

# **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

**Company Registration Number: 59158**

**Annual Report and Audited Financial Statements  
For the year ended 30 June 2019**

# **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

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<b>Contents</b>	<b>Page</b>
Management and Administration	1
Report of the Directors	2 - 4
Independent Auditor's Report	5 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 21

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

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## Management and Administration

### *Directors of the Company*

Bradley Hill  
Frank Boner  
Stuart Platt-Ransom  
David Walker

### *Registered Office*

11 New Street  
St Peter Port  
Guernsey  
GY1 2PF

### *Designated Manager and Administrator*

Vistra Fund Services (Guernsey) Limited  
11 New Street  
St Peter Port  
Guernsey  
GY1 2PF

### *Listing and Annual Sponsor*

Clarien BSX Services Limited  
25 Reid Street  
Hamilton  
HM11  
Bermuda

### *Investment Manager*

Global Capital Holdings (Australia) Proprietary Ltd  
Level 29  
The Chifley Tower  
2 Chifley Square  
Sydney  
New South Wales  
Australia

### *Investment Manager*

Investec Australia Limited  
Level 23  
The Chifley Tower  
2 Chifley Square  
Sydney  
New South Wales  
Australia

### *Independent Auditor*

Saffery Champness GAT LLP  
PO Box 141  
La Tonnelle House  
Les Banques  
St Sampson  
Guernsey  
GY1 3HS

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Report of the Directors

The Directors submit their Annual Report and Audited Financial Statements of International Capital Investments Limited (the "Company") for the year ended 30 June 2019.

On 8 December 2014, amended and restated Articles of Incorporation were adopted by Special Resolution to comply with the application by the Company to become a Registered Closed-Ended Investment Scheme and to enable the ordinary shares to be listed on the Bermuda Stock Exchange. The Company, on 25 March 2015, became authorised by the Guernsey Financial Services Commission as a Registered Closed-Ended Collective Investment Scheme under the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Company is governed by the provisions of the Companies (Guernsey) Law, 2008, as amended.

On 6 July 2015, the Company was granted a listing for its ordinary shares on the Bermuda Stock Exchange.

On 17 January 2017, and again on 10 January 2018, the Articles of Incorporation of the Company were further amended by way of a Special Resolution as part of a review of the Company's operations.

## Incorporation

The Company was incorporated in Guernsey on 13 October 2014.

## Principal Activity

The Company's principal activity is to invest in a diversified portfolio of private equity and other specialised opportunities, with a predominant focus on investment in Australia.

## Results

The results for the year ended 30 June 2019 are stated in the Statement of Comprehensive Income on page 7.

## Going Concern

The Directors have assessed the going concern status of the Company and note that it is their intention to continue to operate the Company for the foreseeable future. The Directors are of the opinion that the Company has sufficient assets to meet its liabilities as and when they fall due and has adequate resources to continue in operational existence for the foreseeable future. As such, the Directors have deemed it appropriate to adopt the going concern basis in preparing these Financial Statements. At the year end no Dividend has been declared (2018: Nil)

## Directors

The Directors during the year ended 30 June 2019, and to date, are listed on page 1. Details of Director remuneration and any Director related party transactions with the Company are disclosed in note 10 to the financial statements.

Pacol Investments RF Pty Limited ("Pacol") are the beneficial owners of 100% of the Company's shares in issue.

Mr Frank Boner is a Director of Pacol and controls of 50% of the share capital of Pacol.

No other Director has any direct or indirect interest in the share capital of the Company.

No rights have been granted to any party to subscribe for further shares in the Company.

## Summary financial information

	<b>For the period from incorporation 13 October 2014 to 30 June 2015</b>	<b>For the year to 30 June 2016</b>	<b>For the year to 30 June 2017</b>	<b>For the year to 30 June 2018</b>	<b>For the year to 30 June 2019</b>
	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>
(Loss) / profit for the period / year	(250,503)	(1,058,002)	(1,218,323)	(282,922)	87,249
Total assets	-	16,269,676	15,056,505	14,851,811	14,851,056
Total liabilities	(250,503)	(78,160)	(83,312)	(161,540)	(73,536)
Total net assets	(250,503)	16,191,516	14,973,193	14,690,271	14,777,520

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

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## Report of the Directors (continued)

### Investment Portfolio

Investment Name and description of business	Cost AUD	Carrying Amount AUD	% of Portfolio
<b>Universal Partners Limited</b> - Investment holding company investing in cash generating private equity investment opportunities of a high quality focusing particularly in the United Kingdom and across Europe.	5,516,940	6,658,032	49.11%
<b>Lighting Investments Australia Holdings Pty Limited</b> - An Australian lighting company that focuses on the manufacturing, distribution and sale of lighting and allied electrical products predominantly within the commercial and industrial	5,453,519	4,716,947	34.79%
<b>Sunshine Securities Designated Activity Company</b> - Sunshine is a special purpose investment vehicle that invests into multi-jurisdictional listed and unlisted assets, including bonds, equity and funds.	1,066,541	1,138,572	8.40%
<b>UCW Limited</b> - Listed on the Australian Stock Exchange, the company builds and grows private education businesses in the Vocational Educational and Training Sector located in Australia.	2,061,991	1,043,481	7.70%

Please refer to note 6 of the financial statements for further detail on the basis of valuation of the above investments.

### Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

The Companies (Guernsey) Law, 2008 (the "Law") requires the Directors to prepare Financial Statements for each financial period. Under that law, the Directors have elected to prepare the Financial Statements in accordance with Generally Accepted Accounting Principles (United Kingdom Accounting Standards and applicable Guernsey law). Under the Law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting standards and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Companies (Guernsey) Law, 2008, as amended. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

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## **Report of the Directors (continued)**

### **Disclosure of information to Auditor**

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Independent Auditor**

Saffery Champness GAT LLP has indicated its willingness to act as the Company's independent auditor and a resolution for its reappointment will be proposed at the forthcoming Annual General Meeting of the Company.

Approved by the Board of Directors on 18 December 2019 and signed on their behalf by:

**David Walker**  
Director

**Frank Boner**  
Director

**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of International Capital Investments Limited**

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**Opinion**

We have audited the financial statements of International Capital Investments Limited ("the Company") for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Principles).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Principles; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's ethical standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**To the Members of International Capital Investments Limited**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Saffery Champness GAT LLP**

Chartered Accountants  
St Sampson, Guernsey  
Channel Islands

**18 December 2019**

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	Year to 30 June 2019 AUD	Year to 30 June 2018 AUD
<b>Income</b>			
Unrealised gain/(losses) on investments	6	64,836	(712,377)
Unrealised foreign exchange movement on currency		7,933	366,555
Realised foreign exchange gain on currency		-	40,807
Interest income		233,718	281,473
		<b>306,487</b>	<b>(23,542)</b>
<b>Expenses</b>			
Investment Manager's fees	10	(34,250)	87,500
Administration fees	10	65,462	63,838
Regulatory fees		15,278	16,488
Insurance fees		5,593	6,136
Legal and professional fees		1,797	-
Audit fees		54,119	20,302
Directors' fees	10	81,572	49,750
General expenses		29,667	15,366
		<b>219,238</b>	<b>259,380</b>
<b>Profit / (loss) for the year</b>		<b>87,249</b>	<b>(282,922)</b>
Other comprehensive income		-	-
<b>Total comprehensive income / (expense) for the year</b>		<b>87,249</b>	<b>(282,922)</b>
Basic and diluted profit / (loss) per Ordinary share	13	4.99	(16.17)

All activities are derived from continuing operations

The notes on pages 11 to 21 form an integral part of these Financial Statements.

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Statement of Financial Position

As at 30 June 2019

	Notes	30 June 2019 AUD	30 June 2018 AUD
<b>Non-Current Assets</b>			
Investments	6	13,557,032	13,360,723
<b>Current Assets</b>			
Unpaid share capital	9	1	1
Debtors and prepayments	7	9,323	29,672
Cash and cash equivalents		1,284,700	1,461,415
		<u>1,294,024</u>	<u>1,491,088</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	8	73,536	161,540
		<u>1,220,488</u>	<u>1,329,548</u>
<b>Net Current Assets</b>		<u>1,220,488</u>	<u>1,329,548</u>
<b>Net Assets</b>		<u><b>14,777,520</b></u>	<u><b>14,690,271</b></u>
<b>Capital and Reserves</b>			
Share capital	9	176	176
Share premium	9	17,499,845	17,499,845
Reserves		(2,722,501)	(2,809,750)
		<u><b>14,777,520</b></u>	<u><b>14,690,271</b></u>
<b>Shareholders' Surplus</b>		<u><b>14,777,520</b></u>	<u><b>14,690,271</b></u>
Net Asset Value per Ordinary Share		844.43	839.44

These Financial Statements were approved by the Board of Directors, authorised for issue on 18 December 2019 and were signed on its behalf by:

**David Walker**  
Director

**Frank Boner**  
Director

The notes on pages 11 to 21 form an integral part of these Financial Statements.

