



AFM PERSEUS
FUND LIMITED

ABN 71 087 023 612

Annual Report
for the Year ended
30 June 2013



**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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**CORPORATE DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2013**

Directors

Mr Garry Cossill - Non Executive Chairman
Mr Edward G. Rigg - Executive Director
Mr Adam Santa Maria – Executive Director

Legal Advisers

SteinepreisPaganin
Level 4
16 Milligan Street
Perth WA 6000

Company Secretary

Mr Adam Santa Maria

Auditors

Bentleys
Level 1
12 Kings Park Road
West Perth WA 6005

Investment Advisory Committee

Mr Craig Burton – Chairman
Mr Edward G. Rigg
Mr Ben Lane

Registered Office

Level 30
Allendale Square
77 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9224 6888
Facsimile: +61 8 9225 5511

Share Registrar

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Manager

AFM Zeus Pty Ltd
a corporate representative of
Argonaut Funds Management Pty Ltd
AFSL No 224815



CHAIRMAN'S LETTER

28 August 2013

Dear Shareholder

On behalf of the Board of AFM Perseus Fund Limited ("the Fund"), I am pleased to present the Annual Report for the financial year ended 30 June 2013 ("2013 Financial Year").

The 2013 Financial Year was a difficult period for the Fund which recorded a loss after tax of \$1,109,374.

In the past year, the environment for the small resources sector experienced its worst period in over 20 years. The Small Resources Index was down 48% for the year and trading conditions have been extremely difficult. Commodity prices have also remained lower than at the start of the financial year. Copper (-12%), gold (-22%) and iron ore (-14%) were all down while Brent oil was up 5%. The year before, copper (-28%), gold (-18%), iron ore (-34%) and Brent oil (-9%) were all down.

The current downturn has now extended for over two and a half years and we are still awaiting a sustained recovery rather than new cyclical lows that have become common place. It is within this environment that the Fund reports that the NTA per share value has reduced by 33% to \$0.4774 per share. The Fund is highly exposed to both exploration and development companies and resource service providers and there has been a trend away from exploration and development companies, toward "safer" production companies.

Subsequent to the Fund passing its fifth year, we have received a number of enquiries with respect to the Fund's end date. I would first like to thank you for your patience and emphasise that I understand that the value of the Fund has decreased significantly in value over the past two years. It is the Manager's view that these are the times when it is not prudent to sell and that opportunities can present themselves to patient investors. With our strong cash position, we stand poised to take advantage. We will endeavour to facilitate a liquidity event when circumstances allow it and when it does not disadvantage those shareholders who remain within the Fund.

The Manager's investment philosophy of active investment in small cap natural resources companies remains the same. Our view of risk needs to align itself with the market at any given time and as such our geographic and commodity exposure is currently less risk tolerant than it may have been historically.

The world is a bigger place than it was 5 years ago. It will be bigger still in 5 more years thanks to continued growth, albeit slower, in China, India and other developing nations. Natural resources will always be required to facilitate this growth. The rapid decline in resource investment and exploration that we have seen for the past two years will only make the next bull cycle longer and larger than it otherwise would be.

On behalf of the Board of Directors, I thank you for your continued support throughout the year.

Yours faithfully

GARRY COSSILL
Chairman



DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

Your directors present their report on the Company for the year ended 30 June 2013.

Directors

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

Garry Cossill	Appointed 9 November 2005
Edward Rigg	Appointed 18 October 2005
Adam Santa Maria	Appointed 17 August 2012

The directors as at 30 June 2013 are Garry Cossill (Non-Executive Chairman), Edward G. Rigg (Executive Director) and Adam Santa Maria (Executive Director).

Mr Garry Cossill – Non-Executive Chairman

Mr Cossill is a qualified civil engineer whose career in the property and investment industry spans over 40 years. He was a director for 10 years of Sinclair Knight Merz Pty Ltd, one of Australia's largest consulting engineering firms and subsequently a co-founding director of Cossill & Webley Pty Ltd, a Western Australian consulting engineering firm specialising in major property developments.

Mr Cossill is currently a director and major shareholder of Sunrise Beach Resort Pty Ltd, a company that has developed the award winning \$30m Novotel Ningaloo Resort in Exmouth. Mr Cossill has also been a long term successful investor in emerging resource companies.

Edward G. Rigg - Executive Director

Mr Rigg is the Managing Director of the Argonaut Group of companies (Argonaut). He has some 20 years experience in the investment banking industry covering corporate advisory, stockbroking and principal investment. Prior to co-founding Argonaut with Mr Charles Fear in 2002, Mr Rigg was a senior executive of global investment bank, CIBC World Markets and before that, a substantial shareholder and director of Perth based stockbroking firm, D.J. Carmichael & Co.

Mr Rigg has a Bachelor of Business Degree from Curtin University and a Diploma of Finance. Mr Rigg is a member of the Australian Institute of Company Directors, a senior associate of FINSIA, a Responsible Officer under the Australian Financial Services regime, a Responsible Executive under the ASX Market Rules and a Responsible Officer for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (corporate finance) regulated activities in Hong Kong.

In June 2010 Mr Rigg successfully completed the 'Leading Professional Service Firms' course at Harvard Business School.

Adam Santa Maria – Executive Director and Company Secretary

Mr Santa Maria is a lawyer specialising in corporate and commercial law, holding a Bachelor of Laws (Hons) and a Bachelor of Commerce from the University of Western Australia.

