

JCP Capital Preservation Fund

ARSN 620 728 565

Special purpose financial report

For the period 1 July 2018 to 2 May 2019

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This special purpose financial report covers JCP Capital Preservation Fund as an individual entity.

The Responsible Entity of the JCP Capital Preservation Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:
Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of JCP Capital Preservation Fund (the "Fund"), present their report together with the financial statements of the Fund for the period 1 July 2018 to 2 May 2019.

Principal activities

Until its termination on 2 May 2019, the Fund invested in equities and interest bearing securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

During the period, all assets of the fund were liquidated and returned to unit holders.

The Fund did not have any employees during the period.

There were no significant changes in the nature of the Fund's activities during the period.

The various service providers for the Fund are detailed below:

Service	Providers
Responsible Entity	Equity Trustees Limited
Investment Manager	JCP Investment Partners Ltd
Custodian and Administrator	The Northern Trust Company
Statutory Auditor	PricewaterhouseCoopers

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the period and up to the date of this report:

Philip D Gentry	(Chairman)
Harvey H Kalman	
Ian C Westley	
Michael J O'Brien	(appointed 11 July 2018)

Review and results of operations

This is the final set of financial statements for the Fund, which has terminated.

During the period prior to its termination, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

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

	For the period 1 July 2018 to 2 May 2019	Year ended 30 June 2018
Operating profit/(loss) for the period (\$)	75,989	408,581
Distributions - Class A		
Distributions paid and payable (\$)	48,021	16,272
Distributions (cents per unit)	1.8574	0.8682
Distributions - Class B		
Distributions paid and payable (\$)	94,969	51,124
Distributions (cents per unit)	1.4039	0.6984

Directors' report (continued)

Significant changes in the state of affairs

Michael J O'Brien was appointed as a director of Equity Trustees Limited on 11 July 2018.

The Fund terminated on 2 May 2019 when all unit holders entitlements were redeemed.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial period 1 July 2018 to 2 May 2019.

Matters subsequent to the end of the financial period.

No matter or circumstance has arisen since 2 May 2019 that has significantly affected, or may have a significant effect on:

- (i) the operations of the Fund;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Fund.

Indemnification and insurance of officers

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

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in Note 5 of the financial statements.

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

Environmental regulation

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

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
12 September 2019



Auditor's Independence Declaration

As lead auditor for the audit of JCP Capital Preservation Fund for the period 1 July 2018 to 2 May 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'G. Sagonas', with a long horizontal flourish extending to the right.

George Sagonas
Partner
PricewaterhouseCoopers

Melbourne
12 September 2019

Statement of comprehensive income

		For the period 1 July 2018 to 2 May 2019	Year ended 30 June 2018
	Note	\$	\$
Investment income			
Interest income from financial assets at amortised cost		91,230	68,011
Dividend and distribution income		117,273	67,018
Net gains/(losses) on financial instruments at fair value through profit or loss	3	(81,245)	366,513
Net foreign exchange gain/(loss)		8	65
Other income		58,615	55,905
Total investment income/(loss)		<u>185,881</u>	<u>557,512</u>
Expenses			
Management fees		63,746	76,107
Custody and administration fees		32,214	44,065
Transaction costs		12,195	4,025
Other expenses		1,737	24,734
Total expenses		<u>109,892</u>	<u>148,931</u>
Operating profit/(loss) for the period		<u>75,989</u>	<u>408,581</u>
Finance costs attributable to unit holders			
Distributions to unit holders	6	(142,990)	(67,396)
(Increase)/decrease in net assets attributable to unit holders	5	67,001	(341,185)
Profit/(loss) for the year		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>-</u>	<u>-</u>

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

Statement of financial position

		As at	
	Note	2 May 2019 \$	30 June 2018 \$
Assets			
Cash and cash equivalents	7	-	6,761,707
Receivables	9	-	50,227
Financial assets at fair value through profit or loss	4	-	3,674,454
Total assets		-	10,486,388
Liabilities			
Distributions payable	6	-	43,679
Payables	10	-	42,441
Total liabilities (excluding net assets attributable to unit holders)		-	86,120
Net assets attributable to unit holders - liability	5	-	10,400,268