**INTERNATIONAL CAPITAL INVESTMENTS LIMITED****Statement of Changes in Equity  
For the year ended 30 June 2019**

	Share Capital AUD	Share Premium AUD	Reserves AUD	Total Equity AUD
<b>Balance as at 30 June 2017</b>	<b>176</b>	<b>17,499,845</b>	<b>(2,526,828)</b>	<b>14,973,193</b>
Total comprehensive expense for the year	-	-	(282,922)	(282,922)
<b>Balance as at 30 June 2018</b>	<b>176</b>	<b>17,499,845</b>	<b>(2,809,750)</b>	<b>14,690,271</b>
Total comprehensive income for the year	-	-	87,249	87,249
<b>Balance as at 30 June 2019</b>	<b>176</b>	<b>17,499,845</b>	<b>(2,722,501)</b>	<b>14,777,520</b>

The notes on pages 11 to 21 form an integral part of these Financial Statements.

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Statement of Cash Flows

For the year ended 30 June 2019

	Year to 30 June 2019 AUD	Year to 30 June 2018 AUD
<b>Cash flows from operating activities</b>		
Profit / (loss) for the year	87,249	(282,922)
Unrealised (gain)/loss on revaluation of investments held at fair value	(64,836)	712,377
Unrealised foreign exchange movement on currency	(7,933)	(366,555)
Realised foreign exchange gain on currency	-	(40,807)
Interest for the year	(233,718)	(281,473)
Decrease in debtors and prepayments	20,349	1,702
(Decrease) / increase in creditors and accrued expenses	(88,004)	78,228
Net cash used in operating activities	<u>(286,893)</u>	<u>(179,450)</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	-	(1,373,332)
Proceeds on sale of investments	-	521,956
Net cash used in investing activities	<u>-</u>	<u>(851,376)</u>
<b>Cash flows from financing activities</b>		
Interest received	102,245	291,804
Net cash from financing activities	<u>102,245</u>	<u>291,804</u>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(184,648)</u></b>	<b><u>(739,022)</u></b>
Cash and cash equivalents at beginning of the year	1,461,415	2,156,377
Foreign exchange movement	7,933	44,060
<b>Cash and cash equivalents as at end of the year</b>	<b><u><u>1,284,700</u></u></b>	<b><u><u>1,461,415</u></u></b>

The notes on pages 11 to 21 form an integral part of these Financial Statements.

# **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

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## **Notes to the Financial Statements**

**For the year ended 30 June 2019**

### **1. General Information**

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International Capital Investments Limited is a Closed-Ended Investment Company established under the laws of Guernsey with limited liability on 13 October 2014. The Company's registration number is 59158. On 25 March 2015 the Company was licensed by the Guernsey Financial Services Commission ("GFSC") as a Registered Closed-Ended Collective Investment Scheme.

The address of its registered office is 11 New Street, St Peter Port, Guernsey, GY1 2PF.

The Company's principal activity is to invest in a diversified portfolio of private equity and other specialised opportunities, with a predominant focus on investment in Australia.

On 6 July 2015 the Company was granted a listing for its ordinary shares on the Bermuda Stock Exchange.

### **2. Statement of Compliance**

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The Financial Statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom" ("FRS 102").

### **3. Accounting Policies**

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#### **(a) Basis of preparation**

These Financial Statements were prepared in accordance with FRS 102. The presentation currency of these Financial Statements and the functional currency of the Company is Australian Dollars ("AUD"). The board consider AUD to be the presentational and functional currency as the share capital was raised in AUD and a significant proportion of the net assets are AUD denominated.

The Financial Statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with applicable Guernsey Law and give a true and fair view.

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been applied consistently unless otherwise stated.

#### **(b) Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

#### **(c) Income and expenses**

Income and expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

#### **(d) Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

##### **i. Financial assets**

All financial assets are initially measured at transaction price, except for those financial assets classified as at fair value through the Statement of Comprehensive Income, which are initially measured at fair value (which is normally their cost as at the transaction date).

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 3. Accounting Policies (continued)

#### (d) Financial instruments (continued)

##### i. Financial assets (continued)

Equity instruments, mezzanine debt facilities and loan notes are measured at fair value, where fair value can be reliably measured, as their performance is evaluated on a fair value basis. Where the fair value of equity instruments, mezzanine debt and loan notes cannot be reliably measured, they are recorded at cost less impairment.

Senior debt facilities are measured at amortised cost using the effective interest method as they represent debt instruments where the contractual return to the holder is based on a positive fixed or variable rate.

Debtors and prepayments, as well as cash and cash equivalents, that are due within one year are measured at the undiscounted amount receivable. There are no debtors or prepayments due in more than one year.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### ii. Financial liabilities

All financial liabilities are due within one year at recognition and measured at the undiscounted amount payable. These include creditors and accrued expenses. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### iii. Fair value

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where reliable observable prices or inputs are not available, valuation techniques are applied. These valuation techniques involve varying levels of management estimation and judgement, the degree of which is dependent on a variety of factors. Hierarchical levels, as defined by FRS 102, are directly related to the amount of subjectivity associated with the inputs to the valuation of these investments. See note 11 for further details.

