



## *Independent auditor's report*

To the shareholders of Marlin Global Limited

Marlin Global Limited's financial statements comprise:

- the statement of financial position as at 30 June 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

### *Our opinion*

In our opinion, the financial statements of Marlin Global Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

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### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ISAs (NZ) and International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Company including agreed upon procedures in relation to the performance fee calculation. The provision of these other services has not impaired our independence.

## Our audit approach

### Overview



An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Overall materiality: \$607,000, which represents approximately 0.5% of net assets. We used this benchmark because, in our view, this is an appropriate benchmark for a Fund.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above \$56,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Because of the significance of the investments to the financial statements, we have determined that there is one key audit matter: valuation and existence of investments designated at fair value through profit or loss.

### Materiality

The scope of our audit was influenced by our application of materiality.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in the aggregate on the financial statements as a whole.

### Audit scope

We designed our audit by assessing the risks of material misstatement in the financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the type of investments held by the Company, the use of third party service providers, the accounting processes and controls, and the industry in which the Company operates.

The Directors are responsible for the governance and the control activities of the Company. The Directors have delegated certain responsibilities to Fisher Funds Management Limited (the Investment Manager) and Trustees Executors Limited (the Administrator). The Company has also appointed Trustees Executors Limited (the Custodian) to act as Custodian of the Company's investments.

In establishing our overall audit approach we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Investment Manager and Administrator and the control environment in place at the Administrator and the Custodian.



### *Key audit matter*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. Given the nature of the Company, we have one key audit matter: valuation and existence of investments designated at fair value through profit or loss. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><i>Valuation and existence of investments designated at fair value through profit or loss</i></p> <p>Investments designated at fair value through profit or loss (the Investments) are valued at \$121.2 million and represent 96% of total assets.</p> <p>Further disclosures on the Investments are included at note 2 to the financial statements. This was an area of focus for our audit and the area where significant audit effort was directed.</p> <p>As at 30 June 2018, all Investments are in companies that are listed on stock exchanges outside of New Zealand and Australia and are actively traded with readily available, quoted market prices. The market prices are quoted in foreign currencies, which are then translated to New Zealand dollars using the applicable exchange rate at 30 June 2018.</p> <p>All Investments are held by the Custodian on behalf of the Company and administered by the Administrator.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio.</p> <p>We obtained confirmation from the Custodian that the company was the registered owner of all recorded investments.</p> <p>Our procedures also included obtaining the Administrator's and Custodian's Internal Controls Report for Custody, Investment Accounting and Registry services for the periods ended 30 September 2017 and 31 March 2018. The Administrator and Custodian have confirmed that there has been no material change to their control environment in the period from 1 April 2018 to 30 June 2018.</p> <p>Our audit procedures over the valuation of the Investments included agreeing the price for all Investments held at 30 June 2018, and the exchange rate at which they have been converted from the foreign currency to New Zealand dollars, to independent third party pricing sources. We had no matters arising from the procedures performed.</p>

### *Information other than the financial statements and auditor's report*

The Directors are responsible for the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors.



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### *Responsibilities of the Directors for the financial statements*

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, 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 (NZ) and ISAs 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 at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.

### *Who we report to*

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which 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 shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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The engagement partner on the audit resulting in this independent auditor's report is Richard Day.

For and on behalf of:

A handwritten signature in blue ink, appearing to read 'Richard Day', is written over a faint, larger signature that reads 'PricewaterhouseCoopers'.

Chartered Accountants  
20 August 2018

Auckland