

GLOBE INTERNATIONAL LIMITED

APPENDIX 4E

Preliminary Final Report

Lodged with the ASX under Listing Rule 4.3A

Results for Announcement to the Market

<u>Consolidated Entity</u>	2018 \$'000	2017 \$'000	Change	
			\$'000	%
Revenue from ordinary activities	147,726	140,484	7,242	5.2
Net Sales from ordinary activities	147,261	140,006	7,255	5.2
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	9,618	6,113	3,506	57.4
Net Profit after tax attributable to members (NPAT)	8,439	5,081	3,358	66.1

<u>Parent Entity</u>	2018 \$'000	2017 \$'000	Change	
			\$'000	%
Net profit after tax attributable to members (NPAT)	11,843	5,434	6,409	117.9

Dividends	Amount per security	Franked portion of dividend	Franked amount per security
Final dividend	6 cents	0%	nil
Interim dividend	5 cents	83%	4.2 cents

Record date for determining entitlements to the dividend

7 September 2018

Date of Company's 2018 AGM

25 October 2018

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	96.38 cents	81.31 cents
Earnings per share	20.35 cents	12.25 cents



GLOBE INTERNATIONAL LIMITED
Full Financial Report
Year ended 30 June 2018

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GLOBE INTERNATIONAL LIMITED

Directors' report

Your directors present their report on Globe International Limited ("the Company") and its controlled entities (collectively "Globe" or the "consolidated entity") for the year ended 30 June 2018.

DIRECTORS

The name and position of each director of the Company in office during the financial year and up to the date of this report:

Name, position and qualifications	Experience	Directors' interests in Ordinary Shares of GLB
Paul Isherwood AO FCA Independent Non-Executive Chairman	Paul Isherwood was appointed to the Board of Directors in March 2001 and elected Chairman in March 2003. Paul is an experienced company director with a strong finance and accounting background and extensive corporate governance experience across different industry sectors, mostly with listed companies. He has proven leadership skills from a career with Coopers & Lybrand that spanned 38 years. He held the position of National Chairman and Managing Partner of Coopers & Lybrand (Australia) from 1985 to 1994 and served on the International Board and Executive Committee of the firm from 1985 to 1994. Paul was also a Director of the Australand Property Group from December 2005 to November 2014.	1,000,000
Stephen Hill Executive Director	Stephen Hill co-founded Globe in 1985, remains a major shareholder in the business and has expertise in the development of growth initiatives, brand development and market positioning strategies for the Company. Stephen is a former skateboarding champion and remains an active skateboarder, snowboarder and surfer.	12,561,562
Peter Hill Executive Director	Peter Hill co-founded Globe in 1985 and remains a major shareholder in the business. He is a major contributor to the strategic market direction and brand development of the business with a particular emphasis on Asian sourcing and distribution where he is based. Peter is a former skateboarding champion and maintains an extensive interest in extreme action sports and motorsports.	12,436,009

COMPANY SECRETARY

Name and qualifications	Experience
Gerhard M. Correa CPA, CA	Gerhard Correa was appointed as the Company Secretary in November 2004. Gerhard joined the Company in November 2000 as Financial Controller.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were the specialized production and distribution of purpose-built apparel, footwear and hardgoods for the board sports, street fashion and workwear markets globally.

CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no reportable matters that have occurred subsequent to the end of the financial year.

REVIEW OF OPERATIONS

The consolidated entity reported that all key metrics were ahead of the previous corresponding period (pcp), including growth in revenues, profits, dividends and operating cash flows, as outlined below:

- Revenues for the financial year of \$147.7 million were 5% or \$7.2 million above the pcp.
- Earnings before interest, tax, depreciation and amortization (EBITDA) grew by 57% to \$9.6 million, compared to \$6.1 million in the pcp.
- Net profit after tax (NPAT) grew by 66% to \$8.4 million for the financial year, compared to \$5.1 million in the pcp.
- Cash-flows generated from operations were \$11.2 million, compared to \$10.6 million in the pcp.
- Dividends in respect of the 2018 financial year of 11 cents per share were 37% higher than the 8 cents per share paid in relation to the 2017 financial year.

