

# Finles Global Opportunities Fund B.V.

The Netherlands

ANNUAL REPORT

**for the year ended 30 June 2016**

[Utrecht, 12 January 2017]

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## General information

Director and Fund Manager	Finles N.V. Euclideslaan 151 3584 BS Utrecht The Netherlands
Administrator	Custom House Fund Services (Netherlands) B.V. Westblaak 89 P.O. Box 25121 3001 HC Rotterdam The Netherlands
Independent Auditor	Crowe Horwath Foederer B.V. Paasheuvelweg 16 P.O. Box 22866 1100 DJ Amsterdam The Netherlands
Investment Advisor	Hollbeach Investment Management LLP 20 <sup>th</sup> Floor 125 Old Broad Street London, EC2N 1AR United Kingdom
Broker	ED&F Man Capital Markets Ltd. Cottons Centre Hay's Lane London, SE1 2QE United Kingdom
Bank	ING Nederland Bijlmerplein 88 1102 MG Amsterdam The Netherlands
Tax Advisor	Deloitte Tax Lawyers Orlyplein 10 P.O. Box 58120 1040 HC Amsterdam The Netherlands

## General information

Depository

*(from 1 August 2015)*

Darwin Depository Services B.V.  
Barbara Strozilaan 101  
1083 HN Amsterdam  
The Netherlands

*(until 1 August 2015)*

Stichting Circle Depository Services  
Utrechtseweg 31 D  
3811 NA Amersfoort  
The Netherlands

## Historical multi-year overview

### Key figures

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Equity at the beginning of the year	447,197	596,063	201,554,401
Direct investment result	-	1,654	100,089,556
Indirect investment result	-	345,390	(1,188,668)
	<u>447,197</u>	<u>943,107</u>	<u>300,455,289</u>
Expenses	(447,197)	(495,910)	(571,845)
Distributions	-	-	(299,287,381)
Equity at the end of the year	<u><u>-</u></u>	<u><u>447,197</u></u>	<u><u>596,063</u></u>
Investments	-	-	391,758
Cash and cash equivalents	232,086	455,702	242,206
Other assets and liabilities	(232,086)	(8,505)	(37,901)
	<u><u>-</u></u>	<u><u>447,197</u></u>	<u><u>596,063</u></u>
Number of participations	2,000,000	2,000,000	2,000,000
Participation per share	-	0.22	0.30

## Report of the Fund Manager

According to the investment mandate of Finles Global Opportunities Fund B.V., the Fund can invest in a number of asset classes including equities (both listed and unlisted), fixed income and currencies. The Fund may invest in physical positions in these asset classes or may obtain exposure through derivatives (both exchange traded and over-the counter contracts). The Fund may also invest in short term money market instruments for cash management purposes or may have cash on deposit.

During the last fiscal year, the Fund did not invest in any form of investments and held only a cash position. The portfolio per 30 June 2015 and 30 June 2016 is EUR Nil.

In April 2014, the manager of the Fund received a tax assessment of EUR 50,870,000 referring to the fiscal year 2012/2013 and in July 2015 a tax assessment of EUR 26,243,000 referring to the fiscal year 2013/2014.

The Fund Manager deems that the assessments in both cases should be EUR Nil because the Fund is a Fiscal Investment Institution (FBI) with a tax percentage of zero. The tax advisor of the Fund, Deloitte Tax Lawyers, asked the Tax Authorities for extension of payment and amendment of the tax assessments to EUR Nil. Nevertheless, the Tax Authorities rejected the request of amending of the tax assessments. At this moment the Tax Advisor of the Fund will start the process of objecting the assessment of the Tax Authorities in order for them to amend the tax assessments to zero. The extension of payments have been requested by Deloitte Tax Lawyers with the Tax Receiver.

The Fund Manager emphasized that these provisional tax assessments are not accounted for in the balance sheet and the income statement of the Fund as at 30 June 2016.

If the Tax Authorities do not amend the tax assessments to nil and the fund is ordered to pay these tax assessments, this will lead to an impossible situation as the Fund has no means to pay these claims. The Fund Manager has paid out the dividends according to the for the Fund applicable tax rules in its status as Fiscal Investment Institution (Fiscale Beleggingsinstelling, FBI). Potentially this can lead to a bankruptcy situation, although the Fund has no other creditors. The Fund will not be able to continue its activities.