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

Statement of changes in equity

	For the period 1 July 2018 to 2 May 2019 \$	Year ended 30 June 2018 \$
Total equity at the beginning of the financial period	-	-
Profit/(loss) for the period	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial period	-	-

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

Statement of cash flows

	For the period 1 July 2018 to 2 May 2019	Year ended 30 June 2018
Note	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	6,526,510	1,637,538
Purchase of financial instruments at fair value through profit or loss	(2,933,301)	(2,889,941)
Net foreign gain/(loss)	8	65
Transaction costs paid	(12,195)	(4,025)
Interest income received from financial assets at amortised cost	91,230	72,292
Dividend and distribution income received	121,798	61,835
Other income received	58,615	55,906
Management fees paid	(73,664)	(57,101)
Other expenses paid	(65,331)	(47,150)
Net cash inflow/(outflow) from operating activities	8(a) <u>3,713,670</u>	<u>(1,170,581)</u>
Cash flows from financing activities		
Proceeds from applications by unit holders	572,192	8,884,869
Payments for redemptions by unit holders	(10,968,629)	(4,373,553)
Distributions paid to unit holders	(78,940)	(26,132)
Net cash inflow/(outflow) from financing activities	<u>(10,475,377)</u>	<u>4,445,184</u>
Net increase/(decrease) in cash and cash equivalents	(6,761,707)	3,274,603
Cash and cash equivalents at the beginning of the period	<u>6,761,707</u>	<u>3,487,104</u>
Cash and cash equivalents at the end of the period	7 <u>-</u>	<u>6,761,707</u>
Non-cash operating and financing activities	8(b) <u>107,729</u>	<u>42,879</u>

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

Notes to the financial statements

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1 General information

These special purpose financial statements cover JCP Capital Preservation Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 27 April 2007. The fund terminated its operations on 2 May 2019 when all assets of the Fund were realised and all units were redeemed out of the Fund.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The special purpose financial statements are presented in the Australian currency unless otherwise noted.

Until its termination on 2 May 2019, the Fund invested in equities and interest bearing securities in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The special purpose financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the special purpose financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

The Fund is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Fund's Constitution.

As the Fund was terminated on 2 May 2019, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a liquidation basis. The liquidation basis means assets have been written down to the lower of their carrying amounts and net realisable value and additional liabilities have been recognised to the extent there was a present obligation at the reporting date. The accounting policies set out below have been applied within this context. As there were no assets or liabilities at the reporting date, adopting the liquidation basis did not change the carrying amounts of any assets or liabilities.

The financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 in Australia and the following disclosure requirements:

- AASB 101 Presentation of Financial Statements;
- AASB 107 Statement of Cash Flows;
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 1048 Interpretation of Standards; and
- AASB 1054 Australian Additional Disclosures

The Fund is a for-profit entity for the purposes of preparing the financial statements.

(i) New and amended standards adopted by the Fund

Except as disclosed below, the accounting policies in these financial statements are the same as those applied in the Fund's financial statements for the year ended 30 June 2018.

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 *Financial Instruments* (and applicable amendments)

AASB 9 became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and financial liabilities and replaces the multiple classification and measurement models in AASB 139. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting.

Equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. AASB 9 also introduces a new expected credit loss (ECL) impairment model.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(i) New and amended standards adopted by the Fund (continued)

- AASB 9 *Financial Instruments* (and applicable amendments) (continued)

AASB 9 has been applied retrospectively by the Fund without the use of hindsight and it has determined that adoption did not result in a change to the classification or measurement of financial instruments in either the current or prior periods. The Fund's investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

- AASB 15 *Revenue from Contract with Customers*

AASB 15 became effective for annual periods beginning on or after 1 January 2018 which 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 Fund's main sources of income are dividends and distributions, and gains on financial instruments at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a material impact on the Fund's accounting policies or the amounts recognised in the financial statements.

(b) Financial instruments

(i) Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (due to brokers, distributions payable, management fees payable, applications received in advance, audit and tax fees payable, administration fees payables and custodian fees payable).

(ii) Recognition and derecognition

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

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

(iii) Measurement

- Financial instruments held at fair value through profit or loss

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

- Financial instruments held at fair value through profit or loss (continued)

Subsequent to initial recognition, all financial assets and liabilities designated as at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of 'financial assets and 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.

