



# Spaceship Universe Portfolio

ARSN 623 321 022 | 2018 Annual Financial Report

For the period 18 December 2017 (Constitution date) to 30 June 2018



[spaceshipinvest.com.au](https://spaceshipinvest.com.au)

---



1300 049 532

---



[help@spaceshipinvest.com.au](mailto:help@spaceshipinvest.com.au)



## Contents

Directors' Report	1
Auditor's Independence Declaration	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	23
Independent Auditor's Report	24



Spaceship Universe Portfolio  
ARSN 623 321 022

## Directors' Report

The Directors of Spaceship Capital Ltd (ABN 67 621 011 649), the Responsible Entity of Spaceship Universe Portfolio (the "Scheme"), submit their report for the period 18 December 2017 (Constitution date) to 30 June 2018.

### Directors

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

<b>Paul Kevin Bennetts</b>	Appointed 10/08/2017
<b>Paul Ernest Dortkamp</b>	Appointed 10/08/2017
<b>Kaushik Sen</b>	Appointed 10/08/2017, Resigned 08/05/2018
<b>Jason John Sedawie</b>	Appointed 08/05/2018

### Principal Activities

The principal activities of the Scheme during the course of the period 18 December 2017 (Constitution date) to 30 June 2018 was to invest funds in accordance with the provisions of the Scheme's Constitution. No significant change in the nature of these activities occurred during the period.

### Scheme Information

Spaceship Universe Portfolio is an Australian registered scheme, and was constituted on 18 December 2017. Spaceship Capital Limited, the Responsible Entity of the Scheme, is incorporated and domiciled in Australia. During the financial period, the Scheme changed its name from Spaceship Global Index Fund to Spaceship Universe Portfolio.

The registered office and principal place of business of the Responsible Entity is located at Level 4, 77 King Street Sydney, NSW 2000.

The Scheme did not have any employees during the period 18 December 2017 (Constitution date) to 30 June 2018.

### Review and Results of Operations

During the period 18 December 2017 (Constitution date) to 30 June 2018, the Scheme invested in accordance with the investment objective and guidelines as set out in the governing documents of the Scheme and in accordance with the provision of the Scheme's Constitution.

The performance of the Scheme as represented by the results of its operations, for the period 18 December 2017 (Constitution date) to 30 June 2018 was (\$27,376).

### Distributions

There were no distributions paid during the period 18 December 2017 (Constitution date) to 30 June 2018.

### Units on Issue

4,872,912 units of the Scheme were on issue at 30 June 2018. During the year, 5,099,566 units were issued by the Scheme and 226,654 units were withdrawn.



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Directors' Report

### Scheme Assets

At 30 June 2018 the Scheme held assets to a total value of \$4,945,875. The basis for valuation of the assets is disclosed in Note 2 to the financial statements.

### Significant Changes in the State of Affairs

No significant changes in the Scheme's state of affairs occurred during the period 18 December 2017 (Constitution date) to 30 June 2018.

### After Balance Date Events

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

### Likely Developments and Expected Results

The investment strategy of the Scheme will be maintained in accordance with the Scheme Constitution and investment objectives as detailed in the most recent Product Disclosure Statement.

### Environmental Issues

The operations of the Scheme are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Indemnification and Insurance of Directors and Officers

The Constitution of the Responsible Entity requires it to indemnify all current and former officers of the Responsible Entity (but not including auditors) out of the property of the Responsible Entity against:

- a. any liability for costs and expenses which may be incurred by that person in defending civil or criminal proceedings in which judgement is given in that person's favour, or in which the person is acquitted, or in connection with an application in relation to any such proceedings in which the court grants relief to the person under the Corporations Act 2001; and
- b. a liability incurred by the person, as an officer of the Responsible Entity or of a related body corporate, to another person (other than the Responsible Entity or a related body corporate) unless the liability arises out of conduct involving a lack of good faith.

During the period 18 December 2017 (Constitution date) to 30 June 2018, the Responsible Entity paid an insurance premium in respect of a contract insuring each of the officers of the Responsible Entity.

### Indemnification of Auditors

To the extent permitted by law, the Scheme has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.



Spaceship Universe Portfolio  
ARSN 623 321 022

## Directors' Report

### Fees Paid to and Interests held in the Scheme by the Responsible entity and its Associates

Fees paid to the Responsible entity and its associates out of Scheme property during the period 18 December 2017 (Constitution date) to 30 June 2018 are disclosed in Note 12 to the financial statements.