The Fund Manager has informed the sole shareholder BlueGrass about this.

Due to the tax investigation with regards to the fiscal status of the Fund, the sole shareholder of the Fund does not want any activities in the Fund until there is clarity from the Tax Authorities.

Finles N.V.

Fund Manager

## Financial Statements

### BALANCE SHEET

(As at 30 June)

(Before appropriation of result)

	<i>Note</i>	<b>2016</b> <b>EUR</b>	<b>2015</b> <b>EUR</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	232,086	455,702
		<u>232,086</u>	<u>455,702</u>
<b>Intangible assets</b>			
Deferred incorporation costs		-	36,764
		<u>-</u>	<u>36,764</u>
<b>Total assets</b>		<b><u>232,086</u></b>	<b><u>492,466</u></b>
<b>Current liabilities</b>			
Accrued expenses and other payables	5	(59,948)	(45,269)
Provision	6	(172,138)	-
		<u>(232,086)</u>	<u>(45,269)</u>
<b>Total liabilities</b>		<b><u>(232,086)</u></b>	<b><u>(45,269)</u></b>
<b>Total assets minus total liabilities</b>		<b><u>-</u></b>	<b><u>447,197</u></b>
<b>Shareholder's equity</b>			
Contribution of participants		2,313,200	2,313,200
Unappropriated loss		(2,313,200)	(1,866,003)
<b>Total shareholder's equity</b>	7	<b><u>-</u></b>	<b><u>447,197</u></b>

*The accompanying notes are an integral part of these financial statements.*

## Financial Statements

### INCOME STATEMENT

(For the year ended 30 June)

(Before appropriation of result)

	<i>Note</i>	<b>2016</b> <b>EUR</b>	<b>2015</b> <b>EUR</b>
<b>Investment result</b>			
<i>Direct investment result</i>			
Dividend income	8	-	1,654
		<u>-</u>	<u>1,654</u>
<i>Indirect investment result</i>			
Realised gains on investments		-	345,390
	3, 9	<u>-</u>	<u>345,390</u>
		<u>-</u>	<u>347,044</u>
<b>Total income</b>			
<b>Expenses</b>			
Legal fee		(175,524)	(3,240)
Management fee	11, 12	(126,000)	(240,000)
Tax advisory fee		(50,958)	(144,442)
Incorporation costs		(36,764)	(18,534)
Administration fee	11	(28,750)	(48,000)
Depositary fee		(11,923)	(12,749)
Audit fee	11	(11,713)	(10,000)
Other general expenses		(2,700)	(1,700)
Bank charges		(1,570)	(94)
Licence fee		(1,295)	(17,151)
<b>Total expenses</b>	10	<u>(447,197)</u>	<u>(495,910)</u>
<b>Net loss</b>		<u>(447,197)</u>	<u>(148,866)</u>

The accompanying notes are an integral part of these financial statements.



## Financial Statements

### STATEMENT OF CASH FLOWS

(For the year ended 30 June)

	<i>Note</i>	<b>2016</b> <b>EUR</b>	<b>2015</b> <b>EUR</b>
<b>Cash flows from operating activities</b>			
Proceeds from sales of investments		-	737,148
Dividend received		-	1,654
Management fee paid		(145,000)	(240,000)
Administration fee paid		(28,100)	(52,100)
Audit fee paid		(12,703)	(14,010)
Audit tax fee paid		(18,115)	(187,932)
Legal fee paid		(791)	(3,240)
Bank charges paid		(1,570)	(94)
FATCA fee paid		(2,000)	-
Other general expenses paid		(15,337)	(27,930)
<b>Net cash flows (used in)/provided by operating activities</b>		<b>(223,616)</b>	<b>213,496</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(223,616)</b>	<b>213,496</b>
Cash and cash equivalents at the beginning of the year		455,702	242,206
<b>Cash and cash equivalents at the end of the year</b>	<i>4</i>	<b>232,086</b>	<b>455,702</b>

*The accompanying notes are an integral part of these financial statements.*

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## Notes to the financial statements

### 1. GENERAL INFORMATION

Finles Global Opportunities Fund B.V. (the “Fund”) is structured as a private limited company (besloten vennootschap, B.V.) under Dutch law, and was established on 15 June 2012. The Fund is a non-listed open-ended collective investment scheme. The Fund’s principal office is located at Euclideslaan 151, 3584 BS Utrecht, The Netherlands.

