

# Spaceship Earth Portfolio Annual Financial Report

For the period 4 September 2020 (Constitution date)  
to 30 June 2021

**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Annual Financial Report**

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**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Directors' Report**

**Directors' Report**

The Directors of Spaceship Capital Ltd (ABN 67 621 011 649, AFSL 501605), the Responsible Entity of Spaceship Earth Portfolio ('the Scheme'), present their report for the period 04 September 2020 (Constitution date) to 30 June 2021.

The financial report has been prepared for the Spaceship Earth Portfolio as it is a disclosing entity under the Corporations Act 2001.

**Directors**

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

Andrew Geoffrey Moore  
 Paul Ernest Dortkamp  
 John Joseph Reid  
 Jason John Sedawie

Appointed 29/10/2020  
 Resigned 29/10/2020

**Principal activities**

The principal activity of the Scheme was to invest funds in accordance with the provisions of the Scheme's Constitution and the Product Disclosure Statement. No significant change in the nature of these activities occurred during the period.

**Scheme Information**

Spaceship Earth Portfolio is an Australian registered scheme, and was constituted on 04 September 2020 and commenced operations on 20 October 2020.

Spaceship Capital Ltd, the Responsible Entity of the Scheme, is incorporated and domiciled in Australia.

The registered office and principal place of business of the Responsible Entity is located at Level 3, 360 Kent St, Sydney, NSW 2000.

The Scheme did not have any employees during the period 04 September 2020 (Constitution date) to 30 June 2021.

**Review and results of operations**

During the period, the Scheme continued to invest its funds in accordance with target asset allocations as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

The performance of the Scheme, as represented by the results of its operations, was as follows:

	<b>04 September 2020 (Constitution date) to 30 June 2021 \$</b>
Operating profit/(loss) for the period	1,355,435
Distribution payable	13,605
Distribution (cents per unit)	0.15

**Units on Issue**

8,785,675 units of the Scheme were on issue at 30 June 2021. During the period, 11,575,451 units were issued by the Scheme and 2,789,776 units were withdrawn.

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**Directors' Report**

**Scheme Assets**

At 30 June 2021, the Scheme held assets to the total value of \$10,873,761. The basis of valuation is disclosed in Note 2 to the financial statements.

**Significant changes in state of affairs**

On 14 October 2020, the Scheme has elected into the Attribution Managed Investment Trust ("AMIT") tax regime.

The Directors continue to assess the potential financial and other impacts of the coronavirus (COVID-19) outbreak to the Scheme.

At the date of signing, the future impacts of COVID-19 on global and domestic economies and investment market indices, and their resulting impact on the Scheme are uncertain. The Directors and management will continue to monitor this situation.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Scheme that occurred during the period.

**Matters Subsequent to the end of the financial the period**

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- (i) the operations of the Scheme, or
- (ii) the results of those operations, or
- (iii) the state of affairs of the Scheme in subsequent financial years.

**Likely development and expected results of operations**

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.

The results of the Scheme's operations will be affected by a number of factors, including the performance of investment markets in which the Scheme invests. Investment performance is not guaranteed, and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

**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.

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**Directors' Report**

During the period 04 September 2020 (Constitution date) to 30 June 2021, the Responsible Entity paid an insurance premium in respect of a contract insuring each of the officers of the Responsible Entity.

No insurance premiums are paid for out of the assets of the Scheme in regard to insurance cover provided to 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.

**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 04 September 2020 (Constitution date) to 30 June 2021 are disclosed in Note 13 to the financial statements.

No fees were paid out of Scheme property to the Directors of the Responsible Entity during the period 04 September 2020 (Constitution date) to 30 June 2021.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the period are disclosed in Note 13 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:

*Andrew Moore*

Andrew Moore (Sep 30, 2021 10:37 GMT+10)

Andrew Geoffrey Moore  
Director

Date: Sep 30, 2021

*Paul Dortkamp*

Paul Dortkamp (Sep 30, 2021 10:57 GMT+10)

Paul Ernest Dortkamp  
Director

Date: Sep 30, 2021



**Building a better  
working world**

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

As lead auditor for the audit of the financial report of Spaceship Earth Portfolio for the period from 4 September 2020 (constitution date) to 30 June 2021, 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  
30 September 2021

**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Statement of Comprehensive Income**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

