>-</u>	<u>-</u>

**VASCO CASH ENHANCED FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Notes	2017	2016
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	2 (a)	525,570	-
Term deposit	2 (c)	150,000	-
Sundry debtors	2 (d)	1	-
<b>Total current assets</b>		<u>675,571</u>	<u>-</u>
<b>Non-current assets</b>			
<b>Total non-current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u>675,571</u>	<u>-</u>
<b>Current liabilities</b>			
RITC receivable		(91)	-
Withholding tax payable	3(c)	36	-
Other accrued fees		42	-
Management fees payable		416	-
Distribution payable	3(c)	591	-
<b>Total current liabilities</b>		<u>994</u>	<u>-</u>
<b>Total liabilities</b>		<u>994</u>	<u>-</u>
<b>Net assets</b>		<u>674,577</u>	<u>-</u>
<b>Represented by:</b>			
Issued units	3(a)	674,577	-
Undistributed profit/(loss) attributable to unitholders		-	-
<b>Net assets attributable to unitholders</b>		<u>674,577</u>	<u>-</u>

**VASCO CASH ENHANCED FUND**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or the end of the year.

**VASCO CASH ENHANCED FUND**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Interest received	2	2,279	-
Payments to suppliers		(792)	-
GST expense paid		(79)	
Sundry debtors	2(d)	(1)	
Net cash provided by/ (used in) operating activities	4	<u>1,407</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Term deposit	2(c)	<u>(150,000)</u>	<u>-</u>
Net cash provided by/ (used in) investing activities		<u>(150,000)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of units	3(a)	674,577	-
Distributions to unitholders	3(c)	<u>(414)</u>	<u>-</u>
Net cash provided by/ (used in) financing activities		<u>674,163</u>	<u>-</u>
Net increase/ (decrease) in cash and cash equivalents	2(a)	525,570	-
Cash and cash equivalents at the beginning of year		-	-
<b>Cash and cash equivalents at the end of year</b>		<u><u>525,570</u></u>	<u><u>-</u></u>



## VASCO CASH ENHANCED FUND

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

#### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

##### Reporting Entity

The financial report is for the entity Vasco Cash Enhanced Fund ('the Fund') as an individual entity. The Fund is an unlisted managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Vasco Investment Managers Limited.

##### Financial Reporting Framework

The Fund is not a reporting entity, because in the opinion of the directors of the Trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored, so as to specifically satisfy all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the directors of the Trustee's reporting requirements under *Corporations Act 2001*.

##### Basis of Preparation

The financial report is a special purpose financial report that has been prepared in accordance with the recognition and measurement requirements of all Australian Accounting Standards (including Australian Accounting Interpretations), and the disclosure requirements of AASB 101: Presentation of Financial Statements, AASB 107: Statement of cash flows and AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors.

The functional and presentation currency of the Fund is Australian dollars.

##### Significant Accounting Policies

###### (a) Financial instruments

Financial assets and financial liabilities are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

###### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

###### *Financial liabilities and equity*

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

###### *Issued units*

The Fund issues units which have a limited life under the Fund's constitution and are classified as equity in accordance with AASB 132 Financial Instruments: Presentation as amended by AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation.

## VASCO CASH ENHANCED FUND

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

#### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (a) Financial instruments

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised AASB 132, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Fund's unitholders.

##### (b) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST, and accruals are shown exclusive of GST.

##### (c) Income tax

Under current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

##### (d) Critical judgements and significant accounting estimates

The preparation of financial statements requires the directors of the Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

##### (e) Comparatives

As the Vasco Cash Enhanced Fund commenced operations this financial year, there are no comparative numbers for the year ending 30 June 2016.