The Fund may invest in equities (both listed and unlisted), fixed income and currencies. The Fund may invest in physical positions in these asset classes or may obtain exposure through derivatives (both exchange traded and over-the counter (“OTC”) contracts). The Fund may also invest in short term money market instruments for cash management purposes or hold cash on deposit. The Fund’s objective is to create positive return for investors through capital appreciation as well as from income generated by the Fund’s assets.

The Fund’s investment activities are managed by Finles N.V. (the “Fund Manager”), with the administration delegated to Custom House Fund Services (Netherlands) B.V. (the “Administrator”).

The Fund Manager is subject to supervision by the AFM (Stichting Autoriteit Financiële Markten) and DNB (De Nederlandsche Bank N.V.).

The Fund commenced operations on 15 June 2012.

The Fund had no employees during the years ended 30 June 2016 and 30 June 2015.

The financial statements have been authorised for issue by the Fund Manager on 12 January 2017.

#### **Tax position**

The Fund has claimed for status of a fiscal investment institution (“FBI”). This implies that the Fund is not subject to corporate income tax. Dividend distributions made by the Fund to its participants are in principle subject to 15% Dutch dividend withholding tax, which may be reduced or eliminated under relevant tax treaties and/or the European Union Parent-Subsidiary Directive.

#### **Distribution Policy**

The Fund, consistent with its status as an FBI, makes distributions from net income, less any re-investment reserve, within 8 months of each reporting date. These distributions will be made on a specified pre-determined date. The Fund may make distributions more frequently.

### 2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

#### **Basis of preparation**

The financial statements of the Fund have been prepared in accordance with reporting principles generally accepted in the Netherlands (“Dutch GAAP”) and the statutory provisions concerning annual accounts contained in Part 9, Book 2 of the Dutch Civil Code and Directive 615.

The financial statements are prepared on a fair value basis for financial investments, except those for which a reliable measure of fair value is not available. Other financial assets and liabilities and non-financial assets and liabilities are stated at historical cost.

#### **Functional currency**

The financial statements are presented in Euro (“EUR”), which is the Fund’s functional currency.

#### **Recognition and measurement**

An asset is recognised in the balance sheet when it is probable that future economic benefits of the asset will flow to the Fund and the amount of the asset can be reliably measured. A liability is recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably. Income is recognised in the income statement when an increase in future economic benefit related to an increase in an asset or decrease in a liability has arisen that can be measured reliably.

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## Notes to the financial statements

### 2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES *(CONTINUED)*

#### **Recognition and measurement *(continued)***

Expenses (including value added tax ("VAT"), where applicable) are recognised in the income statement when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

#### **Foreign exchange**

##### *Transactions and balances*

Transactions in foreign currencies are translated at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date at the exchange rate at that date. Non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates from the date the fair value was determined.

Resulting exchange differences on the financial assets and financial liabilities at fair value through profit or loss in foreign currencies are recorded in the income statement. Realised and unrealised exchange differences on other assets and liabilities are also recorded in the income statement and disclosed within foreign currency translation.

#### **Basis of valuation - Balance sheet**

Financial investments which are listed on the stock exchange are valued at the official closing rate of the previous dealing day or, if no rating took place, at the average of the bid and ask rate of the previous business day of the value as determined by the Fund Manager. As at 30 June 2016 and 30 June 2015, the Fund held no investments.

##### *Classification of participations*

The participations of the Fund are classified as equity. These participations are recognised and measured at the redemption amount. Any distribution of equity is recognised through equity.

##### *Receivables*

The value of accounts receivable will be deemed to be the full amount unless it is unlikely to be paid or received in full. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

##### *Payables and accruals*

Payables and accruals and deferred income are included at fair value.