Net sales for the year of \$147.3 million grew by 5%, in line with expectations. Following flat sales in the first half, solid second half growth in North America and Australia drove an 11% increase in sales in the second half, resulting in the 5% growth for the full year. Gross profit margins were higher than the pcp by 1.4 percentage points, driven by sales mix and favourable foreign exchange impacts. EBITDA margins of 6.5% of net sales were higher than the pcp by 2.2 percentage points, as costs grew at lower rate than sales. A brief overview of performance by region is included below:

- The Australian division continues to be the key contributor to the sales and profitability of the consolidated entity. While overall sales growth for the year was modest (+ 2%), EBITDA was \$2.3 million or 19% higher than the corresponding period, driven mainly by sales and profit growth in the workwear division.
- The performance of the North American division for the year improved significantly, with a \$2.8 million turn around in profitability compared to the loss in the prior corresponding period. This turn-around was a result of the restructuring that was completed during the 2017 financial year, as well as an 11% increase in revenues driven by new apparel initiatives.
- The European business reported modest growth in sales and profitability.

Cash flows from operations were \$11.2 million and over the year net cash balances increased by \$6.0 million. During the year the consolidated entity continued to closely and effectively manage working capital and, as a result, working capital balances remained flat on last year despite the growth in net sales.

DIVIDENDS

During the year the Company paid the following dividends:

- a fully franked final dividend of 5 cents per share, relating to the 2017 financial year. This dividend amounting to \$2.1 million was paid to shareholders on 22 September 2017.
- An interim dividend of 5 cents per share, franked to 83%, relating to the 2018 financial year. This dividend amounting to \$2.1 million was paid to shareholders on 24 March 2018.

Since the end of the financial year the directors have determined that a final dividend of 6 cents per share will be payable, relating to the 2018 financial year. This dividend, amounting to \$2.5 million, will be unfranked and will be paid to shareholders on 21 September 2018.

In total, dividends of 11 cents per share will be paid to shareholders in respect of the financial year ended 30 June 2018, compared to 8 cents paid in relation to the year ended 30 June 2017.

ENVIRONMENTAL REGULATIONS

The consolidated entity is not subject to particular or significant environmental regulation in respect of its activities.

MEETINGS OF DIRECTORS

Details of attendances by directors at Board meetings during the financial year were as follows:

	Number eligible to attend	Number Attended
Paul Isherwood	5	5
Peter Hill	5	5
Stephen Hill	5	5

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

- A** Principles used to determine the nature and amount of remuneration
- B** Details of remuneration
- C** Service agreements
- D** Other transactions with directors and key management personnel
- E** Additional information

A. Principles used to determine the nature and amount of remuneration

Over-riding principles of remuneration

The objective of the Company's executive remuneration framework is to attract and retain directors and executives capable of managing the consolidated entity's diverse operations in Australasia, North America and Europe. As the Company does not have a Remuneration Committee, executive remuneration is reviewed on an annual basis by the Board, having regard to personal performance, Company performance and relevant comparative external information.

Remuneration for directors comprises a fixed component only. Remuneration for other senior executives comprises both fixed compensation and an "at risk" component. The "at risk" component relates to short term incentives, targets for which are set at the beginning of each year and assessed on an annual basis by the CEO, or the Board in the case of the CEO. These incentive targets are based on a combination of the Company's results and individual performance levels.

This executive remuneration framework is aligned with shareholders interests in the following respects:

- it attracts and retains high calibre executives, as it:
 - remunerates capability and experience
 - is competitive
 - rewards executives for contributing to the achievement of Company and business unit targets
 - provides a clear structure for earning remuneration
- remuneration is linked to certain financial performance measures. Globe International Limited's net profit after tax (NPAT) and earnings before interest, tax, depreciation and amortisation (EBITDA) have been the central performance measures for the Company's executives in recent years. Other financial measures taken into consideration include revenue growth, net operating cash flows and other business objectives.

Based on these over-riding principles, the executive remuneration framework satisfies the following criteria for good remuneration governance practices:

- competitiveness and reasonableness
- compensation linked to performance
- transparency

REMUNERATION REPORT (AUDITED) (continued)

Directors

Remuneration and fees paid to directors reflect the demands which are made on, and the responsibilities of, the directors in their capacity as board members and/or executive directors, as the case may be. Directors' remuneration and fees are reviewed annually by the Board, both in total and by individual director. Directors do not participate in any incentive schemes.