Mr Santa Maria is also legal counsel to Argonaut and is the firm's Equity Capital Markets Manager, being responsible for the administration and the execution of Argonaut's equity capital raisings.

Prior to joining Argonaut, Mr Santa Maria practised law in Melbourne with an international law firm where he specialised in Capital Markets and Mergers and Acquisitions, having had experience with compliance, corporate governance and commercial litigation.



Meetings of Directors

During the financial year, two meetings were held. Attendances were:

	<u>Number eligible to attend</u>	<u>Number attended</u>
Garry Cossill	2	2
Edward Rigg	2	2
Adam Santa Maria	2	2

Operating Results

The Company incurred an after tax loss for the year ended 30 June 2013 amounting to \$1,109,374 (2012: \$2,241,281 loss).

Review of Financial Position

The Net Tangible Asset position of the Company for the year ended 30 June 2013 is \$2,298,368 (2012: \$3,407,742).

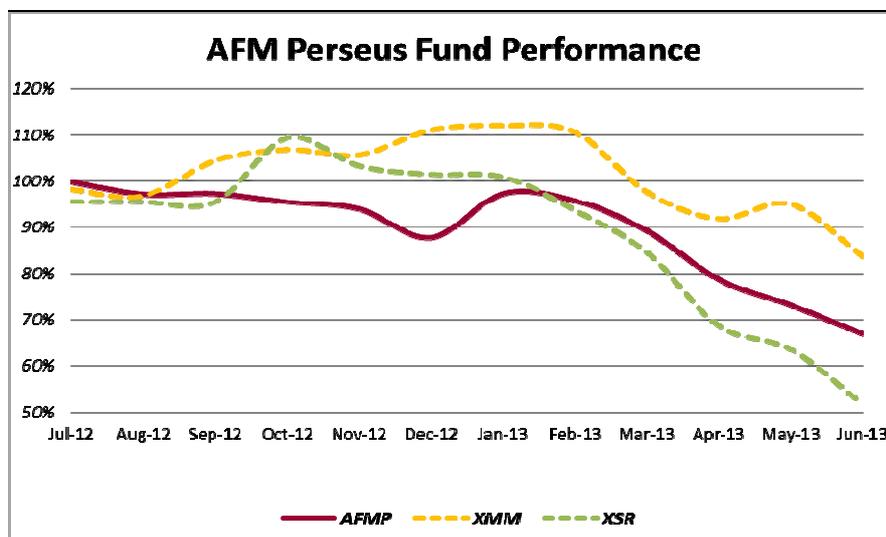
Review of Operations

While the Company had a difficult 2013 financial year, it still outperformed the ASX small resources sector. Underlying demand for commodities continues, though investment in new production capacity waned during the year. As the US and global economy recovers we expect this to flow back through the Chinese and Asian economies.

In light of the continued bearish sentiment, in the past year the Fund has sold a number of its more liquid positions and currently holds 37% of its investments in cash. The Fund exited the majority of its gold investments in advance of the recent crash in gold equities and the gold price. Without having done this, our performance over the year would have been substantially worse and more in line with the broader market.