	04 September 2020 (Constitution date) to 30 June 2021
Note	\$
<b>Investment income</b>	
Dividend and distribution income	24,704
Net gains/(losses) on financial assets held at fair value through profit or loss	1,335,712
Net foreign exchange gains	7
Expense reimbursement income	4,836
<b>Total net investment income/(loss)</b>	<b>1,365,259</b>
<b>Expenses</b>	
Management fees	1,349
Interest expense	8
Transaction costs	4,836
Withholding tax expense	3,631
<b>Total operating expenses</b>	<b>9,824</b>
<b>Operating Profit/(loss)</b>	<b>1,355,435</b>
<b>Profit/(loss) for the period</b>	<b>1,355,435</b>
<b>Other comprehensive income</b>	-
<b>Total comprehensive income for the period</b>	<b>1,355,435</b>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Statement of Financial Position**  
**As at 30 June 2021**

	Note	30 June 2021 \$
<hr/>		
<b>Assets</b>		
Cash and cash equivalents	7	420,004
Receivables	8	31,600
Financial assets held at fair value through profit or loss	9	10,422,157
<b>Total assets</b>		<u><b>10,873,761</b></u>
<b>Liabilities</b>		
Payables	10	106,694
Distribution payable	6	13,605
<b>Total liabilities</b>		<u><b>120,299</b></u>
<b>Net assets attributable to unitholders - equity</b>		<u><b>10,753,462</b></u>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*



**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Statement of Changes in Equity**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

	Note	04 September 2020 (Constitution date) to 30 June 2021 \$
<b>Total equity at the beginning of the period</b>		-
<b>Comprehensive income/(loss) for the period</b>		
Profit/(loss) for the period		1,355,435
Other comprehensive income		-
<b>Total Comprehensive income/(loss) for the period</b>		<u>1,355,435</u>
<b>Transactions with unitholders</b>		
Applications	4	12,404,817
Redemptions	4	(2,993,185)
Distribution to unitholders	4	(13,605)
<b>Total transactions with unitholders</b>		<u>9,398,027</u>
<b>Total equity at the end of the period</b>		<u>10,753,462</u>

*The above Statement of Changes of Equity should be read in conjunction with the accompanying notes.*

**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Statement of Cash Flows**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

	Note	04 September 2020 (Constitution date) to 30 June 2021 \$
<b>Cash flow from operating activities</b>		
Proceeds from sale of financial instruments held at fair value through profit or loss		9,066,700
Purchase of financial instruments held at fair value through profit or loss		(18,153,217)
Commissions and transactions costs		(4,836)
Dividends and distributions received		14,876
Interest paid		(8)
Receipt from/(payment to) related parties		(21,907)
Other income		73
<b>Net cash used in operating activities</b>	11	<u><b>(9,098,320)</b></u>
<b>Cash flow from financing activities</b>		
Proceeds from applications by unitholders		12,511,502
Payments for redemptions by unitholders		(2,993,185)
<b>Net cash provided by financing activities</b>		<u><b>9,518,317</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		419,997
Cash and cash equivalents at the beginning of the period		-
Effects of foreign currency exchange rate changes on cash and cash equivalents		7
<b>Cash and cash equivalents at the end of the period</b>	7	<u><b>420,004</b></u>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

**SPACESHIP EARTH PORTFOLIO**  
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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 1: Scheme Information**

These financial statements cover Spaceship Earth Portfolio ('the Scheme') as an individual entity. The Scheme is an Australian registered managed scheme under the Corporations Act 2001, which was constituted on 04 September 2020 and commenced operations on 20 October 2020.

The Responsible Entity of the Scheme is Spaceship Capital Ltd. The registered office of the Responsible Entity is located at Level 3, 360 Kent St, Sydney, NSW 2000. The Responsible Entity is incorporated and domiciled in Australia.

The primary investment objective of the Scheme is to provide longer term capital growth by investing in companies that contribute towards the advancement of the UN Sustainable Development Goals agenda.

The Scheme's investments are listed and traded on stock exchange markets primarily in 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 Australia Pty Ltd.

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

The financial statements of Spaceship Earth Portfolio for the period 04 September 2020 (Constitution date) to 30 June 2021, were authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2021.

**Note 2: Statement of Significant Accounting Policies**

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 is prepared on fair value measurement of assets and liabilities except where otherwise stated.

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. 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.

**2.2 Changes in Accounting Policies and Disclosure**

There are no new accounting standards and interpretations that have been issued, but not yet effective, that are material to the financial statements or have been early adopted for the period 04 September 2020 (Constitution date) to 30 June 2021 reporting period.

**SPACESHIP EARTH PORTFOLIO**  
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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 2: Statement of Significant Accounting Policies (continued)**

**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**

*Financial assets*

The Scheme classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's portfolio of financial assets is managed and performance is 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.

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.

**(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'.

**(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.

Units are classified as equity when they satisfy the following criteria under AASB 132 Financial Instruments:

Presentation:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Scheme's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;

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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 2: Statement of Significant Accounting Policies (continued)**

**2.3 Summary of Significant Accounting Policies (continued)**

- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Scheme, and is not a contract settled in the Scheme's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The Scheme's units have been classified as equity as they satisfied all the above criteria. This has been consistently applied during the year.