Non-executive directors

Fixed compensation

The current base remuneration was last reviewed with effect from 1 October 2008, which at that time resulted in a reduction in the fees paid to the non-executive director. There have been no changes to the fees since this point. As there are no sub-committees of the Board, this is an all inclusive annual fee.

Retirement allowances

The only retirement allowances for the non-executive director are superannuation payments to a nominated contribution scheme, which are made in accordance with statutory obligations in Australia.

Executive directors

Fixed compensation

The executive directors' remuneration is fixed, and consists of base pay and superannuation. The base pay is determined by the Chairman, and is considered to be reasonable in that it is in line with market remuneration for similar positions in the industry and in line with the remuneration paid to KMP's with similar levels of responsibility. Furthermore, there are no guaranteed base pay increases included in the executive directors' employment contract and no entitlements to participate in the Company's short or long term incentive plans.

The current base remuneration was last reviewed on 1 September 2015, at which point the remuneration was increased to reflect the executive directors' on-going contribution towards the development and enhancement of the Company and its brands, which ultimately drives growth in revenue and profits. It is to be noted that the financial year ended 30 June 2011 was the first year since 2001 in which the executive directors were remunerated in accordance with their positions in the Company. The founding directors, who were full time executive directors, elected not to receive any remuneration for their services for the first 9 years after the Company was listed in 2001.

Termination benefits

Executive directors are not entitled to termination benefits other than the minimum requirements set under the National Employment Standards.

Retirement allowances

The only retirement allowances for the executive directors are superannuation payments to a nominated contribution scheme, which are made in accordance with statutory obligations in Australia.

Executives

The executive remuneration framework has two components that, combined, represent total remuneration:

- fixed compensation
- short-term incentives

Fixed compensation

The terms of employment for all executive management include a fixed compensation component, which is expressed in local currency. This fixed component is set in accordance with the market rate for a comparable role by reference to appropriate external information and having regard to the individual's responsibility, qualifications, experience and location. Executive compensation is also reviewed on promotion and at the expiration of service agreements, in the case of the CEO.

Fixed compensation includes contributions to superannuation in accordance with relevant legislation, where applicable. Fixed compensation is structured as a total employment cost package which may be delivered as a mix of cash and non-financial benefits at the executive's discretion. There are no guaranteed fixed remuneration increases included in any senior executive's contracts.

Short term incentives ("STI")

The STI is a plan that involves linking specific targets, both quantitative and qualitative, with the opportunity to earn incentives in addition to fixed compensation. The amount of STI to be paid each year is established at the discretion of the CEO and the Board, with executives' STI's capped at 75% of their base pay, and the CEO's STI capped at 100% of his base pay. The targeted quantitative performance levels include a mix of both individual performance levels and total Company performance levels. This ensures that the incentive is directly linked to areas of individual control, while at the same time ensuring that such incentives are ultimately linked to the creation of shareholder wealth through improved Company performance. Qualitative targets are generally linked more specifically to each individual and relevant business unit goals, rather than outright performance. As such, the targets are more subjective in nature than the quantitative target which means payment is largely subject to the discretion of the CEO and the Board.

GLOBE INTERNATIONAL LIMITED
Directors' report

REMUNERATION REPORT (AUDITED) (continued)

Short term incentives have historically been settled in cash. However, the Company does have a Short Term Incentive Equity Plan (STIEP). The purpose of the STIEP is to provide the Company with an alternative settlement option for short term incentive obligations, which will continue to motivate key management personnel ("KMPs"). Under the STIEP, KMP's will be allocated shares in lieu of cash. Shares to be allocated under the STIEP may be existing unallocated shares currently held on trust under the terms of the Employee Share Trust or alternatively shares purchased on market. As at the date of this report, there have been no shares allocated under the STIEP.

All of the payments relating to both the 2018 and 2017 years were substantially less than the maximum possible incentive payment for each KMP, with the exception of Jon Moses – President Australasia who earned close to the maximum possible short term incentive in 2017 and 2018.