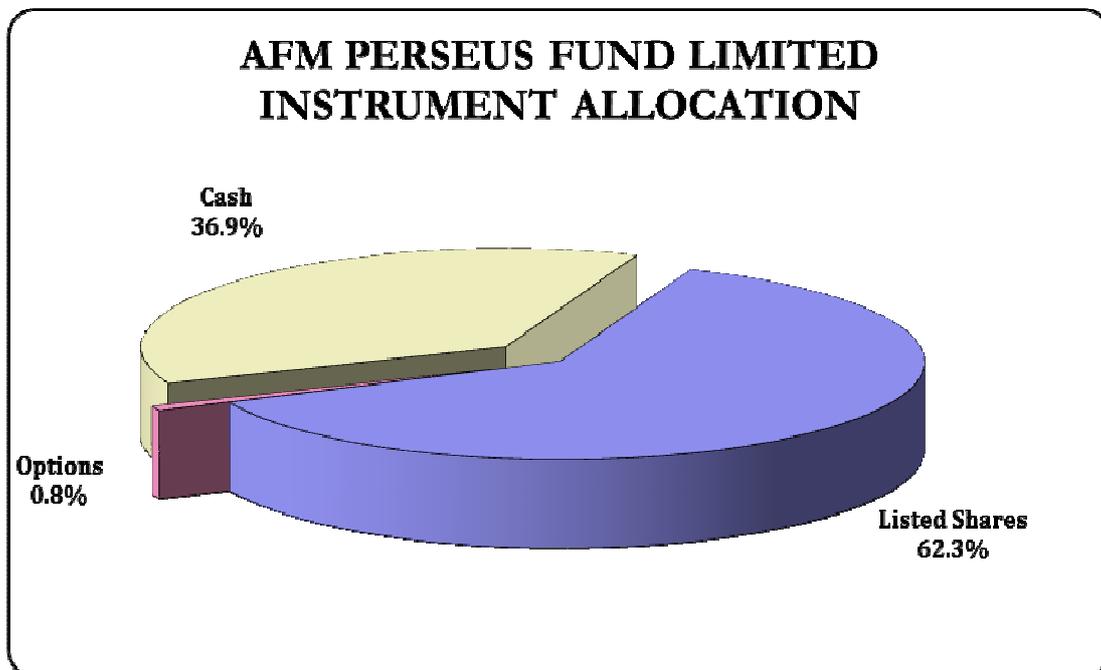
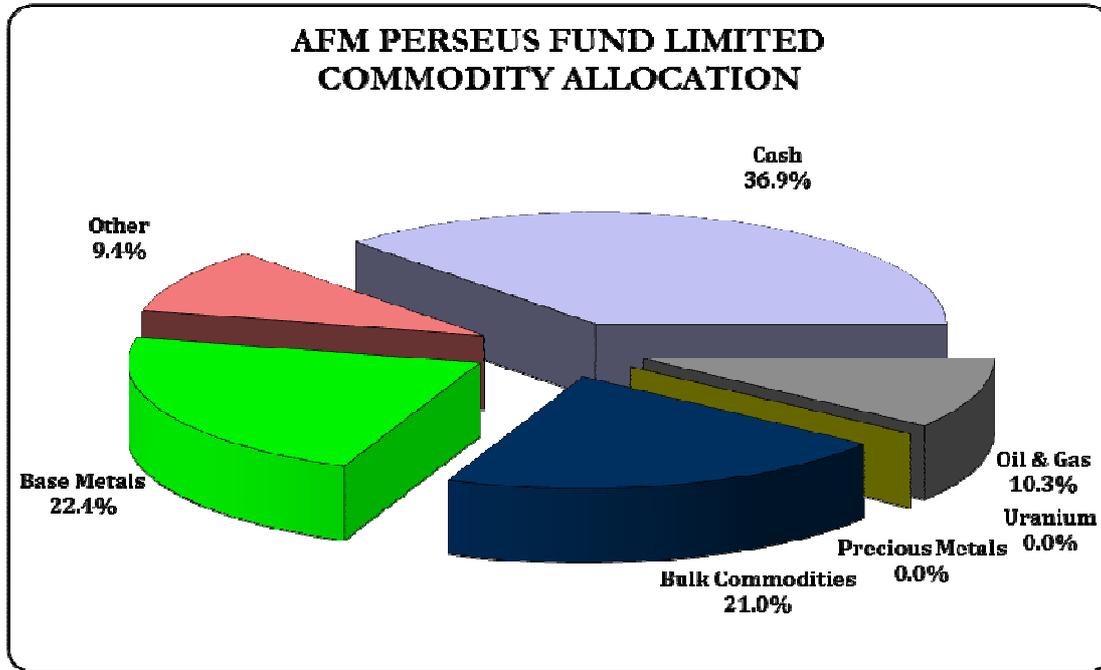
For the 12 months ended 30 June 2013, the Fund achieved an NTA after tax value per share at 30 June 2013 of \$0.4774 (2012: \$0.713), a decrease of 33%.

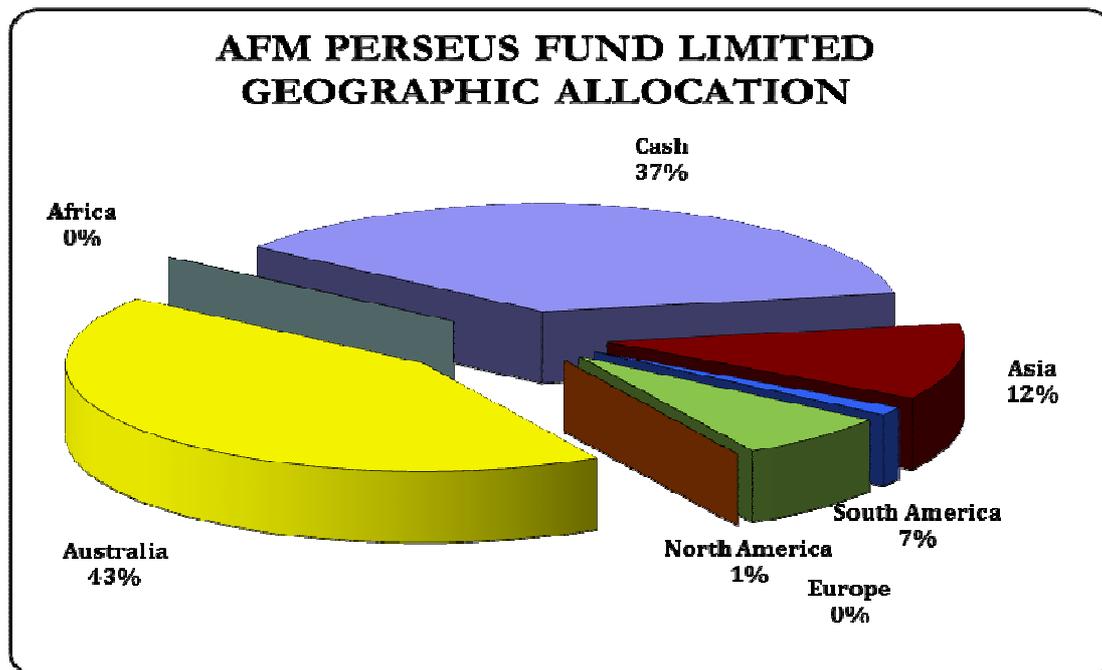
The Fund outperformed the ASX Small Resources (-48%) and underperformed the ASX 300 Mining and Materials (-16%) indices for the year ended 30 June 2013.





The composition of the Fund's portfolio at 30 June 2013, based on the on the value of the Fund's investments is outlined in the following diagrams.





Two large investment stakes continue to represent a significant share of the Fund. Liquidity in these stocks has decreased dramatically and the Fund continues to review opportunities to maximise its value on these investments.