##### iv. Investments

The Directors value unlisted investments measured at fair value based upon the latest available information notified to the Company by the Investment Manager or administrator of the investment, which in the Directors' opinion represents the fair value of the investments at the year end date. The valuation date of such investments may not always be coterminous with the year end date of the Company and in such cases the valuation of the investment as at the investment's last valuation date is used. The financial information reported by the investment manager or administrator may be unaudited and may differ from the amounts which would have been realised from a redemption of the investment as, in some cases, the notified financial information is based upon estimates. See note 4 for further details. Listed investments are valued either on the publicly available quoted price, or, where limited trading has occurred and the quoted price is not deemed to reflect fair value, the NAV of the underlying audited accounts.

The difference between cost and valuation, being an unrealised surplus/deficit on investments, is recognised in the Statement of Comprehensive Income. Realised surpluses and deficits on part sales of investments are arrived at by deducting the average costs of such investments from their sale proceeds and are recognised in the Statement of Comprehensive Income.

##### (e) Going concern

The Directors have, at the time of approving the Financial Statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements of the Company.

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 4. Significant judgements and key sources of estimation

In the application of the Company's accounting policies, which are disclosed above, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Valuation of Investments*

Critical judgement and estimation exists on the valuation of certain financial instruments which are valued using the latest available financial information provided by the manager or administrator of the instrument and also judgement is required in determining what constitutes "observable" inputs. It is the judgement of the directors that these valuations represent fair value of these instruments. Further details of the valuation of these instruments are shown in note 11.

Listed investments are based upon quoted prices where the market is considered to be an active market and therefore do not involve a significant element of judgement or estimation. Listed investments that are not held on an active market, where the listed price is not deemed to reflect fair value, are valued using the net asset value of the underlying audited financial statements.

### 5. Taxation

The Company is exempt from Guernsey taxation under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989. A fixed annual fee of £1,200 is payable to the States of Guernsey in respect of this exemption.

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify for exempt company status for the purposes of Guernsey taxation.

### 6. Investments

	30 June 2019	30 June 2018
	AUD	AUD
Opening portfolio cost	15,919,268	9,223,890
Additions at cost	-	6,695,378
Interest capitalised	131,473	-
<b>Closing portfolio cost</b>	<b>16,050,741</b>	<b>15,919,268</b>
Opening accumulated unrealised loss on investments	(2,558,545)	(1,846,168)
Unrealised gain/(loss) on investments for the year	64,836	(712,377)
<b>Closing accumulated unrealised loss on investments</b>	<b>(2,493,709)</b>	<b>(2,558,545)</b>
<b>Closing valuation</b>	<b>13,557,032</b>	<b>13,360,723</b>

Please refer to page 3 for further details on the investment portfolio and to note 11 for further details on the closing valuation of investments.

An amount of AUD 1,951,750 invested in Evolt Pty Limited and AUD 736,572 invested in the Equity of Lighting Investments Australia Holdings Pty Limited ("Lighting Australia"), have been valued at AUD Nil as at 30 June 2019 (30 June 2018: Evolt Pty Limited AUD 383,500 and Lighting Australia Equity shares AUD Nil), which is the Directors estimation of fair value based on the most recent available financial results of these entities.

In the prior year Evolt Pty Limited was valued using an EBITDA multiple of 4.5x. However, due to the unfavourable trading results seen since November 2018 the Directors have concluded that a value of AUD nil represents the best estimate of fair value as at 30 June 2019

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 6. Investments (continued)

In addition to the equity investment valued at nil, amounts have also been invested in Lighting Australia through their Senior Debt facility and their Mezzanine Debt facility.

An amount of AUD 4,356,399 was invested in the Senior Debt facility in order to acquire debt of AUD 4,759,828. This debt attracts interest at a variable rate, with a floating base rate and variable margin based upon the gearing ratio of Lighting Australia. As at year end the interest rate is 4.67%. With effect from November 2018 all interest on this debt is capitalised on a quarterly basis, in line with the terms of the facility. Prior to this date interest had erroneously been settled quarterly in cash. This debt is unsecured and is due to mature on 5 July 2022. At year end this debt was carried at AUD 4,487,872.

An amount of AUD 229,075 was invested in the Mezzanine Debt facility in order to acquire debt of AUD 5,890,500. With effect from 5 July 2018 this debt attracts interest at a fixed rate of 2.5%, capitalised on a quarterly basis. Prior to this date interest was capitalised at 14% per annum on a quarterly basis. This debt is unsecured and is due to mature on 5 July 2023. This debt continues to be carried at the original cost to the Company, which management believes equates to its fair value as at year end.

