



# HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018



**AUSTRALIAN  
MASTERS  
YIELD**

FUND No 5 LIMITED

ABN 87 161 255 750

**Australian Masters Yield Fund No 5 Limited**

**Contents**

**31 December 2018**

Directors' report	2
Auditor's independence declaration	4
Condensed statement of profit or loss and other comprehensive income	5
Condensed statement of financial position	6
Condensed statement of changes in equity	7
Condensed statement of cash flows	8
Notes to the condensed financial statements	9
Directors' declaration	13
Independent auditor's report to the members of Australian Masters Yield Fund No 5 Limited	14

**Australian Masters Yield Fund No 5 Limited**  
**Directors' report**  
**31 December 2018**

The directors present their report, together with the financial statements, on the Company for the half-year ended 31 December 2018.

**Directors**

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report unless otherwise stated:

Mr Alexander MacLachlan – Non Executive Chairman  
Mr Christopher Brown – Non Executive Director  
Mr Warwick Keneally – Non Executive Director

**Principal activities**

The principal activity of the Company during the half-year was investing in Australian fixed and floating income securities.

**Review of operations**

The profit for the Company after providing for income tax amounted to \$1,008,097 (31 December 2017: \$992,177).

The net asset value of the Company at 31 December 2018 was \$50,305,454 (30 June 2018: \$60,863,665). The net asset value per share at 31 December 2018 was \$49.76 (30 June 2018: \$60.20). Consistent with the investment strategy, the decrease in the Company's net asset value was primarily driven by the reduction of the income producing assets of the Company as financial investments matured during the period.

The weighted average number of shares for the half-year was 1,011,041. The basic and diluted earnings per share after tax was \$1.00 (31 December 2017: \$0.98).

As approved by shareholders at the General Meeting held on 9 November 2018, the Company made its Sixth Capital Return of \$10.26 per share on 14 December 2018.

**Dividends**

Dividends paid during the financial half-year were as follows:

	<b>31 December</b>	<b>31 December</b>
	<b>2018</b>	<b>2017</b>
	\$	\$
60% franked dividend of \$0.69 per share paid on 28 August 2017	-	697,618
Fully franked dividend of \$0.44 per share paid on 30 November 2017	-	444,858
Fully franked dividend of \$0.76 per share paid on 24 August 2018	768,391	-
Fully franked dividend of \$0.42 per share paid on 14 December 2018	424,637	-
	<u>1,193,028</u>	<u>1,142,476</u>

Total dividends per share for the half-year ended 31 December 2018 was \$1.18 (2017: \$1.13). The tax rate at which paid dividends have been franked is 30% (2017: 27.5% and 30%).

**Matters subsequent to the end of the financial half-year**

On 31 January 2019, the Company announced a fully franked dividend of \$0.57 per share. The dividend is expected to be paid to Shareholders on or around 28 February 2019.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

**Australian Masters Yield Fund No 5 Limited**  
**Directors' report**  
**31 December 2018**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'A MacLachlan', written over a horizontal line.

Mr Alex MacLachlan  
Chairman

22 February 2019

The Board of Directors  
Australian Masters Yield Fund No 5 Limited  
Level 15  
100 Pacific Highway  
NORTH SYDNEY NSW 2060

22 February 2019

Dear Board Members

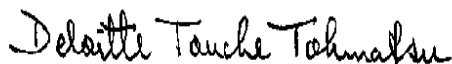
### **Australian Masters Yield Fund No 5 Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Australian Masters Yield Fund No 5 Limited.

As lead audit partner for the review of the financial statements of Australian Masters Yield Fund No 5 Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Weng W Ching  
Partner  
Chartered Accountants

**Australian Masters Yield Fund No 5 Limited**  
**Condensed statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2018**

	<b>Note</b>	<b>31 December 2018 \$</b>	<b>31 December 2017 \$</b>
<b>Investment income</b>			
Interest from investments in financial assets		1,722,767	1,733,587
Interest from banks		18,428	13,345
Total investment income		<u>1,741,195</u>	<u>1,746,932</u>
<b>Expenses</b>			
Management and administration fees	10	(234,685)	(236,573)
Accounting and audit fees		(12,560)	(12,198)
Registry fees		(18,729)	(19,402)
Listing fees		(21,792)	(44,702)
Custody fees		(9,085)	(9,227)
Other expenses		(4,205)	(8,852)
Total expenses		<u>(301,056)</u>	<u>(330,954)</u>
<b>Profit before income tax expense</b>		1,440,139	1,415,978
Income tax expense	4	<u>(432,042)</u>	<u>(423,801)</u>
<b>Profit after income tax expense for the half-year</b>		1,008,097	992,177
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year</b>		<u><u>1,008,097</u></u>	<u><u>992,177</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		99.71	98.13
Diluted earnings per share		99.71	98.13