B. Details of Remuneration

Details of each element of remuneration for each director and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the consolidated entity are set out below. The key management personnel (KMP) of the consolidated entity are the directors of the Company, the Chief Executive Officer (CEO) Matthew Hill, and those executives that report directly to the CEO, including:

- Gary Valentine – Chief Operating Officer and President of North America
- Jon Moses – President Australasia
- Jessica Moelands – Chief Financial Officer
- Matthew Wong – President Global Product

DIRECTORS OF GLOBE INTERNATIONAL LIMITED

Name	2018			2017		
	Cash \$	Super-annuation \$	Total \$	Cash \$	Super-annuation \$	Total \$
Non-executive directors						
Paul Isherwood	115,000	10,925	125,925	115,000	10,925	125,925
Sub-total	115,000	10,925	125,925	115,000	10,925	125,925
Executive Directors						
Peter Hill	399,808	9,500	409,308	399,808	9,500	409,308
Stephen Hill	390,000	20,048	410,048	390,000	19,616	409,616
Sub-total	789,808	29,548	819,356	789,808	29,116	818,924
Total Directors' Remuneration	904,808	40,473	945,281	904,808	40,041	944,849

KEY MANAGEMENT PERSONNEL (KMP)

2018		Short Term benefits			
Name	Cash Salary \$	Other \$	Short Term Incentives ⁽²⁾ \$	Super-annuation \$	Total \$
Matthew Hill ⁽¹⁾	1,090,186	23,764	389,610	-	1,503,560
Gary Valentine ⁽¹⁾	508,179	15,829	64,935	-	588,943
Jon Moses	330,000	-	225,000	22,661	577,661
Jessica Moelands	351,000	-	100,000	22,827	473,827
Matthew Wong	330,000	-	50,000	22,661	402,661

(1) US based executive (2) With the exception of Matt Hill, these incentives all relate to the 2018 financial year, they were accrued in 2018 and they will be paid during the 2019 financial year. Matt Hill's incentives include his 2017 incentive which was expensed and paid in the 2018 financial year, and his 2018 incentive which was accrued in 2018 but will be paid in the 2019 financial year. These incentives will either be settled in cash or under the STIEP.

2017		Short Term benefits			
Name	Cash Salary \$	Other \$	Short Term Incentives ⁽²⁾ \$	Super-annuation \$	Total \$
Matthew Hill ⁽¹⁾	1,119,337	22,159	200,000	-	1,341,496
Gary Valentine ⁽¹⁾	519,723	14,451	-	-	534,174
Jon Moses	300,000	-	200,000	19,616	519,616
Jessica Moelands	277,086	-	40,000	19,616	336,702
Matthew Wong	300,000	-	20,000	19,616	339,616

(1) US based executive (2) These incentives were accrued in 2017 but were paid during the 2018 financial year, with the exception of Matt Hill's short term incentive which was expensed and paid in FY2017 in relation to the 2016 financial year. All incentives were settled in cash.

REMUNERATION REPORT (AUDITED) (continued)

C. Service Agreements

Remuneration and other terms of employment of the Chief Executive Officer (CEO) are formalised in a service agreement, the major provisions of which are as follows:

- 5 year term, commencing from 1 July 2015 and expiring on 30 June 2020
- base pay commencing 1 July 2015 of US\$840,000 to be reviewed annually
- twelve months' notice of termination by the Company or six months' notice of termination by the CEO.
- termination payment is capped at the maximum limit allowed under part 2D.2 of the *Corporations Act 2001*.

All other key management personnel are subject to employment contracts where duration is unlimited and standard notice periods of six to twelve weeks apply.

D. Other transactions with directors and KMP's

Shareholdings

The number of shares in the Company held during the financial year by each director of the Company and each of the key management personnel of the consolidated entity, including their personally related entities, are set out below:

Name	Balance at the beginning of the year	Received during the year on the exercise of performance rights	Other changes during the year	Balance at the end of the year
Directors of Globe International Limited – Ordinary Shares				
Paul Isherwood	1,000,000	-	-	1,000,000
Peter Hill	12,436,009	-	-	12,436,009
Stephen Hill	12,525,606	-	35,956	12,561,562
Key management personnel of the consolidated entity – Ordinary Shares				
Matthew Hill	3,495,965	-	-	3,495,965
Jessica Moelands	1,000	-	-	1,000
Gary Valentine	-	-	25,000	25,000
Matthew Wong	117,500	-	-	117,500