The Fund has a medium term investment horizon (intending to hold stocks for 6 to 18 months) and maintains core investment positions for companies while continuing to recognise shorter term trading opportunities. The investment strategy of the Fund remains focused on the small and micro-cap natural resources sector.

Principal Activities

The principal activities of the Company during the financial year, was the business of buying and selling securities in the financial markets in order to generate a profit.

Significant Changes in State of Affairs

Nil.

Likely Developments and Results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Dividends Paid or Recommended

No dividends were paid during the year (2012: \$433,320).

Options

There were no options on issue as at 30 June 2013.

Indemnifying Officers or Auditors

Indemnities have been given for the directors to the maximum extent permitted by law. Apart from these indemnities, the Company has not indemnified or made a relevant agreement for indemnifying against a liability of any person who is or has been made an officer or auditor of the Company.

In accordance with the Corporations Act 2001, the company pays a premium to insure Officers against any liability incurred as an officer of that entity or of a related body corporate. This may



include a liability for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.

Proceedings on Behalf of the Company

No persons have applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Subsequent Events after Balance Date

A review of the Fund's investment portfolio has been performed at 23rd of August 2013. The cost of investments was \$2,650,792 (30 June 2013: \$2,554,793). The market value of investments was \$1,426,240 (30 June 2012: \$1,009,095). The movement in the market value of investments is wholly attributable to the recent fluctuations of the share market.

Environmental Issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporation Act is set out on page 8.

Dated at Perth this 30th day of August 2013.

Signed in accordance with a resolution of the Board of Directors.

EDWARD G. RIGG
Director



Bentleys Audit & Corporate
(WA) Pty Ltd

Level 1, 12 Kings Park Road
West Perth WA 6005

Australia

PO Box 44

West Perth WA 6872

Australia

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of AFM Perseus Fund Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- ▶ the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ▶ any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

DATED at PERTH this 30th day of August 2013



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**TOP 20 SHAREHOLDERS
 FOR THE YEAR ENDED 30 JUNE 2013**

	Shareholder Name	Number of Shares Held	Percentage
1.	Kamira Investments Pty Ltd	765,018	15.89%
2.	Alba Capital Pty Ltd	711,522	14.78%
3.	SDMO Australia Pty Ltd	537,634	11.17%
4.	Argonaut Capital Limited	435,940	9.05%
5.	EGR Management Pty Ltd	228,369	4.74%
6.	Mr Craig Allen Russell & Tracey Alexandra Russell	188,369	3.91%
7.	Falcore Pty Ltd	179,400	3.73%
8.	W Fairweather & Son Pty Ltd	161,460	3.35%
9.	Dumbarton Square Pty Ltd	135,646	2.82%
10.	Urey Pty Ltd	65,240	1.36%
11.	Areley Kings Pty Ltd	59,202	1.23%
12.	Brownlie Developments Pty Ltd	53,820	1.12%
13.	Mr Kenneth Roscrow	50,000	1.04%
14.	Mr Edward Haywood Rigg & Margaret Ann Rigg	50,000	1.04%
15.	Mrs Kym Michelle Mcpherson	41,528	0.86%
16.	Mr Roy Fennell & Mrs Marlen Fay Fennel	40,000	0.83%
17.	Tara Management Pty Ltd	40,000	0.83%
18.	Ms Jodie Lee Maxted	38,945	0.81%
19.	Mr David Orth	37,674	0.78%
20.	Mr Geoffrey John Whittome	30,000	0.62%



**STATEMENT OF PROFIT AND LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

		2013	2012
	Note	\$	\$
Revenue from ordinary activities	2	13,739	49,250
Net gain/(loss) in financial assets held for trading	2	(1,479,314)	(3,045,049)
Dividends received		12,000	16,000
Professional and directors fees		(69,276)	(74,458)
Management fee		(53,692)	(105,362)
Other expenses		(4,291)	(7,447)
Insurance		(6,020)	-
Profit/(loss) before income tax		(1,586,854)	(3,167,066)
Income tax (expense)/benefit	3	477,480	925,785
Profit/(loss) after income tax from continuing operations		(1,109,374)	(2,241,281)
Profit after income tax for the period		(1,109,374)	(2,241,281)
Other comprehensive income			
Net loss from securities available for sale		-	-
Income tax (expense)/benefit relating to other comprehensive income		-	-
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		(1,109,374)	(2,241,281)



**STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	4a	487,679	602,932
Trade and other receivables	5	98,760	4,559
Other current assets	6	1,750	-
Financial assets	7	1,009,095	2,693,317
TOTAL CURRENT ASSETS		1,597,284	3,300,808
NON-CURRENT ASSETS			
Deferred tax assets	8	743,126	265,646
TOTAL NON-CURRENT ASSETS		743,126	265,646
TOTAL ASSETS		2,340,410	3,566,454
CURRENT LIABILITIES			
Trade and other payables	9	42,042	158,712
TOTAL CURRENT LIABILITIES		42,042	158,712
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		42,042	158,712
NET ASSETS		2,298,368	3,407,742
EQUITY			
Issued capital	10	4,674,035	4,674,035
Accumulated gains/(losses)		(2,375,667)	(1,266,293)
TOTAL EQUITY		2,298,368	3,407,742