No fees were paid out of Scheme property to the Directors of the Responsible Entity during the period 18 December 2017 (Constitution date) to 30 June 2018.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 12 to the financial statements.

### Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

This report is made in accordance with a resolution of the Board of Directors of Spaceship Capital Limited:

---

Paul Kevin Bennetts  
Director

---

Paul Ernest Dortkamp  
Director

---

28 September 2018

---

Date



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Auditor's Independence Declaration to the Directors of SpaceShip Capital Limited

As lead auditor for the audit of SpaceShip Universe Portfolio for the financial period from 18 December 2017 (constitution date) to 30 June 2018, I declare 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.

Ernst & Young

Rita Da Silva  
Partner  
Sydney  
28 September 2018



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Statement of Comprehensive Income

For the period 18 December 2017 (Constitution date) to 30 June 2018

	Note	2018 \$
<b>Investment income</b>		
Interest		1,141
Dividend and distributions		3,783
Net gain/(losses) on financial assets held at fair value through profit or loss		(32,089)
Expense reimbursement income		5,537
<b>Total Investment Income</b>		<b>(21,629)</b>
<b>Expenses</b>		
Management fee		211
Transaction costs		5,537
<b>Total Operating Expenses</b>		<b>5,747</b>
<b>Operating Profit/(Loss)</b>		<b>(27,376)</b>
<b>Finance costs attributable to unitholders</b>		
(Increase)/decrease in net assets attributable to unitholders		27,376
<b>Profit/(Loss) for the year</b>		<b>-</b>
Other comprehensive income		-
<b>Total Comprehensive Income for the period 18 December 2017 (Constitution date) to 30 June 2018</b>		<b>-</b>

The accompanying notes form part of these financial statements.



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Statement of Financial Position

As at 30 June 2018

	Note	2018 \$
<b>Assets</b>		
Cash assets	6	155,299
Receivables	7	174,255
Financial Assets held at Fair Value through Profit or Loss	8	4,616,321
<b>Total Assets</b>		<b>4,945,875</b>
<b>Liabilities</b>		
Management fees payable	9	211
		42,089
<b>Total Liabilities (Excluding Net Assets Attributable to Unitholders)</b>		<b>42,300</b>
<b>Net Assets Attributable to Unitholders</b>		<b>4,903,575</b>
<b>Total Liabilities</b>		<b>4,945,875</b>

*The accompanying notes form part of these financial statements.*





SpaceShip Universe Portfolio  
ARSN 623 321 022

## Statement of Changes in Equity

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

**Period ended 30 June 2018**

Total equity at the beginning of the period	-
Profit/(Loss) for the year	-
Other Comprehensive Income	-
<b>Total Comprehensive Income</b>	<b>-</b>
Transactions with owners in their capacity as owners	-
<b>Total Equity at the end of the period</b>	<b>-</b>

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 end of the period ended 30 June 2018.



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Statement of Cash Flows

For the period 18 December 2017 (Constitution date) to 30 June 2018

	Note	2018 \$
<b>Cash Flow From Operating Activities</b>		
Purchase of financial instruments held at fair value through profit or loss		(8,158,588)
Proceeds from sale of financial instruments held at fair value through profit or loss		3,510,180
Commissions and transactions costs		(5,537)
Receipt/(payment) to related parties		(42,089)
Interest received		199
Dividends and distributions received		430
Other income		(12)
<b>Net cash provided by/(used in) operating activities</b>	<b>11</b>	<b>(4,611,239)</b>
<b>Cash Flow From Financing Activities</b>		
Proceeds from applications by unitholders		4,995,708
Payments for redemptions by unitholders		(229,170)
<b>Net cash provided by/(used in) financing activities</b>		<b>4,766,538</b>
Net increase/(decrease) in cash and cash equivalents		155,299
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	<b>6</b>	<b>155,299</b>

The accompanying notes form part of these financial statements.



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 1: Scheme Information

The registered office of the Responsible Entity is located at Level 4, 77 King Street, Sydney, New South Wales, 2000. During the financial period, the Scheme changed its name from Spaceship GrowthX Fund to Spaceship Universe Portfolio.

The investment objective of the Scheme is to provide investment returns that (before fees and taxes) track the performance of the Reference Indices. The Scheme will adopt a high-growth investment strategy to invest in companies assessed by SCIS as having a high WWG rating. The Scheme believes that a company with a high WWG rating indicates that the company has sustainable competitive advantages.