The Company invested ZAR 11.3m to acquire Notes, with a nominal value of ZAR 29.95m, in Sunshine Securities Designated Activity Company ("Sunshine"). These Notes, which mature in March 2045, attract no annual interest. As at year end management were unable to obtain sufficient, up to date, financial information for Sunshine in order to arrive at a fair value for their holding in the Notes. As such this investment is now carried at cost less any impairment deemed necessary. No such impairment has been provided for at year end.

### 7. Debtors and prepayments

	30 June 2019	30 June 2018
	AUD	AUD
Prepayments	7,206	7,095
Bank interest receivable	2,117	2,213
Investment income receivable	-	20,364
	<u>9,323</u>	<u>29,672</u>

### 8. Creditors: amounts falling due within one year

	30 June 2019	30 June 2018
	AUD	AUD
Investment Manager's fee payable (further detail - note 10)	-	94,250
Administration fees payable (further detail - note 10)	16,916	15,988
Audit fee payable	36,237	17,844
Directors' fees payable (further detail - note 10)	20,383	33,458
	<u>73,536</u>	<u>161,540</u>

### 9. Share Capital

Management shares	2019	2018
	AUD	AUD
<b>Authorised</b>		
Management shares of AUD 1 each	<u>1</u>	<u>1</u>
<b>Issued and unpaid</b>		
Management shares of AUD 1 each	<u>1</u>	<u>1</u>

## **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

### **Notes to the Financial Statements (continued)**

**For the year ended 30 June 2019**

#### **9. Share Capital (continued)**

Management shares are not redeemable, do not carry any right to dividends and in a winding up rank only for a return of the amount of paid up capital on the management shares. The one issued management share is yet to be paid for and is reflected in current assets on the Statement of Financial Position. The one Management share in issue is entitled to one vote at meeting of the shareholders of the Company.

##### **Ordinary Share Capital**

	<b>2019</b>	<b>2018</b>
	<b>No. of shares</b>	<b>No. of shares</b>
<b>Authorised</b>		
Ordinary shares of AUD 0.01 each	<u>999,000</u>	<u>999,000</u>
<b>Issued and fully paid</b>	<b>AUD</b>	<b>AUD</b>
17,500 Ordinary shares of AUD 0.01 each	<u>175</u>	<u>175</u>
<b>Share Premium</b>	<b>AUD</b>	<b>AUD</b>
In respect of ordinary share as at year end	<u>17,499,845</u>	<u>17,499,845</u>

The ordinary shares have a par value of AUD 0.01 each in the share capital of the Company, as well as fractions of such ordinary shares, as the context requires. The Company has one class of ordinary share which carries no right to fixed income. Each ordinary share in issue is entitled to one vote at any meeting of the shareholders of the Company.

On the Redemption Date, being the date one calendar month after the 11th anniversary of the Initial Closing Date of 6 July 2015, and subject to all investments having been liquidated and/or distributed, the Company shall be obliged to redeem all Ordinary Shares and payment shall be effected by the Administrator to the shareholder no later than 5 Business Days after the Redemption Date.

The Redemption Date may be extended to the 13th anniversary of the Initial Closing Date, pursuant to the applicable resolution being passed by the requisite majority of investors in a general meeting.

The Company shall, prior to the Redemption Date, have the right, but not the obligation, on receipt by it of a request of redemption of Ordinary Shares to redeem all or any part of such Ordinary Shares at such price and at such time or times and otherwise in such terms as the Directors may in their absolute discretion determine without prejudice to the interest of the holders of the remaining Ordinary Shares.

Any such redemption of Ordinary Shares prior to the Redemption Date will be subject to a settlement and registration fee of up to 1.25% of the total value of the applicable transaction, of which 0.75% of the total value of the applicable transaction is payable to and for the account of the Administrator.

#### **10. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions or if one party is a member of the key management personnel of the other or of the parent company of the other.

Mr Boner, a Director of the Company, is the indirect beneficial owner of 50% of the share capital of the Company. Mr Boner is a 50% shareholder in Pacol Investments RF Pty Limited ("Pacol"), a company domiciled in South Africa. Pacol owns 100% of the share capital of the Company and as such is the immediate and ultimate parent company, and the ultimate controlling party. Pacol does not produce consolidated financial statements.

Mr Walker, a Director of the Company, is also a Director of the Administrator, Vistra Fund Services (Guernsey) Limited. During the year under review the Administrator was entitled to fees of AUD 65,462 (2018: AUD 63,838) of which AUD 16,916 (2018: AUD 15,988) remained outstanding at the year end.

Mr Hill, a Director of the Company, was formerly a principal of Global Capital Holdings (Australia) Pty Ltd ("Global"), an Investment Manager of the Company. Mr Hill left this position during the year ended 30 June 2018.