**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2013**

	Issued Capital \$	Accumulated Gains/(losses) \$	Total \$
Balance at 1 July 2011	4,674,035	1,408,308	6,082,343
Loss for the year	-	(2,241,281)	(2,241,281)
Other comprehensive income	-	-	-
Net change in fair value of available-for-sale financial assets (net of tax)	-	-	-
Total comprehensive income for the year	-	(2,241,281)	(2,241,281)
Transactions with owners, directly recorded in equity			
Dividends	-	(433,320)	(433,320)
Balance at 30 June 2012	4,674,035	(1,266,293)	3,407,742
Balance at 1 July 2012	4,674,035	(1,266,293)	3,407,742
Loss for the year	-	(1,109,374)	(1,109,374)
Other comprehensive income	-	-	-
Net change in fair value of available-for-sale financial assets (net of tax)	-	-	-
Total comprehensive income for the year	-	(1,109,374)	(1,109,374)
Transactions with owners, directly recorded in equity			
Dividends	-	-	-
Balance at 30 June 2013	4,674,035	(2,375,667)	2,298,368



**CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	18,225
Payments to suppliers and employees		(382,586)	(425,755)
Dividends received		12,000	16,000
Interest received		13,358	29,796
Net cash used in operating activities	12	(357,228)	(361,734)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		726,166	1,534,520
Payments for investments		(521,258)	(1,504,244)
Net cash provided by investing activities		204,908	30,276
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends Paid		-	(433,320)
Net cash used in financing activities		-	(433,320)
Net (decrease)/increase in cash held		(152,320)	(764,778)
Cash at beginning of year		639,999	1,404,777
Cash at end of year	4b	487,679	639,999



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the financial statements and notes of AFM Perseus Fund Limited. AFM Perseus Fund Limited is a Company limited by shares, domiciled and incorporated in Australia.

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Revenue and Other Income

Share trading

Other income from the sale of shares is recognised on the day the security is traded and comprises net profit on the sale of securities.

Interest

Interest revenue is recognised on an accruals basis.

Dividends

Dividends are recognised when declared.

(c) Foreign Currency Translations and Balances

Foreign currency transactions during the year are converted to Australian currency on a monthly basis at the rates of exchange applicable at the end of the month. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

(d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.



1 SIGNIFICANT ACCOUNTING POLICIES (cont.)

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

(f) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Trade and Other Receivables

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.



1 SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Financial assets at fair value through profit or loss

This category includes financial assets held for trading and those designated at fair value through the profit or loss on initial recognition. If there exists a possibility that the financial asset acquired will be sold in the short term or if that asset is subject to frequent changes in value, then that asset will be designated as at fair value through the profit and loss. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date with any resultant change in value recognised in the income statement.

Held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Assets in this category are classified as current assets if they are expected to be realised within 12 months of the Statement of Financial Position date with any resultant change in value recognised directly in equity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included as current assets except for those with maturities greater than 12 months after the Statement of Financial Position date and are carried at amortised cost using the effective interest method and any impairment is recognised in the income statement.



1 SIGNIFICANT ACCOUNTING POLICIES (cont.)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as financial assets at fair value through the profit or loss, held to maturity investments or loans and receivables. They are included as current assets to the extent they are expected to be realised within 12 months of the Statement of Financial Position date and are carried at fair value with any resultant change in value recognised directly in equity except for impairment losses and foreign exchange gains and losses which are recognised in the income statement. When the asset is sold the cumulative gain or loss previously recognised in equity shall be recognised in the income statement.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value estimation

The fair value of financial instruments traded in active markets is their quoted bid price at the Statement of Financial Position date. The fair value of financial instruments not traded in an active market is determined using valuation techniques based on the underlying net assets of the Company, option pricing methods if applicable or any relevant transaction that subscribes a value to those shares or options.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement as noted above.

(i) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed and are stated at cost.

(j) Impairment

The carrying amounts of the Company's assets other than other financial assets and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment, and if so, the asset's recoverable amount is estimated.

An impairment loss is recognised in the income statement unless an asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent of the previous revaluation through the profit and loss.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(k) Deferred Share Issue Costs

In accordance with AASB 139 Financial Instrument Recognition and Measurement (Transaction costs arising on the issue of equity instruments), all transaction costs on the issue of equity instruments are to be recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.



1 SIGNIFICANT ACCOUNTING POLICIES (cont.)

(l) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Critical Accounting Estimates and Judgement

The Directors evaluate estimates and judgements incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Option Valuation

The Company uses the Black Scholes model to value unlisted options at fair value.

Key Estimates – Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Estimates – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office

(n) Asset Revaluation Reserve

The Asset Revaluation Reserve records the revaluations of non-current assets. Under certain circumstances, dividends can be declared from this reserve.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. The Company has reviewed these new accounting standards and do not expect them to materially impact the Company.