**(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.

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend and distribution income when the Scheme's right to receive payments is established.

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.

**(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 provided it attributes the entirety of its taxable income to its unitholders.

**(g) Distributions**

Distributions are payable as set out in the Scheme's offering document. Such distributions are determined by the Responsible Entity of the Scheme. Distributable income includes capital gains arising from the disposal of financial instruments. Unrealised gains and losses on financial instruments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised.

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

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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 2: Statement of Significant Accounting Policies (continued)**

**2.3 Summary of Significant Accounting Policies (continued)**

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

**(h) Receivables**

Receivables may include amounts for dividends, interest and trust distributions. Dividends, interest 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.

Receivables are recognised at amortised cost using the effective interest method, less any allowance for Expected Credit Loss ("ECL"). The Scheme has applied a simplified approach to measuring ECL, which uses a lifetime expected loss allowance. To measure the ECL, receivables have been grouped based on days overdue.

The amount of the impairment loss, if any, is recognised in the Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

**(i) Payables**

Payables include liabilities, accrued expenses owed by the Scheme 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 unitholders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

**(j) Goods and Services Tax (GST)**

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

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

**(k) Expense reimbursement income**

Expense reimbursement income is recognised on an accrual basis.

**(l) Use of estimates**

The Scheme makes estimates and assumptions that affect the reported amounts of assets and liabilities within the current and next financial year. 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.

For the majority of the Scheme's financial instruments, quoted market prices are readily available.

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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 3: Fair value measurement**

The Scheme measures financial assets at fair value through profit or loss, 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.

**(a) Recognised fair value measurements**

The following table presents the Scheme's financial assets measured and recognised at fair value as at 30 June 2021.

As at 30 June 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Financial assets held at fair value through profit or loss				
Listed equity securities	10,422,157	-	-	10,422,157
<b>Total financial asset</b>	<b>10,422,157</b>	<b>-</b>	<b>-</b>	<b>10,422,157</b>

**(b) Transfer between levels**

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

**(c) Financial instruments not carried at fair value**

The carrying value of receivables and payables are expected to be settled within 12 months and approximate their fair values due to their short term nature.

**Note 4: Net assets attributable to unitholders**

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments that meet the definition of a financial liability are to be classified as equity where certain strict criteria are met. The Scheme shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

Movements in the net assets attributable to unitholders during the period were as follows:

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.

The Responsible Entity manages its net assets attributable to unitholders as capital. 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.

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.

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

The distributions for the year were as follows:

\*Distribution is expressed as cents per unit amount in Australian Dollars.

	<b>30 June 2021</b>
	<b>\$</b>
Bank accounts:	
Cash at bank	420,004
	<b>420,004</b>



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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 7: Cash and cash equivalents (continued)**

**Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and cash at custodian, net of outstanding bank overdrafts.

Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of financial position as follows:

	<b>30 June 2021</b>
	<b>\$</b>
Cash and cash equivalents	420,004
	<b>420,004</b>

**Note 8: Receivables**

	<b>30 June 2021</b>
	<b>\$</b>
Receivable income	6,197
Other debtors	20,840
Other receivable - Spaceship Capital Ltd	4,563
	<b>31,600</b>

**Note 9: Financial assets held at fair value through profit or loss**

	<b>30 June 2021</b>
	<b>\$</b>
Financial assets held at fair value through profit or loss include:	
Listed equities	
Financial assets - fair value	10,422,157
	<b>10,422,157</b>

**Note 10: Payables**

	<b>30 June 2021</b>
	<b>\$</b>
Funds in transit	106,372
Management fee payable	282
Redemption payable	40
	<b>106,694</b>

**SPACESHIP EARTH PORTFOLIO**  
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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 11: Statement of Cash Flows Reconciliation**

	04 September 2020 (Constitution date) to 30 June 2021 \$
Operating profit/(loss) for the period	1,355,435
<b>Adjustments to reconcile change in operating profits to net cash used in operating activities:</b>	
Net change in financial instruments held at fair value through profit or loss	(10,422,164)
(Increase)/decrease in trade and term debtors	(31,873)
Increase/(decrease) in trade creditors and accruals	282
<b>Net cash used in operating activities</b>	<b><u>(9,098,320)</u></b>

**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.

**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 manages concentration risk with having maximum target weighting for each investment position and further investment manager has ability to reduce exposures, if necessary.

**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 EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 12: Financial Risk Management Objectives and Policies (continued)**

*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.