The Scheme's investments are listed and traded on stock exchange markets in Australia, the European Union and United States. The financial statements of the Scheme are presented in Australian dollars.

The Scheme's investment activities are managed by Spaceship Capital Limited (the 'Investment Manager'). The Scheme's custodian is Interactive Brokers.

The Scheme's units are redeemable at the unitholder's option.

The financial statements of Spaceship Universe Portfolio for the period 18 December 2017 (Constitution date) to 30 June 2018, were authorised for issue in accordance with a resolution of the Board of Directors on 28 September 2018.

### Note 2: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Spaceship Universe Portfolio as an individual entity for the period 18 December 2017 (Constitution date) to 30 June 2018.

The following is a summary of the principal accounting policies adopted in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### 2.1 Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss, that have been measured at fair value.

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 12 months, except for financial assets and liabilities at fair value through profit or loss and net assets attributable to unitholders. The amount expected to be recovered or settled within 12 months in relation to these balances cannot be reliably determined.

The financial statements are presented in Australian Dollars and the Scheme is a for-profit entity for the purpose of preparing financial statements.

#### Statement of Compliance

The financial statements have been prepared in accordance with the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.



## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### 2.2 Changes in Accounting Policies and Disclosure

#### New and amended accounting standards and interpretations

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

a. **AASB 9 Financial Instruments (and applicable amendments) (effective from annual year commencing 1 January 2018)**

AASB 9 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 not applicable until the financial year commencing 1 January 2018. The Directors do not expect this to have a significant impact on the recognition, classification and measurement of the Scheme's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Scheme does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Scheme's investments are all held at fair value through profit or loss, the change in impairment rules will not materially impact the Scheme.

b. **AASB 15 Revenue from Contracts with Customers (effective from annual year commencing 1 January 2018)**

AASB 15 will replace 'AASB 118 Revenue' which covers contracts for goods and services and 'AASB 111 Construction Contracts' which covers construction contracts. AASB 15 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.

The Scheme's main sources of income are interest, dividends and distributions 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 AASB 15 to have a significant impact on the Scheme'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 Scheme in the current or future reporting periods and on foreseeable future transactions.

### 2.3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### (a) Financial Instruments

##### (i) Classification

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

##### **Financial instruments designated at fair value through profit and loss**

These include financial assets that are not held for trading purposes and which may be sold at any time prior to maturity. These are investments in listed securities.

Financial assets 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 Scheme's documented investment strategy. The Scheme's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### (ii) Recognition/derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Scheme has transferred substantially all risks and rewards of ownership.

### (iii) Initial measurement

Financial assets at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

### (iv) Subsequent measurement

After initial measurement, the Scheme measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain/(losses) on financial assets held at fair value through profit or loss'. Interest earned is recorded in 'Interest revenue' according to the terms of the contract. Dividend and distribution revenue is recorded in 'Dividend and distribution revenue'.

## (b) Net assets attributable to unitholders

Each unit issued confers upon the unitholder an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Scheme. Unitholders have various rights under the Scheme's constitution, including the right to:

- Have their units redeemed at a proportionate share based on the Scheme's net asset value per unit on the redemption date;
- Receive income distributions;
- Attend and vote at meetings of unitholders; and
- Participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to each unit are identical in all respects. For the purpose of calculating the net assets attributable to unitholders in accordance with Scheme's Constitution, the Scheme's assets and liabilities are valued at fair value.

As at 30 June 2018, net assets attributable to unitholders are classified as a financial liability.

## (c) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, demand deposits, short term deposits in banks with original maturities of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

## (d) Investment income

Interest income on cash and cash equivalents is recognised in the Statement of Comprehensive Income on an accruals basis.

Changes in fair value in financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2.3 (a) to the financial statements.



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Scheme currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the Statement of Comprehensive Income.

Trust distributions are recognised on an entitlement basis. Other income is recognised on an accruals basis.

### (e) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

### (f) Income tax

Under current legislation, the Scheme is not subject to income tax as unitholders are presently entitled to the income of the Scheme.

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

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

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

### (g) Distributions

The Scheme will distribute its distributable income annually, in accordance with the Scheme's Constitution, to its unitholders. The distributions will be recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

Distributions are payable at the end of each full year. Such distributions are determined by reference to the net taxable income of the Scheme.

Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains.