Related party transactions with directors and key management personnel

From time to time the consolidated entity may engage in transactions with directors, key management personnel and their related entities where the transaction presents a commercial opportunity for the consolidated entity. Such transactions occur on the condition that they are based on arms-length, or better than arms-length, terms and conditions. Where such transactions are on a fixed contractual basis (such as property lease contracts), approval is required from the independent non-executive Chairman of the board prior to the execution of the contract. Such approval is only granted where management is able to provide evidence that the transaction is commercially relevant and has been made on an arm's length basis. For property leases, such evidence includes independent professional advice with regards to the appropriate valuation of the leased property.

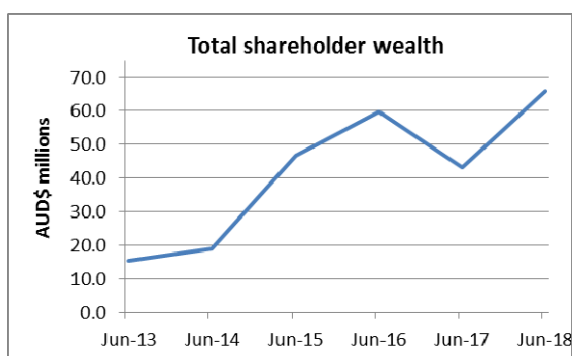
Peter Hill and Stephen Hill were directors of the Company throughout the financial period, and were involved with the following related party transactions, which were conducted under arms-length terms and conditions.

- Stephen Hill is the director of LHCF Nominees Pty Ltd ("LHCF"). The consolidated entity leases a commercial property from LHCF and during the current year paid rent to LHCF of \$795,675 (2017: \$781,191). Rent is paid one month in advance, and is due and payable on the first of every month.
- Peter Hill and Stephen Hill are both director's of companies that own or operate retail stores that sell the consolidated entity's products. These companies are Dixonridge Pty Ltd and Station H. The consolidated entity contributed \$56,808 to the fit-out of these stores during the previous financial year. During the current financial year, the director related entities purchased \$59,654 of inventory from the consolidated entity (2017: \$17,380). Amounts payable to the consolidated entity as at the end of the financial year were \$16,650 (2017: \$17,380). All inventory purchases are at arms-length prices, and accounts payable are due 30 days from invoice.

REMUNERATION REPORT (AUDITED) (continued)

E. Additional Information

Over the past five financial years as a whole, there has been an increase in shareholder wealth of \$50.4 million based on an increase in the Company's share price from \$0.35 at 30 June 2013 to \$1.33 at 30 June 2018. Additionally, as a contribution to shareholder wealth, the Company has returned \$10.8 million to shareholders during this period, by way of fully-franked dividends paid in relation to the financial years 2015 (7 cents per share), 2016 (6 cents per share), 2017 (8 cents per share) and 2018 (interim dividend of 5 cents per share). This increase in shareholder wealth is set out in the graph below:



INSURANCE OF OFFICERS

During the financial year, Globe International Limited paid premiums to insure the directors, secretary and senior management of the Company and its subsidiaries. The amount of such premiums is confidential as per the terms of the insurance contract.

The liabilities insured include legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company and its controlled entities, but not in respect of obligations owed to the Company, or if they are found liable in such civil penalty or criminal proceedings.

NON-AUDIT SERVICES

Certain non-audit services were provided by the consolidated entity's auditor, PricewaterhouseCoopers. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. PricewaterhouseCoopers Australia and its related parties received, or are due to receive, \$59,363 (2017: \$50,922) from the consolidated entity for non-audit services rendered during the financial year, predominantly in relation to taxation compliance and advice.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

ROUNDING OF AMOUNTS

Amounts in the Directors' Report have been rounded off in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 to the nearest thousand dollars, or in certain cases, to the nearest dollar.

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Board of Directors pursuant to section 298(2) of the *Corporations Act 2001*.

Melbourne
Dated this 23 August 2018

.....
Paul Isherwood
Chairman



Auditor's Independence Declaration

As lead auditor for the audit of Globe International Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Globe International Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Alison Tait'.