#### **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

#### **Principles for determining the result**

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase and sale of investments is recognised using trade date accounting.

Gains and losses arising from changes in the value of investments are recognised in the income statement as 'realised gains on investments'.

Expenses are accounted for in the income statement on the accrual basis.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS

#### 3. INVESTMENTS

##### *Movement in schedule of investments*

<i>(All amounts in EUR)</i>	<b>2016</b>	<b>2015</b>
<b>Investments in equities</b>		
As at 1 July	-	391,758
Sales	-	(737,148)
Realised	-	345,390
<b>As at 30 June</b>	<b>-</b>	<b>-</b>

#### 4. CASH AND CASH EQUIVALENTS

As at 30 June 2016, cash and cash equivalents comprise of balances held with ING Nederland amounting to EUR 6,028 (2015: EUR 14,644) and balances held with ED&F Man Capital Markets Ltd., amounting to EUR 226,058 (2015: EUR 441,058). As at 30 June 2016 and 30 June 2015, no restrictions in the use of these balances exist.

#### 5. ACCRUED EXPENSES AND OTHER PAYABLES

As at 30 June, accrued expenses and other payables consist of the following:

<i>(All amounts in EUR)</i>	<b>2016</b>	<b>2015</b>
Audit tax fees payable	(39,353)	(7,500)
Audit fee payable	(10,000)	(10,000)
Administration fee payable	(4,850)	(4,100)
Legal fees payable	(2,595)	-
Licence fees payable	(1,650)	(550)
Management fee payable	(1,000)	(20,000)
FATCA fees payable	(500)	(500)
Depository fees payable	-	(2,619)
<b>Total</b>	<b>(59,948)</b>	<b>(45,269)</b>

#### 6. PROVISION

In April 2014, the manager of the Fund received a tax assessment of EUR 50,870,000 referring to the fiscal year 2012/2013 and in July 2015 a tax assessment of EUR 26,243,000 referring to the fiscal year 2013/2014.

The Fund Manager deems that the assessments in both cases should be EUR Nil because the Fund is a Fiscal Investment Institution (FBI) with a tax percentage of zero. The tax advisor of the Fund, Deloitte Tax Lawyers, asked the Tax Authorities for extension of payment and amendment of the tax assessments to EUR Nil. Nevertheless, the Tax Authorities rejected the request of amending of the tax assessments. At this moment the Tax Advisor of the Fund will start the process of objecting the assessment of the Tax Authorities in order for them to amend the tax assessments to zero. The extension of payments have been requested by Deloitte Tax Lawyers with the Tax Receiver.

The Fund Manager emphasized that these provisional tax assessments are not accounted for in the balance sheet and the income statement of the Fund as at 30 June 2016.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL BALANCE SHEET ITEMS *(CONTINUED)*

#### 6. PROVISION *(CONTINUED)*

If the Tax Authorities do not amend the tax assessments to EUR Nil and the Fund is ordered to pay these tax assessments, this will lead to an impossible situation as the Fund has no means to pay these claims. The Fund Manager has paid out the dividends in accordance with the applicable tax rules in its status as a Fiscal Investment Institution (FBI). Potentially this could lead to a bankruptcy situation, although the Fund has no other creditors. The Fund will not be able to continue its activities.

Therefore, the Fund Manager has decided to make a provision of EUR 172,138, the total remaining assets under management at 30 June 2016, for legal and tax advice.

#### 7. SHARE CAPITAL

##### *Structure of the Fund's capital*

Finles Global Opportunities Fund B.V. is a private limited company which is subject to Dutch law. The Fund's authorised capital amounts to EUR 100,000 divided into 10,000,000 participations with a par value of EUR 0.01 each.

As at 30 June 2016 and 30 June 2015, two million participations are in issue.

##### *Subscriptions and redemptions*

The Fund is an open ended structure, open to qualified investors only. The minimum subscription is EUR 10,000 per participation. The Fund Manager may in its sole discretion resolve to accept subscriptions for lower amounts. Participations will be able to subscribe at least on a semi-annual basis.

Participations may be redeemed on a semi-annual basis, pursuant to written notice, which must be received by the Administrator at least 1 business day prior to the redemption day.