### (h) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

### (i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- i. When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii. Receivables and payables are stated with the amount of GST included.

Reduced input tax credits (RITC) recoverable by the Scheme from the ATO are recognised as a receivable in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows



## Notes to the Financial Statements

For the period 18 December 2017 (Constitution date) to 30 June 2018

arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

### (j) Expense reimbursement income

Expense reimbursement income is recognised on an accrual basis.

### Note 3: Fair Value Measurement

The Scheme measures financial assets at fair value through profit or loss, such as equity securities, investments in managed funds, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In active markets for the asset or liability; or
- In the absence of an active market, in the most advantageous market for the asset or liability.

The Scheme values its investments in accordance with accounting policies set out in Note 2 to the financial statements. For all of its investments, the Scheme relies on information provided by independent pricing services for the valuation of its investments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'held at fair value through profit or loss' and excludes interest and dividend income and expenses. Amounts are calculated as the difference between the fair value at sale or at year end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

### Recognised fair value measurements

The following table presents the Scheme's assets measured and recognised at fair value as at 30 June 2018:

	Level 1	Level 2	Level 3	Level 4
<b>Financial assets</b>				
Financial assets designated at fair value through profit or loss				
Listed equity securities	4,616,321	–	–	4,616,321
	4,616,321	–	–	4,616,321



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 4: Net assets attributable to Unitholders

Movements in the number of units and net assets attributable to the unitholders during the period ended 30 June 2018 were as follows:

	30 June 2018 Units	30 June 2018 \$
Opening balance	–	–
Applications	5,099,567	5,160,121
Redemptions	(226,654)	(229,170)
Increase/(decrease) in net assets attributable to unitholders	–	(27,376)
<b>Closing balance</b>	<b>4,872,913</b>	<b>4,903,575</b>

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

### Note 5: Capital Management

The Responsible Entity manages its net assets attributable to unitholders as capital; notwithstanding net assets attributable to unitholders is classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Scheme.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Scheme is not subject to any externally imposed capital requirements.





Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 6: Cash assets

Bank accounts:

Cash at bank - Macquarie Bank	4,687
Cash at bank - Interactive Brokers	150,612
	<b>155,299</b>

#### Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank - Macquarie Bank	4,687
Cash at bank - Interactive Brokers	150,612
	<b>155,299</b>

### Note 7: Receivables

Income receivable	4,304
Application receivable	164,414
Receivable - Spaceship Capital Ltd	5,537
	<b>174,255</b>



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 8: Financial Assets

Financial assets held at fair value through profit or loss include:

Listed Equities	
Financial Assets - Fair Value - Domestic	1,165,037
Financial Assets - Fair Value - Foreign	3,451,284
	<b>4,616,321</b>
<b>Total financial assets held at fair value through profit or loss</b>	<b>4,616,321</b>

### Note 9: Payables

Management fee payable	211
	<b>211</b>

### Note 10: Other payables

Other payable - Spaceship Index Portfolio	42,089
	<b>42,089</b>

### Note 11: Statement of Cash Flows Reconciliation

Operating profit/(loss) for the period	(27,376)
Net change in financial instruments held at fair value through profit or loss	(4,451,908)
(Increase)/decrease in trade and term debtors	(174,255)
Increase/(decrease) in trade creditors and accruals	42,300
<b>Net cash provided by operating activities</b>	<b>(4,611,239)</b>



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 12: Financial Risk Management Objectives and Policies

#### Introduction

The Scheme's objective in managing risk is the creation and protection of unitholder value. Risk is inherent in the Scheme's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Scheme's continuing profitability. The Scheme is exposed to market risk (which includes interest rate risk, currency risk and equity price risk), liquidity risk and credit risk arising from the financial instruments it holds or issues.

#### Risk management structure

The Scheme's Responsible Entity is responsible for identifying and controlling risks. The Board of Directors supervises the Responsible Entity and are ultimately responsible for the overall risk management approach within the Scheme.

#### Risk measurement and reporting system

The Scheme's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

#### Risk monitoring

Monitoring and controlling risks is primarily performed based on limits established by the Responsible Entity. These limits reflect the business strategy and market environment of the Scheme as well as the level of the risk that the Scheme is willing to accept. In addition, the Scheme monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

#### Risk mitigation

The Scheme has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

#### Excessive risk concentration

Concentration indicates the relative sensitivity of the Scheme's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Scheme's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. The Investment Manager is instructed to reduce exposure or to use derivative instruments to manage excessive risk concentrations when they arise.

#### Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices.



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Scheme invests in securities that are denominated in currencies other than the Australian Dollar. Accordingly, the value of the Scheme's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Scheme will necessarily be subject to currency risks. The Scheme does not use currency hedging to manage the impact of this risk.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Scheme's assets and liabilities are non-interest bearing. As a result, the Scheme is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

### Equity price risk

Equity price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting instruments traded in the market.

As the Scheme's investments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net investment income.

The Scheme has built in procedures to ensure adherence to the Scheme's investment guidelines at all times. The Scheme mitigates equity price risk through diversification and careful selection of securities in accordance with the Scheme's investment guidelines.

As at 30 June 2018, the fair value of equity exposed to equity price risk was as follows:

**30 June 2018**

---

Financial assets held at fair value through profit or loss	\$4,616,321
--	-------------

### Liquidity risk

Liquidity risk is defined as the risk that the Scheme will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Scheme could be required to pay its liabilities earlier than expected. The Scheme is exposed to cash redemptions of its redeemable units on a regular basis. Units are redeemable at the holder's option based on the Scheme's net asset value per unit at the time of redemption calculated in accordance with the Scheme's constitution.

The Scheme manages its obligation to repurchase the units when required to do so and its overall liquidity risk by:

- Monitoring the daily application and redemption requests to ensure sufficient liquidity is available;
- Holding sufficient short term listed assets to meet unexpected large redemption requests if they arise;
- Having the ability to freeze or delay redemption requests without unitholder approval, as permitted under the Scheme constitution

The Scheme invests primarily in marketable securities, which under normal market conditions are readily convertible to cash. In addition, the Scheme's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

Net assets attributable to unitholders are repayable on demand, subject to redemption freeze provisions mentioned above.

It is the Scheme's policy that the Investment Manager monitors the Scheme's liquidity position on a daily basis and that the Board of Directors of the Responsible Entity review it on a monthly basis.

### Credit risk

The Scheme is exposed to credit risk, which is the risk that the counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Scheme.

The Scheme does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. The main concentration of credit risk, to which the Scheme is exposed, arises from cash and cash equivalents and amounts due from brokers balances. None of these assets are impaired nor past their due date. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents and amounts due from brokers.

The Scheme trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Scheme's policy to securitise its trade and other receivables.

### Summarised sensitivity analysis

The following table summarises the sensitivity of the Scheme's operating profit/(loss) and net assets attributable to unitholders to market risks. The reasonable possible movements in the risk variables have been determined based on management's best estimate having regard to a number of factors, including the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Scheme invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

### Impact on operating profit/(loss)/Net assets attributable to unitholders

	Price risk -10%	Price risk +10%
30 June 2018	(\$461,632)	\$461,632



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 13: Related Party Disclosure

#### (a) Responsible Entity and Investment Manager

The Responsible Entity and Investment Manager of Spaceship Universe Portfolio is Spaceship Capital Limited, whose immediate and ultimate holding company is Spaceship Financial Services Pty Ltd.

#### (b) Details of Key Management Personnel

##### (i) Directors

The directors of Spaceship Capital Limited are considered to be Key Management Personnel of the Scheme. The Directors of the Responsible Entity in office during the year and up to the date of the report are:

<b>Paul Kevin Bennetts</b>	Director of Spaceship Capital Limited, Appointed 10/08/2017
<b>Paul Ernest Dortkamp</b>	Director of Spaceship Capital Limited, Appointed 10/08/2017
<b>Kaushik Sen</b>	Director of Spaceship Capital Limited, Appointed 10/08/2017, Resigned 08/05/2018
<b>Jason John Sedawie</b>	Director of Spaceship Capital Limited, Appointed 08/05/2018

##### (ii) Other Key Management Personnel

In addition to the Directors noted above, Spaceship Capital Limited, the Responsible Entity and Investment Manager of the Scheme, is considered to be a Key Management Personnel with the authority for the strategic direction and management of the Scheme.

##### (iii) Compensation of Key Management Personnel

No amount is paid by the Scheme directly to the Directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the Scheme to the Directors as Key Management Personnel.

#### (c) Responsible Entity and Investment Manager's fees

Spaceship Capital Limited provides management services to Spaceship Universe Portfolio, and outsources custodial and administrative functions to third party entities. Interactive Brokers provides custodial and investment accounting services to Spaceship Universe Portfolio. All costs associated with the provision of custodial and investment accounting services are paid for by the Responsible Entity, and are conducted on normal commercial terms and conditions.