Alison Tait
Partner
PricewaterhouseCoopers

Melbourne
23 August 2018



GLOBE INTERNATIONAL LIMITED

Financial Report

Year ended 30 June 2018

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This financial report includes the consolidated financial statements of the consolidated entity consisting of Globe International Limited and its subsidiaries. Unless otherwise noted, all financial information relates to the consolidated entity.

Globe International Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is 1 Fennell Street, Port Melbourne, Victoria, 3207. The financial statements are presented in Australian currency and were authorised for issue by the directors on 23 August 2018. The Company has the power to amend and re-issue these financial statements.

GLOBE INTERNATIONAL LIMITED**Income Statement**

For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Revenue from operations	3	147,726	140,484
Changes in inventories of finished goods and work in progress		2,191	(7,503)
Inventories purchased		(79,353)	(68,572)
Selling and administrative expenses		(39,476)	(36,591)
Employee benefits expense		(21,422)	(21,683)
Depreciation and amortisation expense	4	(1,061)	(722)
Finance costs	4	(151)	(231)
Profit before related income tax expense		8,454	5,182
Income tax benefit/(expense)	5(a)	(15)	(101)
Profit attributable to members of Globe International Limited	27	8,439	5,081
Earnings per share attributable to members of the Company (EPS):			
Basic EPS (cents per share)	24	20.36	12.25
Diluted EPS (cents per share)	24	20.36	12.25

The above income statement should be read in conjunction with the accompanying notes.

GLOBE INTERNATIONAL LIMITED
Statement of comprehensive income
For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Profit for the year		8,439	5,081
Other comprehensive income / (expense):	(a)		
Changes in fair value of cash flow hedges	26 (b)	1,175	177
Exchange differences on translation of foreign operations	26 (a)	882	(589)
Income tax benefit / (expense) relating to components of other comprehensive income	5 (c)	(538)	41
Other comprehensive income/(expense) for the year, net of tax		<u>1,519</u>	<u>(371)</u>
Total comprehensive income for the year attributable to the members of Globe International Limited		<u>9,958</u>	<u>4,710</u>

(a) Items included in the statement of comprehensive income may be reclassified to the profit and loss in the future.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

GLOBE INTERNATIONAL LIMITED**Balance sheet**

As at 30 June 2018

		2018	2017
	Notes	\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	16,801	10,810
Trade and other receivables	11	21,523	17,789
Inventories	12	23,113	20,932
Prepayments	13	2,392	2,746
Derivative financial instruments	10	857	-
Current tax assets	6	7	101
Total current assets		64,693	52,378
Non-current assets			
Property, plant and equipment	14	1,683	1,472
Intangible assets	16	1,083	1,517
Other assets	15	1,859	1,787
Deferred tax assets	6	3,583	3,376
Total non current assets		8,208	8,152
Total assets		72,901	60,530
LIABILITIES			
Current liabilities			
Trade and other payables	17	28,090	22,419
Derivative financial instruments	10	-	318
Current tax liability	7	646	35
Provisions	18	1,859	1,185
Total current liabilities		30,595	23,957
Non-current liabilities			
Provisions	18	587	525
Other liabilities	19	673	814
Total non-current liabilities		1,260	1,339
Total liabilities		31,855	25,296
NET ASSETS		41,046	35,234
Equity			
Contributed equity	23	144,223	144,223
Treasury Shares	25	(487)	(487)
Reserves	26	(5,779)	(7,298)
Retained profits/(losses)	27	(96,911)	(101,204)
TOTAL EQUITY		41,046	35,234

The above balance sheet should be read in conjunction with the accompanying notes.