2 REVENUE AND OTHER INCOME	Note	2013 \$	2012 \$
Revenue from Ordinary Activities			
Other revenue			
— interest received from financial institutions		13,358	29,796
— other revenue		381	19,454
Total Revenue		13,739	49,250
Interest revenue from:			
— financial institutions		13,358	29,796
Total interest revenue on financial assets not at fair value through profit or loss		13,358	29,796
Other Income			
Net gains on financial assets at fair value through profit or loss:			
— held for trading – Profit/(Loss) from sale of shares		(498,730)	1,095,269
— held for trading – Unrealised Gain/(Loss)		(980,584)	(4,140,318)
		(1,479,314)	(3,045,049)
3 INCOME TAX (EXPENSE) / BENEFIT			
Recognised in the income statement:			
<i>Current tax (expense) / benefit</i>		-	(146,776)
<i>Deferred tax (expense) / benefit</i>	3(i), (ii),(iii)	477,480	1,072,561
Total income tax (expense) / benefit		477,480	925,785



3 INCOME TAX (EXPENSE) / BENEFIT (cont.)

	2013	2012
	\$	\$
<i>Reconciliation between tax expense and pre-tax net profit</i>		
Profit/ (loss) before income tax	(1,586,854)	(3,167,066)
Income tax calculated at 30% (2012: 30%)	476,056	950,120
Overprovision in prior years	-	-
Deferred tax asset (recouped)/ not brought to account	1,424	(24,335)
Income tax expense on pre-tax net profit	477,480	925,785
Weighted average rate of tax	30%	29%
<i>Dividend franking account</i>		
30% franking credits available to shareholders for subsequent financial years	-	-
Current tax liabilities	-	-
<i>Reconciliations for deferred tax accounts</i>		
i. Gross movements		
The overall movement in the deferred tax account is as follows:		
Opening balance	265,646	(660,139)
(Charge)/credit to income statement	477,480	925,785
Charge directly to equity	-	-
Closing balance	743,126	265,646
ii. Deferred tax assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
<i>Provisions</i>		
Opening balance	-	19,540
(Charge) / credit to income statement	-	(19,540)
Closing balance	-	-
<i>Accrued Expenses</i>		
Opening Balances	6,286	13,637
(Charge)/credit to income statement	104	(7,351)
Charged directly to equity	-	-
Closing balance	6,390	6,286



3 INCOME TAX (EXPENSE) / BENEFIT (cont.)

	2013	2012
	\$	\$
ii. Deferred tax assets (continued)		
Tax Losses		
Opening balance	89,826	379,245
(Charge)/credit to the income statement	183,201	(289,419)
Charged directly to equity	-	-
Closing balance	273,027	89,826
Fair value loss adjustments		
Opening balance	169,534	-
(Charge)/credit to the income statement	294,175	169,534
Charged directly to equity	-	-
Closing balance	463,709	169,534
Closing balance	743,126	265,646

iii. Deferred tax liabilities

The movement in deferred tax liabilities for each temporary difference during the year is as follows:

Fair value gain adjustments		
Opening balance	-	1,072,561
(Charge)/credit to the income statement	-	(1,072,561)
Charged directly to equity	-	-
Closing balance	-	-

4 CASH AND CASH EQUIVALENTS

a Cash at bank and on hand	487,679	602,932
	487,679	602,932
b The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:		
Balances as above	487,679	602,932
Add: Impairment of cash assets	-	37,067
	487,679	639,999

The impairment of cash assets in 2012 represented an adjustment to cash which, it was considered, may not be collectable but still formed part of the cash within the Cash Flow Statement. It was decided in 2013 that the impairment should not be included in the Cash Flow Statement.



	2013 \$	2012 \$
5 TRADE AND OTHER RECEIVABLES		
Other debtors	98,760	4,559
	98,760	4,559
6 OTHER CURRENT ASSETS		
Prepayments	1,750	-
	1,750	-
7 OTHER FINANCIAL ASSETS		
<i>Current</i>		
Held for trading:		
Listed equity securities held for trading at cost	2,554,793	3,258,431
Fair value increment	(1,545,698)	(565,114)
	1,009,095	2,693,317
8 DEFERRED TAX ASSETS AND LIABILITIES		
<i>Recognised deferred tax assets and liabilities</i>		
Deferred tax assets are attributable to the following:		
Provisions	-	-
Creditors and accruals not currently deductible	6,390	6,286
Unrealised change in the market value of investments	463,709	169,534
Tax losses	273,027	89,826
	743,126	265,646
Deferred tax liabilities are attributable to the following:		
Unrealised change in the market value of investments	-	-
	-	-
9 TRADE AND OTHER PAYABLES		
Trade payables and accrued expenses	10,329	130,456
Amounts payable to:		
- Associated company	24,213	20,756
- Key management personnel	7,500	7,500
	42,042	158,712

Trade and other payables are non interest bearing and usually settled at 60 day terms.



	2013	2012
	\$	\$
10 ISSUED CAPITAL		
4,814,664 (2012: 4,814,664) Fully Paid Ordinary Shares with no par value	4,674,035	4,674,035

	Number of Shares	Number of Shares
Balance at start of period	4,814,664	4,814,664
Shares bought back during the financial year	-	-
Balance at the end of the period	4,814,664	4,814,664

(a) Ordinary Shareholders have the following rights (amongst others):

- right to receive notices of meetings of the Company and to attend such meetings and to vote at such meetings except in relation to winding up the Company
- right to receive dividends
- rights under the Corporations Act to wind up the Company

(b) On 20 June 2007, the Company held a General and Class Meeting where the one \$1.00 "B" Class share was converted to 500,000 options in the Company, thus transferring all voting rights held by the Manager through the B class share to the Ordinary shareholders of the Company. The options were exercisable at \$1.50 and expired on 20 June 2012.