Transactions between Spaceship Universe Portfolio and Spaceship Capital Limited result from normal dealings with the Scheme as the Scheme's Responsible Entity. Spaceship Capital Limited is an Australian Financial Services License holder.

Spaceship Capital Limited receives all management fees that have been paid by the Scheme during the period. The Responsible Entity is entitled to receive a monthly management fee of 0.1% of members balances greater than \$5,000. The management fee for the period 18 December 2017 to 30 June 2018 and payable at 30 June 2018 is \$211.

The ordinary expenses of the Scheme are reimbursed by the Investment manager. Total income receivable for reimbursement of ordinary expenses at 30 June 2018 is \$5,537.



Spaceship Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### (d) Related Party unitholding

Parties related to the Scheme, its related parties and other funds managed by Spaceship Capital Limited held units in the Scheme during the period ended 30 June 2018 as follows:

#### 1. Spaceship Financial Services Pty Ltd

Number of units held opening (Units)	–
Number of units held closing (Units)	500,418
Interest held (%)	10
Number of units acquired (Units)	500,418
Number of units disposed (Units)	–
Distributions paid/payable by the Scheme (\$)	–

#### 2. Other related parties

Number of units held opening (Units)	–
Number of units held closing (Units)	1,013
Interest held (%)	–
Number of units acquired (Units)	1,013
Number of units disposed (Units)	–
Distributions paid/payable by the Scheme (\$)	–



SpaceShip Universe Portfolio  
ARSN 623 321 022

## Notes to the Financial Statements

*For the period 18 December 2017 (Constitution date) to 30 June 2018*

### Note 14: Remuneration of auditors

During the period 18 December 2017 to 30 June 2018 the following fees will be payable for services provided by auditors of the Scheme:

#### Ernst & Young

##### Audit and other assurance services

Audit of financial statements	\$12,000
Compliance audit fee	\$6,000
<b>Total remuneration for audit and other assurance services</b>	<b>\$18,000</b>

##### Taxation services

Tax services	\$3,000
<b>Total remuneration for taxation services</b>	<b>\$3,000</b>

The auditor's remuneration is borne by the Responsible Entity. Fees are stated exclusive of GST.

### Note 15: Events occurring after the reporting period

No significant events have occurred since the end of the year which would impact on the financial position of the Scheme as disclosed in the Statement of Financial Position as at 30 June 2018 or on the results and cash flows of the Scheme for the period ended on 30 June 2018.

### Note 16: Contingent assets and liabilities and commitments

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





Spaceship Universe Portfolio  
ARSN 623 321 022

## Directors' Declaration

In accordance with a resolution of the Directors of Spaceship Capital Limited, I state that: In the opinion of the directors:

1. the financial statements and notes of the Scheme for the period ended 30 June 2018 are in accordance with the Corporations Act 2001 and:
  - a. comply with Accounting Standards and the Corporations Regulations; and
  - b. give a true and fair view of the Scheme's financial position as at 30 June 2018 and of its performance for the period 18 December 2017 (Constitution date) to 30 June 2018;
2. in the directors' opinion, there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.
3. Note 2 confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

---

Paul Kevin Bennetts  
Director

---

Paul Ernest Dortkamp  
Director

---

28 September 201

Date



Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## Independent auditor's report to the unitholders of SpaceShip Universe Portfolio

### Opinion

We have audited the financial report of SpaceShip Universe Portfolio (the "Fund"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for financial period from 18 December 2017 (constitution date) to 30 June 2018, 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:

- a) giving a true and fair view of the Fund's financial position as at 30 June 2018 and of its financial performance for the period ended on that date; and
- b) 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 Fund 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial 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 financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation



## Responsibilities of the Directors for the Financial Report

The directors 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 entity'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 Fund'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 Fund to cease to continue as a going concern.



3

- 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.

Ernst & Young

Rita Da Silva  
Partner  
Sydney  
28 September 2018



## SpaceShip Capital Limited

ABN 67 621 011 649 AFSL 501605



1300 049 532



[help@spaceshipinvest.com.au](mailto:help@spaceshipinvest.com.au)



[spaceshipinvest.com.au](https://spaceshipinvest.com.au)



Level 4 77 King Street, Sydney NSW 2000