(iv) Offsetting financial instruments

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

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

(c) Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders. Units are classified as financial liabilities.

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

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

(d) Cash and cash equivalents

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

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 Fund's main income generating activity.

(e) Investment income

(i) Interest income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(ii) Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Trust 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.

2 Summary of significant accounting policies (continued)

(f) Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

(g) Income tax

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

(h) Distributions

The Fund may distribute its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Where the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Foreign currency translation

(i) Functional and presentation currency

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by period end. Trades are recorded on trade date, and normally settled within two business days.

(l) Receivables

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

(m) Payables

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial reporting period.

(n) Applications and redemptions

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

(o) Goods and services tax (GST)

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

2 Summary of significant accounting policies (continued)

(p) Use of estimates

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

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

Net gains/(losses) recognised in relation to financial assets and liabilities at fair value through profit or loss:

	For the period 1 July 2018 to 2 May 2019 \$	Year ended 30 June 2018 \$
Financial assets		
Net realised gain/(loss) on financial assets at fair value through profit or loss	(81,245)	40,625
Net unrealised gain/(loss) on financial assets at fair value through profit or loss	<u>-</u>	<u>325,888</u>
Total net gains/(losses) on financial instruments at fair value through profit or loss	<u>(81,245)</u>	<u>366,513</u>

4 Financial assets at fair value through profit or loss

	2 May 2018 \$	As at 30 June 2018 \$
Designated at fair value through profit or loss		
Listed equity securities	-	3,647,451
Preference shares - non redeemable	<u>-</u>	<u>27,003</u>
Total financial assets at fair value through profit or loss	<u>-</u>	<u>3,674,454</u>

5 Net assets attributable to unit holders

Movements in number of units and net assets attributable to unit holders during the period were as follows:

	For the period 1 July 2018 to 2 May 2019 Units	For the period 1 July 2018 to 2 May 2019 \$	Year ended 30 June 2018 Units	Year ended 30 June 2018 \$
Class A				
Opening balance	2,216,330	2,285,081	3,628,004	3,350,890
Applications	424,283	440,000	2,213,164	2,278,000
Redemptions	(2,686,584)	(2,793,186)	(3,660,284)	(3,452,379)
Units issued upon reinvestment of distributions	45,971	47,110	35,446	33,607
Increase/(decrease) in net assets attributable to unit holders		20,995		74,963
Closing balance	-	-	2,216,330	2,285,081
Class B				
Opening balance	7,628,465	8,115,187	2,078,084	2,150,499
Applications	83,461	87,633	6,421,606	6,611,429
Redemptions	(7,769,983)	(8,175,443)	(879,004)	(921,174)
Units issued upon reinvestment of distributions	58,057	60,619	7,779	8,211
Increase/(decrease) in net assets attributable to unit holders		(87,996)		266,222
Closing balance	-	-	7,628,465	8,115,187
Total Closing balance	-	-	-	10,400,268

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund. There are two separate classes of units being Class A and Class B and each unit has the same rights attaching to it as all other units of the Fund.

6 Distributions to unit holders

The distributions declared for the period were as follows:

	For the period 1 July 2018 to 2 May 2019 \$	For the period 1 July 2018 to 2 May 2019 CPU	Year ended 30 June 2018 \$	Year ended 30 June 2018 CPU
Distributions - Class A				
December	25,217	0.9728	5,545	0.3842
May	22,804	0.8846		
June (payable)	-	-	10,727	0.4840
Total distributions	48,021	1.8574	16,272	0.8682
Distributions - Class B				
December	63,077	0.9078	18,172	0.2664
May	31,892	0.4961		
June (payable)	-	-	32,952	0.4320
Total distributions	94,969	1.4039	51,124	0.6984
Total distributions	142,990		67,396	

7 Cash and cash equivalents

	2 May 2019 \$	As at 30 June 2018 \$
Cash at bank	-	6,761,707
Total cash and cash equivalents	-	6,761,707

These accounts were not earning interest as at 2 May 2019 and 30 June 2018.