	2013	2012
	Number of Options	Number of Options
Balance at start of period	-	450,000
Options cancelled due to capital reconstruction	-	-
Options lapsed during the year	-	(450,000)
Balance at the end of the period	-	-

Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing the Company's financial risk and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. This strategy is to ensure that the Company's gearing ratio remains conservative. The gearing ratio for the year ended 30 June 2013 is as follows:



	Note	2013	2012
10 ISSUED CAPITAL (cont.)		\$	\$
Total borrowings		-	-
Less cash and cash equivalents	4a	487,679	602,932
Net debt		(487,679)	(602,932)
Total equity		2,298,368	3,407,742
Total capital		2,298,368	3,407,742
Gearing ratio		-	-

11 FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company investments.

Derivatives are not used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

Senior executives of the Company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Senior executives overall risk management strategy seeks to minimise potential adverse effects on financial performance.

The Senior executives operate under the guidance of the board of directors. Risk Management initiatives are addressed by the Board when required.

ii. Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

Interest rate risk

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. All of the entity's exposure to interest rate risk is limited to cash and cash equivalents, convertible notes and financial liabilities.

At 30 June 2013, the Company does not have any material interest rate risk exposure.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

Market risk

Market risk is the risk that the value of the Company's investments will fluctuate as a result of changes in market prices. It is recognised that the investment portfolio comprises a proportion of speculative investments in the mining and resources sector. To minimise market risk, positions are monitored on a daily basis and marked-to-market regularly.



11 FINANCIAL RISK MANAGEMENT (cont.)

Net fair values of financial assets and liabilities

Assets and liabilities included in the Statement of Financial Position are carried at amounts that approximate their fair values. Please refer to Note 1 for the methods and assumptions adopted in determining net fair values for investments.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk is reviewed regularly by the Senior Executives.

The Senior executives ensure that the Company deals with :

- Only banks and financial institutions with an “A” rating;
- All potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and

The Company invests in listed available-for-sale/ held to maturity financial assets. Unlisted available-for-sale/ held to maturity financial assets are not rated by external credit agencies. These are reviewed regularly by the Company to ensure that credit exposure is minimised.

The credit risk for counterparties included in trade and other receivables at 30 June 2013 is detailed below:

	2013	2012
Trade and Other Receivables	98,760	4,559

Price risk

The Company is exposed to changes in share prices of the portfolio of securities that it holds. Securities are monitored regularly to ensure that the relevant companies in which shares are held are meeting the investment standards required by the Investment Committee.

iii. Net Fair Values

The net fair values of:

- Listed investments have been valued at the quoted market last sale price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on the cost base of the investment or the reasonable estimation of the underlying net assets.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.



11 FINANCIAL RISK MANAGEMENT (cont.)

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date

As at 30 June 2013 and 30 June 2012, the carrying amounts of all financial assets and liabilities approximated their fair values.

iv. Sensitivity Analysis

Interest rate risk, foreign currency risk and price risk

The Company has performed sensitivity analysis relating to its exposures to interest rate risk and price risk at balance date and has determined that increases and decreases are not material to the Company.

Interest rate exposure

The entity's exposure to interest rate risk and the effective weighted interest rate for classes of financial assets and liabilities is set out below:

2013	Note	Weighted average interest rate	Fixed interest maturing in:			
			Floating interest \$	1 year or less \$	Non-interest bearing \$	Total \$
<i>Financial assets</i>						
Cash and cash equivalents	4	2.78%	487,679	-	-	487,679
Trade and other receivables	5	-	-	-	98,760	98,760
Other financial assets	7	-	-	-	1,009,095	1,009,095
			487,679	-	1,107,855	1,595,534
<i>Financial liabilities</i>						
Trade and other payables	9	-	-	-	42,042	42,042
					42,042	42,042



11 FINANCIAL RISK MANAGEMENT (cont.)

2012	Note	Weighted average interest rate	Fixed interest maturing in:			
			Floating interest \$	1 year or less \$	Non-interest bearing \$	Total \$
<i>Financial assets</i>						
Cash and cash equivalents	4	3.98%	602,932	-	-	602,932
Trade and other receivables	5	-	-	-	4,559	4,559
Other financial assets	7	-	-	-	2,693,317	2,693,317
			602,932	-	2,697,876	3,300,808
<i>Financial liabilities</i>						
Trade and other payables	9	-	-	-	158,712	158,712
					158,712	158,712

Fair value measurements recognized in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 and 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

	Level 1 \$	Level 2 \$	Total \$
2012			
Financial assets:			
<i>Financial assets at fair value through profit or loss:</i>			
- Investments: held for trading	2,693,318	-	2,693,318
	Level 1 \$	Level 2 \$	Total \$
2013			
Financial assets:			
<i>Financial assets at fair value through profit or loss:</i>			
- Investments: held for trading	1,009,095	-	1,009,095



11 FINANCIAL RISK MANAGEMENT (cont.)

Listed Equity Sensitivity Analysis

At 30 June 2013, the effect on profit and equity as a result of changes in listed equity prices, with all other variables remaining constant would be as follows:

	2013	2012
	\$000	\$000
Change in profit		
- Increase in listed equity prices by 10%	100,909	269,332
- Decrease in listed equity prices by 10%	(100,909)	(269,332)
Change in Equity		
- Increase in listed equity prices by 10%	100,909	269,332
- Decrease in listed equity prices by 10%	(100,909)	(269,332)