## **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

### **Notes to the Financial Statements (continued)**

**For the year ended 30 June 2019**

#### **10. Related party transactions (continued)**

Under the Investment Management Agreement ("IMA"), Global was entitled to an upfront fee of 0.25% of the Company's Funds on the aggregate subscription proceeds received by the Company, payable within thirty days of the Initial Closing Date, and an Annual Fee of 0.5% per annum on the Company's Funds, with the first fee payable together with the upfront fee for the period from the Initial Closing Date to 30 June 2015. Thereafter future annual Investment Manager's Fee would be paid six monthly in advance; commencing 1 July 2015. Finally a Performance Incentive fee may be paid. Should the Company receive an annual IRR of 10% on the cost of the Investment Portfolio an amount of 20% of the excess of the cash flows over the cost of the Investment Portfolio will be payable to Global.

With effect from 1 January 2017, the terms of the IMA with regards to fees were amended. As Global were not involved in the Management of all investments made by the Company, the basis of the fee due to Global was amended to 1% of the amounts the Company had invested in Evolt Pty Limited and UCW Limited, which continue to be managed by Global.

The Company's investments in UCW Limited and Evolt Pty Limited are considered investments in related parties, as both of these investments are controlled by Global.

During the year, Global was entitled to fees of AUD 40,000 (2018: AUD 38,500), of which AUD Nil (2018: AUD 20,000) remained outstanding at the year end. No performance incentive fee was due to Global for the year (2018: Nil.)

The disclosure made in the prior year audited financial statements stated that Global were due a fee of AUD 87,500 for the year and that AUD 94,250 was outstanding at year end. This was incorrect, however as the error was not material to the financial statements no restatement has been deemed necessary.

All investments made after 1 January 2017, Lighting Investments, Sunshine Notes and Universal Partners, were made using Investec Australia Limited ("IAL") as the Investment Manager. This disclosure, and the disclosure of the fees accrued on their behalf, was erroneously omitted from the prior year financial statements.

Currently the completion and approval of the IMA for the appointment of IAL remains outstanding. Despite formal terms remaining to be agreed, the services of IAL as Investment Manager have continued without disruption since their initial involvement in identifying the investments noted above.

During the current year IAL have confirmed that they will not be charging any fees for the services that they provide under their proposed IMA. In prior periods the Directors had deemed it appropriate to accrue an estimated fee while negotiations over the terms of the IMA continued. As the situation regarding fees has been clarified during the year, all amounts accrued to IAL in prior periods, AUD 74,250, have been credited against Investment Manager's Fees in the Statement of Comprehensive Income this year, resulting in an overall negative Investment Manager Fee expense for the year of AUD 34,250.

With effect from 12 December 2017 each Director, with the exception of Mr Boner who continues to waive his entitlement to any fee, is entitled to a Directors fee of GBP15,000 per annum. Prior to this date Directors fees were GBP5,250 per annum. Directors fees for the year are as follows;

	Charge	Charge	Payable at the	Payable at the
	2019	2018	year end	year end
	AUD	AUD	AUD	AUD
Mr Platt-Ransom	27,237	15,600	6,795	13,383
Mr Hill	27,257	19,089	6,794	13,383
Mr Walker	27,078	15,061	6,794	6,692
	<u>81,572</u>	<u>49,750</u>	<u>20,383</u>	<u>33,458</u>

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 11. Financial Instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	30 June 2019	30 June 2018
	AUD	AUD
<b>Financial assets</b>		
Measured at fair value through profit or loss:		
Investment at fair value	7,930,589	9,004,324
Measured at cost less impairment		
Sunshine Notes	1,138,571	-
Measured at amortised cost		
Lighting Australia Senior Debt facility	4,487,872	4,356,399
Measured at undiscounted amount receivable:		
Debtors (excluding prepayments)	2,117	2,213
Cash and cash equivalents	1,284,700	1,461,415
<b>Total financial assets</b>	<b><u>14,843,849</u></b>	<b><u>14,824,351</u></b>
<b>Financial liabilities</b>		
Measured at undiscounted amount payable:		
Creditors and accrued expenses	73,536	161,540
<b>Total financial liabilities</b>	<b><u>73,536</u></b>	<b><u>161,540</u></b>

Under FRS 102, the Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted Prices (unadjusted) for identical instruments in active markets

Level 2 - Inputs other than quoted prices within level 1 that are observable for instruments.