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

	For the period 1 July 2018 to 2 May 2019 \$	Year ended 30 June 2018 \$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) for the period	-	-
Increase/(decrease) in net assets attributable to unit holders	(67,001)	341,185
Distributions to unit holders	142,990	67,396
Proceeds from sale of financial instruments at fair value through profit or loss	6,526,510	1,637,538
Purchase of financial instruments at fair value through profit or loss	(2,933,301)	(2,889,941)
Net (gain)/loss on financial instruments at fair value through profit or loss	81,245	(366,513)
Net change in receivables	5,668	(693)
Net change in payables	(42,441)	41,507
Reinvested income	-	(1,060)
Net cash inflow/(outflow) from operating activities	3,713,670	(1,170,581)
 (b) Non-cash operating and financing activities		
The following purchase of investments were satisfied by the participation in dividend reinvestment plans	-	1,060
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plans	107,729	41,819
Total non-cash operating and financing activities	107,729	42,879

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount for the period (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

9 Receivables

	2 May 2019 \$	As at 30 June 2018 \$
Dividends receivable	-	4,525
Applications receivable	-	44,559
GST receivable	-	1,143
Total receivables	-	50,227

10 Payables

	2 May 2019 \$	As at 30 June 2018 \$
Management fees payable	-	1,945
Audit fees payable	-	22,500
Responsible Entity fees payable	-	17,996
Total payables	-	42,441

11 Remuneration of auditor

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

	For the period 1 July 2018 to 2 May 2019 \$	Year ended 30 June 2018 \$
<i>PricewaterhouseCoopers Australian Firm</i>		
<i>Audit and other assurance services</i>		
Audit of financial statements	11,020	10,800
Audit of compliance plan	2,800	2,800
Total remuneration for audit and other assurance services	13,820	13,600
<i>Taxation services</i>		
Tax compliance services	8,900	8,900
Total remuneration for taxation services	8,900	8,900
Total remuneration of PricewaterhouseCoopers Australian Firm	22,720	22,500

The auditor's remuneration for the year to 30 June 2018 was borne by the Fund. The auditor's remuneration for the period to 2 May 2019 was borne by the Investment Manager. Fees are stated exclusive of GST.

12 Events occurring after the reporting period

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 2 May 2019 or on the results and cash flows of the Fund for the period ended on that date.

13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 2 May 2019 and 30 June 2018.

Directors' declaration

As stated in Note 2(a) of the financial statements, the Fund is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 4 to 17:
 - (i) comply with Australian Accounting Standards and other mandatory professional reporting requirements, to the extent outlined in Note 2 to the financial statements; and
 - (ii) give a true and fair view of the Fund's financial position as at 2 May 2019 and of its performance for the financial period ended on that date.
- (b) As outlined in Note 1 to the financial statements, the Fund terminated its operations on 2 May 2019 and all units were redeemed out of the Fund.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by the Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
12 September 2019



Independent auditor's report

To the unit holders of JCP Capital Preservation Fund

Our opinion

In our opinion:

The accompanying financial report of JCP Capital Preservation Fund (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 2 May 2019 and of its financial performance for the period 1 July 2018 to 2 May 2019
- (b) complying with Australian Accounting Standards to the extent described in Note 2 and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 2 May 2019
- the statement of comprehensive income for the period 1 July 2018 to 2 May 2019
- the statement of changes in equity for the period 1 July 2018 to 2 May 2019
- the statement of cash flows for the period 1 July 2018 to 2 May 2019
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the 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 (including Independence Standards)* (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.

Emphasis of matter - going concern no longer appropriate

We draw attention to Note 2(a) in the financial report, which indicates that the directors of Equity Trustees Limited (the Responsible Entity) terminated the Fund on 2 May 2019. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis. Our opinion is not modified in respect of this matter.

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Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2(a) in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for JCP Capital Preservation Fund and its unit holders and should not be used by parties other than JCP Capital Preservation Fund and its unit holders. Our opinion is not modified in respect of this matter.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the period 1 July 2018 to 2 May 2019, but does not include the financial report and our auditor's report thereon.

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

Responsibilities of the directors for the financial report

The directors are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2(a) to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 ability of the Fund 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 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink, likely belonging to George Sagonas.

George Sagonas
Partner

Melbourne
12 September 2019