Redemptions are subject to a redemption charge of 0.10% of the total redemption price, which is due and payable to the Fund. The Fund Manager will at least annually review and assess, and where appropriate amend the redemption charge. The Fund Manager may waive the redemption charge in its reasonable discretion.

Movement of shareholder's equity for the participations during the year is as follows:

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
<i>Contributions of participants</i>		
Balance at the beginning of the year	2,313,200	2,313,200
<b>Total contributions at the end of the year</b>	<b>2,313,200</b>	<b>2,313,200</b>
<i>Unappropriated loss</i>		
Balance at the beginning of the year	(1,866,003)	(1,717,137)
Net loss	(447,197)	(148,866)
<b>Total undistributed loss at the end of the year</b>	<b>(2,313,200)</b>	<b>(1,866,003)</b>
<b>Equity at the end of the year</b>	<b>-</b>	<b>447,197</b>

##### *Rights and obligations*

Each participation is entitled to one vote in the meeting of participants.

##### *Capital management*

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide returns for participants and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS

#### 8. DIVIDEND INCOME

For the year ended 30 June 2016, dividend income amounted to EUR Nil (2015: EUR 1,654). For the year ended 30 June 2015, dividend income related to the Fund's investment in TNT Express NV.

#### 9. INVESTMENT RETURN

<i>(All amounts in EUR)</i>	2016		2016	2015
	Gain	Loss	Total	Total
<b>Equities</b>				
Realised result	-	-	-	345,390
<b>Total result</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,390</u>

#### 10. COSTS

The Fund makes use of various parties for management, administration and custody services. The table below provides a breakdown of expenses.

<i>(All amounts in EUR)</i>	2016	2015
<b>Expenses accruing to Fund Manager</b>		
Management fee	(126,000)	(240,000)
<b>Other expenses</b>		
Legal fee	(175,524)	(3,240)
Tax advisory fee	(50,958)	(144,442)
Incorporation costs	(36,764)	(18,534)
Administration fee	(28,750)	(48,000)
Depositary fee	(11,923)	(12,749)
Audit fee	(11,713)	(10,000)
Other general expenses	(2,700)	(1,700)
Bank charges	(1,570)	(94)
Licence fee	(1,295)	(17,151)
<b>Total</b>	<u>(447,197)</u>	<u>(495,910)</u>

The basis on which various costs are charged to the Fund are disclosed in detail in the Investment Memorandum. It is a Dutch regulatory requirement to disclose any differences between actual costs and the costs disclosed in the Investment Memorandum. During the year ended 30 June 2016, all costs actually charged to the Fund were in accordance with the costs disclosed in the Investment Memorandum. During the year, the Fund also incurred costs such as bank charges of EUR 1,570 (2015: EUR 94), licence fees of EUR 1,295 (2015: EUR 17,151), depositary fees of EUR 11,923 (2015: EUR 12,749) and other general expenses of EUR 2,700 (2015: EUR 1,700) which are not detailed in the Investment Memorandum.

## Notes to the financial statements

### NOTES FOR INDIVIDUAL INCOME STATEMENT ITEMS (*CONTINUED*)

#### 10. COSTS (*CONTINUED*)

##### Ongoing charges ratio

The ongoing charges ratio is the ratio of the total costs to the average net assets of the Fund. The average net assets are based on the Fund's net assets at each calculation of the net asset value ("NAV") i.e., semi-annually.

For the year ended 30 June 2016, the ongoing charges ratio for the Fund is as follows:

	<b>2016</b>
Ongoing charges ratio	1.34%

For the year ended 30 June 2015, the ongoing charges ratio for the Fund is as follows:

	<b>2015</b>
Ongoing charges ratio	1.29%

##### Turnover factor

For the year ended 30 June 2016, the turnover factor for the Fund is Nil (2015: 192.29%). The turnover factor is calculated by adding total purchases and sales, subtracting total subscriptions plus total redemptions and dividing the total by the average NAV.