Level 3 - Valuation techniques using unobservable market data

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is classified as Level 3. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities measured at fair value:

	30 June 2019	30 June 2018
	AUD	AUD
<b>Level 1 - Quoted Prices (unadjusted) for identical instruments in active markets</b>		
<i>Financial assets at fair value through profit and loss</i>	<u>1,043,481</u>	<u>1,364,552</u>
<b>Level 2 - Inputs other than quoted prices within level 1 for are observable for instruments</b>		
<i>Financial assets at fair value through profit and loss</i>	<u>6,658,032</u>	<u>5,915,600</u>
<b>Level 3 - Valuation techniques using unobservable market data</b>		
<i>Financial assets at fair value through profit and loss</i>	<u>229,076</u>	<u>1,724,172</u>

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 11. Financial Instruments (continued)

All Level 1 investments are valued via prices obtained from a recognised exchange, Level 2 investments are valued based on the NAV of the underlying audited Financial Statements and Level 3 investments are based upon the latest available information notified to the Company by the Investment Manager or administrator of the investment, which in the Directors' opinion represents the fair value of the investments at the year end date.

Level 3 comprises investments into mezzanine debt facilities of unlisted private equity entities. In determining the fair value of the instruments, the Company has been advised by the Investment Manager of the current financial performance of the investment and as a result, has advised its valuation based on the investment's actual performance compared to expected performance. Where actual performance has fallen significantly below the expected level, a fair value loss has been recognised to reflect the change in economic reality of the investment.

### 12. Financial Risk Management

The Investment Restrictions set out the risk management policies and guidelines for the Company. The main risks are summarised below.

#### a) Market price risk

This risk arises because the Company's investments are exposed to market price fluctuations, which are monitored by the Investment Manager. The Company has the following investment restrictions in place in order to manage this risk:

- A single investment may not exceed 30% of the aggregate amounts received by the Company from Investors (the "Company's Funds"), less an estimated amount of up to 1.5% of the Company's Funds (the "Expense Provision")
- A single investment strategy may not exceed 80% of the Company's Funds, less the Expense Provision.

These restrictions may be exceeded if the relevant investment is approved by Investors by Ordinary Resolution. As such, on 27 November 2017, an Ordinary Resolution was passed approving the investments into Universal Partners Limited and Lighting Investment Australia, each of which was in excess of 30% of the Company Funds less the Expense Provision.

This investment policy remains unchanged from the previous year.

The Company's sensitivity to a 10% increase or decrease in market prices of assets held at fair value, hence excluding those held at cost and amortised cost, is as follows: 10% is deemed a reasonable estimate of likely movement in prices.

	<b>Total Value of Investments AUD</b>	<b>Impact on Statement of Financial Position AUD</b>
<b>30 June 2019</b>	<u>7,930,589</u>	<u>+/- 793,059</u>
<b>30 June 2018</b>	<u>9,004,324</u>	<u>+/- 900,432</u>

#### b) Credit risk

The Company is exposed to credit risk on the counterparties with whom it trades. There exists a risk that counterparties may not perform their obligations and that settlement of transactions may not occur. It is the Directors' policy to enter into financial arrangements only with reputable counterparties and on this basis, places its cash and cash equivalents with Investec Bank (Channel Islands) Limited.

Investec Bank plc, the parent company of Investec Bank (Channel Islands) Limited, has a Moody's rating of A1 and a Fitch rating of BBB+ (2018 : A2 and BBB respectively). As at 30 June 2019 there is no collateral or security held by Investec Bank (Channel Islands) Limited in relation to the Company.

The Company is exposed to credit risk on its investments as a result of underperformance or withdrawal of investment in the underlying entities. The risk is mitigated by the thorough due-diligence process undertaken before an investment is made along with monitoring the investment throughout its life.

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 12. Financial Risk Management

#### b) Credit risk (continued)

The Company's exposure to significant single investments is regularly monitored by the Investment Manager to ensure that any investments that exceed the agreed upon investment restrictions, per the Investment Management Agreement, are appropriately approved by Shareholders as set out in the Articles of Association of the Company.

The following carrying amount of financial assets best reflects the maximum credit risk exposure at the year end:

Assets	30 June 2019 AUD	30 June 2018 AUD
Cash and cash equivalents	1,284,700	1,461,415
Debtors (excluding prepayments)	2,117	2,213
Financial assets at fair value through profit or loss	7,930,589	9,004,324
Financial assets at cost less impairment	1,138,571	-
Financial assets at amortised cost	4,487,872	4,356,399
	<b><u>14,843,849</u></b>	<b><u>14,824,352</u></b>

As at 30 June 2019 the Company has no Financial Assets that are past due or impaired.

#### c) Liquidity risk

The Company's assets consist mainly of investments in private equity and cash. The main liabilities of the Company are as detailed in note 8 of these Financial Statements. Liquidity risk may arise from the potential inability to pay these liabilities when they fall due and the potential difficulty in liquidating the Company's investments in order to meet these liabilities.

As the Company is a closed-ended fund, redemptions are only granted at the Directors' discretion. As a result, the Directors have the option to refuse redemption applications should this be required to mitigate liquidity risk.