**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.

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

**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.

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**Note 12: Financial Risk Management Objectives and Policies (continued)**

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 Scheme'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**

	<b>30 June 2021</b>
	<b>\$</b>
Price risk (-10%)	(1,042,216)
Price risk (+10%)	1,042,216

**Note 13: Related Party Disclosure**

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

The Responsible Entity and Investment Manager of Spaceship Earth Portfolio is Spaceship Capital Ltd, 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 period and up to the date of the report are:

Andrew Geoffrey Moore	Director of Spaceship Capital Ltd	
Paul Ernest Dortkamp	Director of Spaceship Capital Ltd	
John Joseph Reid	Director of Spaceship Capital Ltd	Appointed 29/10/2020
Jason John Sedawie	Director of Spaceship Capital Ltd	Resigned 29/10/2020

**(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 Ltd provides management services to Spaceship Earth Portfolio, and outsources custodial and some administrative functions to third party entities. Interactive Brokers Australia Pty Ltd provides custodial and investment accounting services to Spaceship Earth 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 Earth Portfolio and Spaceship Capital Ltd result from normal dealings with the Scheme as the Scheme's Responsible Entity. Spaceship Capital Ltd is an Australian Financial Services License holder.

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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 13: Related Party Disclosure (continued)**

Spaceship Capital Limited receives all management fees that have been paid by the Scheme during the period. The Responsible Entity is entitled to receive annual management fee of 0.1% of members balances greater than \$5,000. The management fee incurred for the period 04 September 2020 (Constitution date) to 30 June 2021 were \$1,349. At balance date, there is an amount of \$282 outstanding.

The ordinary and miscellaneous expenses of the Scheme are reimbursed by the Responsible Entity. Total income receivable from Spaceship Capital Ltd at 30 June 2021 is \$4,563.

**(d) Investments**

The Scheme did not hold any investments in Spaceship Capital Ltd or its related parties during the year.

**(e) Key management personnel loan disclosures**

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting year.

**(f) Related Party unitholding**

Parties related to the Scheme, its related parties and other funds managed by Spaceship Capital Ltd held units in the Scheme were as follows:

**04 September 2020 (Constitution date) to 30 June 2021**

Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Scheme (\$)
Spaceship Financial Services Pty Ltd	-	225	0.0	500,001	499,777	-
Other related parties	-	1,183	0.0	1,183	-	2

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Scheme during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

**Note 14: Remuneration of auditors**

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

	<b>04 September 2020 (Constitution date) to 30 June 2021 \$</b>
<b>Ernst &amp; Young</b>	
Audit and other assurance services	
<i>Audit and review of financial statements</i>	32,000
<i>Compliance audit fee</i>	7,500
<b>Total remuneration for audit and other assurance services</b>	<b>39,500</b>
 Taxation services	
<i>Taxation services</i>	16,750
<b>Total remuneration for taxation services</b>	<b>16,750</b>

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

**SPACESHIP EARTH PORTFOLIO**  
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**Notes to the Financial Statements**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

**Note 15: 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 Scheme as disclosed in the Statement of Financial Position as at 30 June 2021 or on the results and cash flows of the Scheme for the period 04 September 2020 (Constitution date) to 30 June 2021.

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

There are no contingent assets, liabilities or commitments as at 30 June 2021.

**SPACESHIP EARTH PORTFOLIO**  
**ARSN 643 773 282**  
**Directors' Declaration**  
**For the period 04 September 2020 (Constitution date) to 30 June 2021**

In accordance with a resolution of the Directors of Spaceship Capital Ltd, I state that:

In the opinion of the directors:

1. the financial statements and notes of the Scheme for the period 04 September 2020 (Constitution date) to 30 June 2021 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 2021 and of its performance for the period 04 September 2020 (Constitution date) to 30 June 2021;
2. 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 2.1 confirms that the financial statements also comply with 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.

*Andrew Moore*  
Andrew Moore (Sep 30, 2021 10:37 GMT+10)

Andrew Geoffrey Moore  
Director

Date: Sep 30, 2021

*Paul Dortkamp*  
Paul Dortkamp (Sep 30, 2021 10:57 GMT+10)

Paul Ernest Dortkamp  
Director

Date: Sep 30, 2021



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## **Independent Auditor's Report to the Unitholders of Spaceship Earth Portfolio**

### **Opinion**

We have audited the financial report of Spaceship Earth Portfolio (the Fund), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 4 September 2020 (constitution date) to 30 June 2021, 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 2021 and of its financial performance for the period from 4 September 2020 (constitution date) to 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 (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.

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 of Spaceship Capital Limited, as the Responsible Entity of the Fund, 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.

## **Responsibilities of the Directors for the Financial Report**

The directors of Spaceship Capital Limited, as the Responsible Entity of the Fund, 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 of the Responsible Entity 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



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- 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.
- 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  
30 September 2021



1300 049 532



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