#### 11. RELEVANT CONTRACTS

##### **Fund Manager**

##### *Management agreement*

Finles N.V. acts as the Fund Manager to the Fund. The Fund Manager is entitled to a management fee equal to 50 bps of AUM. This will be charged on a monthly basis, but calculated on a weekly basis with a minimum of EUR 40,000 per month. From 1 January 2014, management fees were fixed to EUR 20,000 per month. From 1 January 2016, management fees were reduced to a fixed amount of EUR 1,000 per month.

Details of management fees charged for the year are disclosed in the income statement.

##### **Administration fee**

The Fund has entered into an administration agreement with Custom House Fund Services (Netherlands) B.V. (the "Administrator"). The Administrator is entitled to a one-off payment of EUR 10,000 (excluding VAT) for services relating to the set-up of the Fund. The Administrator is also entitled to the following monthly fees which are calculated as follows and payable in arrears:

- | <b>Notional Dividend</b> | <b>Basis points per month</b> |
|--------------------------|-------------------------------|
| - Up to EUR 5 million    | 10                            |
| - Above EUR 5 million    | 8                             |
- A monthly fee of EUR 500 for the preparation of audited annual accounts and assistance with the audit process.

The administration fee will be subject to a minimum of EUR 3,500 per month and a maximum of EUR 8,000 per month.

Details of administration fees charged for the year are disclosed in the income statement.

##### **Independent Auditor**

The Fund appointed Crowe Horwath Foederer B.V. as the Independent Auditor. For the year ended 30 June 2016, the Independent Auditor's remuneration amounts to EUR 11,713 including VAT (2015: EUR 10,000).

## Notes to the financial statements

### 12. RELATED PARTY TRANSACTIONS

Related party transactions are transfers of resources, services or obligations between related parties and the Fund, regardless of whether a price has been charged. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The Fund Manager is considered a related party.

The following transactions occurred between the Fund and the Fund Manager during the reporting period:

#### *2016 transactions and balances as at 30 June 2016*

	<b>Paid</b>	<b>Balance</b>
	<b>EUR</b>	<b>EUR</b>
Management fee	(145,000)	(1,000)

#### *2015 transactions and balances as at 30 June 2015*

	<b>Paid</b>	<b>Balance</b>
	<b>EUR</b>	<b>EUR</b>
Management fee	(240,000)	(20,000)

### 13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS

The investment objective of the Fund is to create positive return for investors through capital appreciation as well as from income generated by the Fund's assets. It is expected that the Fund's core investment strategy will be taking long positions in equities. The Fund may invest in equities (both listed and unlisted), fixed income and currencies. The Fund may invest in physical positions in these asset classes or may obtain exposure through derivatives (both exchange traded and OTC contracts). The Fund may also invest in short term money market instruments for cash management purposes or hold cash on deposit.

The Fund Manager is responsible for identifying and controlling risks and is ultimately responsible for the overall risk management approach within the Fund.

The Fund's activities expose it to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk.

#### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuates as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk comprises market price risk, interest rate risk and currency risk.

#### *Market price risk*

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As at 30 June 2016 and 30 June 2015, the Fund held no investments.

#### *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 Fund has no interest bearing financial instruments except for cash at bank, which is subject to normal market related short-term interest rates. Therefore, the Fund is not exposed to significant interest rate risks.



## Notes to the financial statements

### 13. FINANCIAL INVESTMENTS AND ASSOCIATED RISKS (CONTINUED)

#### Market risk (continued)

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk exposure arises from the Fund investing in financial instruments and entering into transactions which are denominated in currencies other than its functional currency.

As at 30 June 2016 and 30 June 2015, the Fund held no investments. As the Fund's assets and liabilities are predominately denominated in the functional currency the Fund is not exposed to material currency risk.

##### Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises from cash and cash equivalents and deferred incorporation costs. The carrying values of financial assets (excluding any investments in equity instruments) best represent the maximum credit risk exposure at the reporting date and amount to EUR 232,086 (2015: EUR 492,466).

##### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its participations earlier than expected.

The Fund's listed securities are considered to be readily realisable as they are listed on recognised exchanges.

The Fund's other liabilities are short-term in nature.

### 14. SHAREHOLDERS' EQUITY AS ISSUED

The following schedule shows the reconciliation between the shareholders' equity in accordance with the Prospectus and the shareholders' equity as determined in accordance with Dutch Accounting Standard 210 ("Dutch GAAP").