As the Company currently has significant cash balances, well in excess of the amount of creditors due within one year, and the Investment Restrictions allow for an Expense Provision of up to 1.5% to be safeguarded from investment, the Directors are of the opinion that the Company has limited liquidity risk.

The Company's main financial commitments are amounts payable in relation to its ongoing annual operating expenses. The table below analyses these into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

30 June 2019	Less than 1 month AUD	1 - 3 months AUD	3 months to 1 year AUD	Total AUD
Administration fees	16,916	-	-	16,916
Directors' fees	20,383	-	-	20,383
Audit fees	-	-	36,237	36,237
	<u>37,299</u>	<u>-</u>	<u>36,237</u>	<u>73,536</u>
30 June 2018	Less than 1 month AUD	1 - 3 months AUD	3 months to 1 year AUD	Total AUD
Administration fees	15,988	-	-	15,988
Directors' fees	33,458	-	-	33,458
Audit fees	17,844	-	-	17,844
Investment management fees	94,250	-	-	94,250
	<u>161,540</u>	<u>-</u>	<u>-</u>	<u>161,540</u>

# INTERNATIONAL CAPITAL INVESTMENTS LIMITED

## Notes to the Financial Statements (continued)

For the year ended 30 June 2019

### 12. Financial Risk Management

#### d) Currency risk

The Company's assets may be acquired in currencies other than the base currency of the Company. The Company's exposure to foreign currency assets and liabilities is as follows;

	2019 AUD	2018 AUD
Assets based in Sterling	7,118,333	6,647,498
Liabilities based in Sterling	(73,536)	(67,290)
Net exposure to Sterling	<u>7,044,797</u>	<u>6,580,208</u>
Assets based in, and net exposure to, South African Rand	<u>1,138,571</u>	<u>1,111,598</u>

At 30 June 2019, had the exchange rate between Australian Dollars and the following currencies increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of Ordinary Shares would be:

	2019 AUD	2018 AUD
Sterling	+/- 704,480	+/- 658,021
South African Rand	+/- 113,857	+/- 111,160

The Directors are of the opinion that risk in relation to exchange rate fluctuations, while potentially material to the Company, is adequately mitigated by holding a significant proportion of net assets in the base currency. The costs of implementing an effective hedging policy to fully mitigate this risk are not deemed to be in the best interests of the shareholders of the Company. The Directors view the main currency exposure, to Sterling, as being with a stable currency not normally subject to material fluctuations.

#### e) Capital management

The capital of the Company is represented by its equity and reserves. The capital and reserves of the Company, along with their movements for the year are detailed in the Statement of Changes in Equity on page 9.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns.

The Company's capital can change significantly as a result of subscriptions and redemptions. As the Company is a closed-ended fund, redemptions are only granted at the Directors' discretion. As a result, the Directors have the option to refuse redemption applications in whole or in part in order to maintain the capital structure.

#### f) Interest rate risk

The Company is exposed to interest rate risk associated with the effects of fluctuations in the prevailing levels of market interest rates on cash balances and financial asset debt instruments included within investments.

The interest rate profile of the financial assets as at the Statement of Financial Position date is as follows:

	30 June 2019 AUD	30 June 2018 AUD
Non-interest bearing financial assets	9,420,372	9,033,997
Variable rate financial assets	713,737	1,461,415
Fixed rate financial assets	4,716,947	4,356,399
	<u>14,851,056</u>	<u>14,851,811</u>

# **INTERNATIONAL CAPITAL INVESTMENTS LIMITED**

## **Notes to the Financial Statements (continued)**

**For the year ended 30 June 2019**

### **12. Financial Risk Management**

#### **f) Interest rate risk (continued)**

The following sensitivity analysis has been determined based on the exposure to interest rates at the end of the reporting year. As at 30 June 2019, the impact on the result of a 100 basis point decrease in interest rates, being an amount which the Directors reasonably assess as a potential interest rate movement (with all other factors remaining equal) would result in a AUD 7,137 (2018: AUD 7,295) decrease in bank interest income. Similarly, a 100 basis point increase in interest rates would result in a AUD 7,137 (2018: AUD 7,295) increase in bank interest income.

Based on these potential movements, the Directors have deemed that interest rate risk is not currently a material risk to the Company.

### **13. Basic and Diluted Loss per Share**

	<b>30 June 2019</b>	<b>30 June 2018</b>
Profit / (loss) attributable to ordinary shares	87,249	(282,922)
Weighted average number of shares in issue	17,500.02	17,500.02
Profit / (loss) per ordinary share	4.99	(16.17)

The weighted average number of shares was calculated with reference to the number of days units have been in issue and hence their ability to influence income generated.

The ordinary shares had no dilutive potential as at 30 June 2019. Therefore, basic and diluted profit / (loss) per share are equal.

### **14. Subsequent events**

There are no subsequent events that require disclosure.