12 NOTES TO THE STATEMENT OF CASH FLOWS

Profit/(loss) after income tax	(1,109,374)	(2,241,281)
Non-cash flows in profit after income tax:		
Movement on financial instruments held at fair value	980,582	4,140,318
Movement on impairment of cash assets	(37,067)	-
Loss/(profit) on sale of investments	498,731	(1,095,269)
	332,872	803,767
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(95,950)	3,933
(Increase)/decrease in deferred tax assets	(477,480)	146,776
(Decrease)/increase in provisions	-	(1,229)
(Decrease)/increase in payables	(116,670)	(242,421)
(Decrease)/increase in current tax liabilities	-	-
(Decrease)/increase in deferred tax liabilities	-	(1,072,561)
Cash flows from operations	(357,228)	(361,734)



13 KEY MANAGEMENT PERSONNEL COMPENSATION

2013

Cash, salary & commissions	Short-term Benefits		Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total
	Other	Super-annuation	Other	Equity	Options		
\$	\$	\$	\$	\$	\$	\$	\$
27,523	-	2,477	-	-	-	-	30,000
27,523	-	2,477	-	-	-	-	30,000

No key management personnel emoluments are performance based.

2012

Cash, salary & commissions	Short-term Benefits		Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total
	Other	Super-annuation	Other	Equity	Options		
\$	\$	\$	\$	\$	\$	\$	\$
27,523	-	2,477	-	-	-	-	30,000
27,523	-	2,477	-	-	-	-	30,000

No key management personnel emoluments are performance based.

No other compensation, including termination benefits and share based payments, was paid or payable to key management personnel.



13 KEY MANAGEMENT PERSONNEL COMPENSATION (cont.)

The names of each person holding the position of director of the Company during the period are:

Garry Cossill
 Edward G Rigg
 Adam Santa Maria

14 RELATED PARTIES

a Directors

Details of directors and their remuneration are set out in Note 13.

b Transactions with Director-related entities

The directors of the Company, or their director-related entities, hold positions in other entities from time to time that result in them having control over the financial or operating policies of these entities.

The terms and conditions of the transactions with directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Aggregate amounts recognised during the year relating to director related entities were as follows:

<i>Director Related Entity</i>	<i>Director</i>	<i>Transaction</i>	2013 \$	2012 \$
Argonaut Limited	E Rigg	Accounting Fees ⁽ⁱ⁾	12,000	12,000
Argonaut Limited	E Rigg	Expense reimbursement ⁽ⁱⁱ⁾	37,662	31,650
AFM Zeus Pty Ltd	E Rigg/ M Mulroney	Management and Performance Fees ⁽ⁱⁱⁱ⁾	53,692	105,362

- i. The Company paid total Accountancy Fees of \$12,000 for the year ended 30 June 2013 to Argonaut Limited.
- ii. The Company paid \$37,662 to Argonaut Limited for general expenses incurred by Argonaut Limited on behalf of the Company.
- iii. The Company paid total Management Fees of \$53,692 for the year ended 30 June 2013 to AFM Zeus Pty Ltd, the Manager of the Company. M Mulroney was a director of AFM Perseus Fund Limited and AFM Zeus Pty Ltd and resigned on 22 February 2012.



14 RELATED PARTIES (cont.)

c Directors holdings of shares

Key Management Person	Balance 1 July 2012	Net Change Other	Balance 30 June 2013
Argonaut Capital Limited- Edward Rigg related entity	435,940	-	435,940
EGR Management Pty Ltd- Edward Rigg related entity	228,369	-	228,369
Dumbarton Square Pty Ltd- Garry Cossill related entity	135,646	-	135,646
	799,955	-	799,955

d Identity of related parties

The Company has a related party relationship with its directors and director related entities.

15 EVENTS SUBSEQUENT TO REPORTING DATE

A review of the Fund's investment portfolio has been performed at 23rd of August 2013. The cost of investments was \$2,650,792 (30 June 2013: \$2,554,793). The market value of investments was \$1,426,240 (30 June 2012: \$1,009,095). The movement in the market value of investments is wholly attributable to the recent fluctuations of the share market.

16 DIVIDENDS

No dividends were paid during the financial year (2012: \$433,320).

17 AUDITORS' REMUNERATION

Auditors remuneration for:

- audit and review of the financial report	21,600	20,500
	21,600	20,500



18 OPERATING SEGMENTS

Identification of reportable segments

The Company has identified one reportable segment, being the financial investment industry, based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Geographic Segment

The Company operates from one geographic location, being Australia, from where its investing activities are managed.

19 COMPANY DETAILS

The registered office and principal place of business of the Company is:

Allendale Square
Level 30
77 St Georges Terrace
Perth WA 6000



DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

- (a) the financial statements & notes set out on pages 10 to 32, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2013 and of its performance as represented by the results of its operations and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in relevant notes to the financial statements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 30th day of August 2013.

This declaration is made in accordance with a resolution of the Board of Directors.

EDWARD G. RIGG
Director

Independent Auditor's Report

To the Members of AFM Perseus Fund Limited

We have audited the accompanying financial report of AFM Perseus Fund Limited ("the Company"), which comprises the statement of financial position as at 30 June 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Bentleys Audit & Corporate
(WA) Pty Ltd
Level 1, 12 Kings Park Road
West Perth WA 6005
Australia
PO Box 44
West Perth WA 6872
Australia
ABN 33 121 222 802
T +61 8 9226 4500
F +61 8 9226 4300
bentleys.com.au

Independent Auditor's Report
To the Members of AFM Perseus Fund Limited (*Continued*)



Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a. The financial report of AFM Perseus Fund Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. The financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

DATED at PERTH this 30th day of August 2013



AFM PERSEUS
FUND LIMITED