The Prospectus states that incorporation costs should be amortised over 5 years. Dutch GAAP prefers that incorporation costs be expensed immediately.

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
<b>Shareholders' equity attributable to holders of units in accordance with the Prospectus</b>	192,913	447,197
<b>Adjustments</b>		
Unamortised incorporation costs	(18,180)	-
Other adjustments	(174,733)	-
<b>Adjusted shareholders' equity attributable to of units in accordance with Dutch GAAP</b>	<b>-</b>	<b>447,197</b>
<b>Number of participations</b>	2,000,000.00	2,000,000.00
<b>Participation per share in accordance with the Prospectus</b>	0.10	0.22
<b>Adjusted participation per share in accordance with Dutch GAAP</b>	-	0.22

## INDEPENDENT AUDITOR'S REPORT

To: the management and the general meeting of shareholders of Finles Global Opportunities Fund B.V.

### Report on the financial statements

We have audited the accompanying financial statements for the year ended June 30, 2016 of Finles Global Opportunities Fund B.V., Utrecht, which comprise the balance sheet as at June 30, 2016, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with Dutch law, including the Dutch Standards on Auditing. Because of the matter described in the Basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for disclaimer of opinion

As stated in the notes to the financial statements, in April 2014, the fund received a preliminary tax assessment of EUR 50,870,000 (including tax interest) from the Dutch tax authorities for the financial year ended June 30, 2013. In July 2015 the manager of the Fund received a provisional tax assessment of EUR 26,243,000 (including tax interest) from the Dutch tax authorities for the financial year ended June 30, 2014. (These tax assessments are not recognized in the balance sheet as per June 30, 2016.) The Fund Manager disagrees with the Dutch tax authorities regarding the provisional tax assessments and has requested the tax authorities to reduce the provisional tax assessments to nil. The Dutch tax authorities rejected these requests. As at the reporting date, the fundmanager will start a legal lawsuit in order to amend the tax assessments to zero.

We are unable to ascertain the continuity of the entity as a result of the rejected requests by the Dutch tax authorities of amending the tax assessments.

### Disclaimer of opinion with respect to the financial statements

Because of the significance of the matter described in the Basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the management's report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, January 12, 2017

Crowe Horwath Foederer B.V.

Originally signed by P.P.M. Lemmens RA

## Other information

### PROVISION OF INFORMATION

The financial statements and the Investment Memorandum of the Fund are available free of charge from the Fund Manager, or are available to download free of charge from the Fund Manager's website: [www.finlescapitalmanagement.nl](http://www.finlescapitalmanagement.nl).

### EVENTS AFTER THE REPORTING DATE

There were no events after the reporting date which necessitate disclosure in these financial statements.

### REMUNERATION POLICY OF THE FUND MANAGER

Finles N.V., the Fund Manager of Finles Global Opportunities Fund B.V., has paid during the financial year 2015/2016 a total remuneration of EUR 661,950 to its employees.

An amount of EUR 23,926 can be attributed to Finles Global Opportunities Fund B.V. This amount consists of a fixed fee of EUR 11,619 and a variable fee of EUR 12,307. These amounts are not charged to the investment entity and are part of the management fees that are recognised in the financial statements of the Fund. Carried interest is not applicable of the total compensation as mentioned above.

An amount of EUR 360,902 pertains to the directors of the Fund Manager. The rest of the remuneration is related to the other employees.

The Fund Manager had an average of 9 employees, including the directors in the fiscal year. The number of employees in whole or in part in the activities of investment entity Finles Global Opportunities Fund B.V. involved is estimated to be 0.3 FTE. This number has been calculated using a formula based on the time spent by the directors and the other employees.

### DUTCH CORPORATE GOVERNANCE CODE

For the purpose of the Dutch Corporate Governance Code refer to the principles of Fund Management at Finles Capital Management on the website of the Fund Manager: [www.finlescapitalmanagement.nl](http://www.finlescapitalmanagement.nl).

### DATE OF AUTHORISATION

The financial statements have been authorised for issue by the Fund Manager in Utrecht on 12 January 2017.