*The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Australian Masters Yield Fund No 5 Limited**  
**Condensed statement of financial position**  
**As at 31 December 2018**

	<b>31 December</b>	
	<b>Note</b>	<b>30 June 2018</b>
		<b>\$</b>
		<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents		1,781,253      2,055,460
Other receivables		7,449            3,740
Financial assets	5	-            10,543,927
Prepayments		203,075            -
<b>Total current assets</b>		<u>1,991,777</u> <u>12,603,127</u>
<b>Non-current assets</b>		
Financial assets	6	48,644,611      48,541,360
Deferred tax assets	7	9,870            12,060
<b>Total non-current assets</b>		<u>48,654,481</u> <u>48,553,420</u>
<b>Total assets</b>		<u>50,646,258</u> <u>61,156,547</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current tax liabilities		306,126            250,338
Other payables		34,678            42,544
<b>Total current liabilities</b>		<u>340,804</u> <u>292,882</u>
<b>Total liabilities</b>		<u>340,804</u> <u>292,882</u>
<b>Net assets</b>		<u>50,305,454</u> <u>60,863,665</u>
<b>Equity</b>		
Issued capital	8	49,350,813      59,724,093
Retained profits		954,641            1,139,572
<b>Total equity</b>		<u>50,305,454</u> <u>60,863,665</u>

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

**Australian Masters Yield Fund No 5 Limited**  
**Condensed statement of changes in equity**  
**For the half-year ended 31 December 2018**

	<b>Issued capital \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2017	59,724,093	1,128,368	60,852,461
Profit after income tax expense for the half-year	-	992,177	992,177
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	992,177	992,177
<i>Transactions with shareholders in their capacity as shareholders:</i>			
Dividends paid (note 9)	-	(1,142,476)	(1,142,476)
Balance at 31 December 2017	<u>59,724,093</u>	<u>978,069</u>	<u>60,702,162</u>
	<b>Issued capital \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2018	59,724,093	1,139,572	60,863,665
Profit after income tax expense for the half-year	-	1,008,097	1,008,097
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	1,008,097	1,008,097
<i>Transactions with shareholders in their capacity as shareholders:</i>			
Capital returns paid (note 8)	(10,373,280)	-	(10,373,280)
Dividends paid (note 9)	-	(1,193,028)	(1,193,028)
Balance at 31 December 2018	<u>49,350,813</u>	<u>954,641</u>	<u>50,305,454</u>

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



**Australian Masters Yield Fund No 5 Limited**  
**Condensed statement of cash flows**  
**For the half-year ended 31 December 2018**

	<b>Note</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Interest received from investments		1,663,442	1,656,241
Interest received from banks		14,978	18,358
Management fees paid		(397,470)	(396,695)
Payments to suppliers		(114,785)	(156,380)
Net tax paid		(374,064)	(375,498)
		<u>792,101</u>	<u>746,026</u>
<b>Cash flows from investing activities</b>			
Proceeds from disposal/redemption of investments		<u>10,500,000</u>	-
		<u>10,500,000</u>	-
<b>Cash flows from financing activities</b>			
Capital returns paid	8	(10,373,280)	-
Dividends paid	9	(1,193,028)	(1,142,476)
		<u>(11,566,308)</u>	<u>(1,142,476)</u>
Net cash used in financing activities		<u>(11,566,308)</u>	<u>(1,142,476)</u>
Net decrease in cash and cash equivalents		(274,207)	(396,450)
Cash and cash equivalents at the beginning of the financial half-year		<u>2,055,460</u>	<u>2,101,161</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>1,781,253</u></u>	<u><u>1,704,711</u></u>

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

**Australian Masters Yield Fund No 5 Limited**  
**Notes to the condensed financial statements**  
**31 December 2018**

**1. General information**

The financial statements cover Australian Masters Yield Fund No 5 Limited (**Company**) as an individual entity. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2019.

**2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to their operations and effective for the current half-year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following new and revised Standards and Interpretations effective for accounting periods beginning on or after 1 July 2018 have been adopted in the current period.

- AASB 9 'Financial Instruments' (issued December 2014) and the relevant amending standards
- AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards - Effective Date of AASB15', and AASB 2016-3 'Amendments to Australian Accounting Standards - Clarifications to AASB 15'

The Company early adopted AASB 9 'Financial Instruments' (issued December 2009) in prior periods. The adoption of AASB 9 'Financial Instruments' (issued December 2014) had no material impact on the half-year financial statements. The application of AASB 15 had no material impact on the half-year financial statements since the Company's revenue streams which comprise of income from investment in financial assets and interest income from banks are excluded from the scope of AASB 15.