## VASCO CASH ENHANCED FUND

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

#### NOTE 2: CASH AND CASH EQUIVALENTS

##### (a) Cash at bank

	2017	2016
	\$	\$
Macquarie Bank CMA	525,570	-
	<b>525,570</b>	<b>-</b>

##### (b) Bank interest income and commission rebate

Cash on deposit is held in a Macquarie Bank cash management account. The current interest rate paid by Macquarie is 1.40% pa paid monthly. The Fund has been able to obtain a higher return from Macquarie which appears as a commission rebate, amounting to an extra 0.25% pa.

##### (c) Term deposit

	2017	2016
	\$	\$
Macquarie Bank term deposit	150,000	-
	<b>150,000</b>	<b>-</b>

The term deposit carries an interest rate of 2.37% p.a. for 1 year with a maturity date of 12 June 2018. The term deposit is held with Macquarie Bank.

##### (d) Sundry debtors

This is the minimum balance to be retained in the applications bank account when the units were issued.

#### NOTE 3: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

##### (a) Issued units

	2017	2016
	\$	\$
Opening balance	-	-
Redemptions	(25,521)	-
Units issued – applications	700,000	-
Units issued – reinvestment of distributions	98	-
Closing balance	<b>674,577</b>	<b>-</b>

As stipulated in the Fund's constitution, each unit represents a right to an individual unit 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.

**VASCO CASH ENHANCED FUND**

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

**NOTE 3: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)**

**(b) Undistributed profit/(loss) attributable to unitholders**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Opening balance	-	-
Operating profit/(loss) before finance costs attributable to unitholders	1,041	-
Distributions paid	(450)	-
Distributions payable	(591)	-
Closing balance	<u><u>0</u></u>	<u><u>-</u></u>

**(c) Distributions paid and withholding tax**

Total withholding tax for the distributions paid during the period was \$35.

**(d) Capital management**

The Fund regards total equity as its capital. The Fund invests in a portfolio of bank deposits and ASX listed floating rate notes that provide a high level of security and liquidity. The Fund pays monthly distribution out of the profit of the Fund.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Trustee regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.

**NOTE 4: CASH FLOW INFORMATION**

**Reconciliation of cash flows from operating activities with profit/ (loss) for the year**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) for the year	0	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(1)	-
Increase/ (decrease) in payables	994	-
Distributions paid	414	-
Cash flows from operating activities	<u><u>1,407</u></u>	<u><u>-</u></u>

## VASCO CASH ENHANCED FUND

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

#### NOTE 5: RELATED PARTY TRANSACTIONS

##### (a) Trustee

The Trustee of the Vasco Cash Enhanced Fund is Vasco Investment Managers Limited.

##### (b) Management fees

Fees of \$1,208 (plus GST) were accrued and paid by the Fund to Vasco Investment Managers Limited for its role as Trustee for the period, of which \$91 is claimable by the Fund as RITC.

##### (c) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Vasco Investment Managers Limited to manage the activities of the Fund. The directors of the Trustee are key management personnel of those respective entities. No compensation is paid directly by the Fund to directors or to any of the key management personnel of the Trustee. Payments made by the Fund to the Trustee do not specifically include any amounts attributable to the compensation of key management personnel.

#### NOTE 6: REMUNERATION OF AUDITORS

For the period ended 30 June 2017 the accounts of the Fund were not subject to audit and accordingly no audit fees were paid.

#### NOTE 7: CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

#### NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, there have been no other events subsequent to reporting date that require additional disclosure.

#### NOTE 9: TRUSTEE DETAILS

The registered office and the principal place of business of the Trustee are:

Vasco Investment Managers Limited  
Level 5  
488 Bourke Street  
Melbourne Victoria 3000

## VASCO CASH ENHANCED FUND

### DIRECTORS' DECLARATION

The directors of Vasco Investment Managers Limited, the Trustee, have determined that the Fund is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of Vasco Investment Managers Limited, the Trustee, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the Fund's financial position as at 30 June 2017 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors of Vasco Investment Managers Limited by:



**Craig Mathew Dunstan**

Director

20 September 2017