**3. Operating segments**

The Company is engaged in investing activities conducted in Australia and derives its income from income securities, predominantly fixed and floating interest financial assets.

**Australian Masters Yield Fund No 5 Limited**  
**Notes to the condensed financial statements**  
**31 December 2018**

**4. Income tax expense**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$	\$
<b>The components of tax expense comprise:</b>		
Current tax	429,852	415,913
Deferred tax	2,190	7,888
	<u>432,042</u>	<u>423,801</u>

**5. Current assets - Financial assets**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	\$	\$
Investments in financial assets - at amortised cost	-	10,543,927
	<u>-</u>	<u>10,543,927</u>

The fair value of financial assets approximates their carrying amounts at the reporting date.

**6. Non-current assets - Financial assets**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	\$	\$
Investments in financial assets - at amortised cost	48,644,611	48,541,360
	<u>48,644,611</u>	<u>48,541,360</u>

The fair value of financial assets approximates their carrying amounts at the reporting date.

**7. Non-current assets - Deferred tax assets**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Other	9,870	12,060
Deferred tax asset	<u>9,870</u>	<u>12,060</u>

**Australian Masters Yield Fund No 5 Limited**  
**Notes to the condensed financial statements**  
**31 December 2018**

**8. Equity - Issued capital**

	<b>31 December 2018 Shares</b>	<b>30 June 2018 Shares</b>	<b>31 December 2018 \$</b>	<b>30 June 2018 \$</b>
Ordinary shares - fully paid	<u>1,011,041</u>	<u>1,011,041</u>	<u>49,350,813</u>	<u>59,724,093</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$</b>
Balance	1 July 2018	1,011,041	59,724,093
Sixth Capital Return of \$10.26 per share	14 December 2018	-	<u>(10,373,280)</u>
Balance	31 December 2018	<u>1,011,041</u>	<u>49,350,813</u>

**9. Equity - Dividends**

Dividends paid during the financial half-year were as follows:

	<b>31 December 2018 \$</b>	<b>31 December 2017 \$</b>
60% franked dividend of \$0.69 per share paid on 28 August 2017	-	697,618
Fully franked dividend of \$0.44 per share paid on 30 November 2017	-	444,858
Fully franked dividend of \$0.76 per share paid on 24 August 2018	768,391	-
Fully franked dividend of \$0.42 per share paid on 14 December 2018	<u>424,637</u>	-
	<u>1,193,028</u>	<u>1,142,476</u>

Total dividends per share for the half-year ended 31 December 2018 was \$1.18 (2017: \$1.13). The tax rate at which paid dividends have been franked is 30% (2017: 27.5% and 30%).

**10. Related party transactions**

*Walsh & Company Asset Management Pty Limited*

The Manager, Walsh & Company Asset Management Pty Limited, is a wholly-owned subsidiary of Evans Dixon Limited, and is a related party of the Company.

The Manager is entitled to receive an annualised management fee of 0.59% (excluding GST) of the value of the Portfolio. During the half-year ended 31 December 2018, the Manager was paid an annual management fee of \$361,337 (2017: \$360,632), exclusive of GST. Of the total management fee, \$185,185 (2017: \$184,825) is included in prepayments at 31 December 2018.

*Australian Fund Accounting Services Pty Limited*

Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of Evans Dixon Limited, the parent of the Manager, provides fund administration services under an agreement with the Manager. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation.

Total fund administration fees paid or payable for the half-year ended 31 December 2018 were \$45,000 (31 December 2017: \$45,000), exclusive of GST.

**Australian Masters Yield Fund No 5 Limited**  
**Notes to the condensed financial statements**  
**31 December 2018**

**11. Contingent liabilities and capital commitments**

No material amounts of contingent liabilities or capital commitments exist at balance date.

**12. Events after the reporting period**

On 31 January 2019, the Company announced a fully franked dividend of \$0.57 per share. The dividend is expected to be paid to Shareholders on or around 28 February 2019.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Australian Masters Yield Fund No 5 Limited**

**Directors' declaration**

**31 December 2018**

In the directors' opinion:

- the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the Accounting Standards;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Mr Alex MacLachlan  
Chairman

22 February 2019

## **Independent Auditor's Review Report to the members of Australian Masters Yield Fund No 5 Limited**

We have reviewed the accompanying half-year financial report of Australian Masters Yield Fund No 5 Limited, which comprises the condensed statement of financial position as at 31 December 2018, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Australian Masters Yield Fund No 5 Limited's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australian Masters Yield Fund No 5 Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Masters Yield Fund No 5 Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian Masters Yield Fund No 5 Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Weng W Ching  
Partner  
Chartered Accountants  
Sydney, 22 February 2019





HALF-YEAR FINANCIAL REPORT  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

---

**AMYF.COM.AU**