GLOBE INTERNATIONAL LIMITED**Statement of changes in equity**

For the year ended 30 June 2018

	Contributed equity \$'000	Treasury Shares \$'000	Share based payment reserve \$'000	Cash-flow hedge reserve \$'000	Foreign Currency Transl'n reserve \$'000	Retained profits / (losses) \$'000	Total Equity \$'000
Balance at 1 July 2016	144,223	(487)	323	(349)	(6,901)	(103,797)	33,012
Profit for the 2017 financial year	-	-	-	-	-	5,081	5,081
Other comprehensive income / (expense)	-	-	-	122	(493)	-	(371)
Total comprehensive income / (expense) for the year	-	-	-	122	(493)	5,081	4,710
<i>Transactions with owners in their capacity as owners:</i>							
Dividends paid	-	-	-	-	-	(2,488)	(2,488)
Balance at 30 June 2017 / 1 July 2017	144,223	(487)	323	(227)	(7,394)	(101,204)	35,234
Profit for the 2018 financial year	-	-	-	-	-	8,439	8,439
Other comprehensive income / (expense)	-	-	-	823	696	-	1,519
Total comprehensive income / (expense) for the year	-	-	-	823	696	8,439	9,958
<i>Transactions with owners in their capacity as owners:</i>							
Dividends paid	-	-	-	-	-	(4,146)	(4,146)
Balance at 30 June 2018	144,223	(487)	323	596	(6,698)	(96,911)	41,046

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

GLOBE INTERNATIONAL LIMITED**Statement of cash flows**

For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		152,036	145,841
Payments to suppliers and employees (inclusive of goods and services tax)		(140,627)	(135,680)
Interest received	3	48	22
Interest paid	4	(151)	(231)
Income taxes received / (paid)		(95)	621
Net cash provided by / (used in) operating activities	8	<u>11,211</u>	<u>10,573</u>
Cash flows from investing activities			
Payments for property, plant and equipment	14	(788)	(885)
Payments for intangible assets	15	(657)	(333)
Net cash provided by / (used in) investing activities		<u>(1,445)</u>	<u>(1,218)</u>
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		-	(4,944)
Payment of dividend		(4,146)	(2,488)
Net cash provided by / (used in) financing activities		<u>(4,146)</u>	<u>(7,432)</u>
Net increase/ (decrease) in cash and cash equivalents		5,620	1,923
Cash and cash equivalents at beginning of the financial year		10,810	9,017
Effect of exchange rates on cash holdings in foreign currencies		371	(130)
Cash and cash equivalents at the end of the financial year	9	<u>16,801</u>	<u>10,810</u>

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

GLOBE INTERNATIONAL LIMITED

Notes to the financial statements

For the year ended 30 June 2018

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements are grouped and ordered based on their relevance.

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NOTE 1. FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks - credit risk; market risk (including currency risk, and interest rate risk); and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. These derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include monitoring the financial performance of counter-parties, ageing analysis for trade and other receivables, credit exposures and sensitivity analysis for foreign exchange and interest rate risk.

The board of directors has the ultimate responsibility for the establishment and oversight of the risk management framework. The Board works with the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") to establish the overall risk and control framework. The CEO and CFO are then delegated the authority and responsibility to assess specific risks, set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and procedures are reviewed regularly by the CEO and CFO to reflect changes in market conditions and the consolidated entity's activities. The CEO and CFO report to the Board on a regular basis in relation to the risk and control framework. The consolidated entity has written policies in place, covering specific areas, such as foreign exchange risk and credit risk.

The consolidated entity holds the following financial instruments as at the reporting date:

	Notes	2018 \$'000	2017 \$'000
Financial assets			
Cash and cash equivalents	9	16,801	10,810
Trade and other receivables	11	21,523	17,789
Derivative financial instruments	10	857	-
Other assets	15	1,859	1,787
Total financial assets		41,040	30,386
Financial liabilities			
Trade and other payables	17	28,090	22,419
Derivative financial instruments	10	-	318
Other liabilities	19	673	814
Total financial liabilities		28,763	23,551

(a) Credit risk

Whilst overall credit risk management is overseen by the Board, the day to day management of credit risk is conducted at a regional level by the CEO, CFO and regional management teams. Credit risk arises from cash and cash equivalents, forward exchange contracts, deposits with banks and trade and other receivables, including factoring arrangements. The carrying amount of the consolidated entity's financial assets, which represents the maximum credit exposure as at the reporting date, was:

	Reference	2018 \$'000	2017 \$'000
Trade receivables (net of provision)	(4)	19,319	15,767
Other receivables	(2)	1,526	1,363
Restricted cash on deposit		678	659
Total trade and other receivables		21,523	17,789
Other assets	(3)	1,859	1,787
Cash and cash equivalents	(1)	16,801	10,810
Total financial assets		40,183	30,386

(1) Cash, cash equivalents and derivative financial instruments

Cash, cash equivalents and deposits are placed with reputable international banks in Australia, New Zealand, the USA, Canada, France and the UK. The counterparties to forward exchange contracts are also reputable international banks and financial institutions. The consolidated entity has a policy in place to assess any new relationships with financial institutions, and to annually monitor existing relationships.

NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(2) Other receivables

Other receivables include sundry receivables and amounts due from factors. The exposure to credit risk on amounts due from factors is monitored through the financial institution monitoring policy noted above, which includes regular review of financial performance and updates provided by ratings agencies and the counter-party itself. All balances are considered current, and are not considered to be impaired.

(3) Other assets

Other assets include a non-controlling investment in a production facility. The investment is tested annually for impairment and is not considered to be impaired.

(4) Trade receivables

There are no significant concentrations of credit risk in relation to trade receivables in the consolidated entity as there are a large number of customers that are internationally dispersed. To minimise exposure to credit risk, the consolidated entity has policies in place to ensure that sales of products are made to customers with an appropriate credit history, both internally and externally. External credit history is verified mainly through trade references and reports from credit rating agencies where available, and internal credit history is monitored through the Company's systems. Credit applications are received for each customer, and credit limits are established and reviewed regularly. When a customer is deemed un-creditworthy, no credit is granted and payment is secured either by a letter of credit or prepayment for the goods. Goods are sold subject to retention of title clauses in those regions where such clauses are legally accepted, so that in the event of default the consolidated entity may have a secured claim in certain circumstances. In some instances personal guarantees are obtained from customers, and in certain jurisdictions accounts receivable balances are insured by third parties. No collateral is required for trade receivables.

Included below are the quantitative details of the consolidated entity's exposure to credit risk from trade receivables at balance date:

	2018	2017
	\$'000	\$'000
<i>The consolidated entity's maximum exposure to credit risk for trade receivables (net of provisions) at the reporting date by geographic region was:</i>		
Australasia	11,814	10,743
North America	4,138	2,768
Europe	3,367	2,256
	<u>19,319</u>	<u>15,767</u>
<i>The ageing of the consolidated entity's trade receivables considered past due as at the reporting date was:</i>		
Past due 0-30 days	4,031	3,718
Past due 31-60 days	2,127	1,820
Past due 61-90 days	471	440
Past due 90+ days	486	1,534
Total receivables past due	<u>7,115</u>	<u>7,512</u>
Impairment allowances (i)	<u>(1,083)</u>	<u>(1,318)</u>
Total receivables past due but not impaired	<u>6,032</u>	<u>6,194</u>

- (i) The impairment provision is applied against ageing receivables at rates ranging from 0.5% to 25%, depending on the ageing of those receivables. In addition, management judgement is used to determine if there are any further adjustments required to the value of the provision so calculated, which may include provisions up to 100% against certain doubtful receivables. The impairment allowance above is disclosed against the total value of past due debts, as it is not possible to apply the provision against each specific ageing category due to the way in which the provision is calculated. Management considers that the remainder of the trade receivables, despite being past-due, relate to customers that have a good credit history and in many cases a payment plan is in place. Accordingly, based on historical default rates management believes no further impairment is required.

Although the goods sold to these customers were subject to retention of title clauses in some instances, management generally has no indication that the customer is still in possession of the goods, or alternatively, that the goods even if repossessed are of any significant value. Hence, no allowance has been made for any amounts that may be recoverable on the repossession of the goods.

NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

(4) Trade receivables (continued)

When management is satisfied that no further recovery of the receivable is possible the amount of the impairment allowance relating to that receivable is written off against the financial asset directly.

	2018 \$'000	2017 \$'000
<i>The movement in the impairment allowance for trade receivables during the year was:</i>		
Balance at 1 July	1,318	1,327
Impairment losses / (write-backs) recognised during the year	435	322
Receivables written off against impairment allowance	(713)	(312)
Effects of foreign currency on translation of overseas entities impairment allowances	43	(19)
Balance at 30 June	1,083	1,318

(b) Market risk

(i) Foreign exchange risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities in a currency that is not the consolidated entity's functional currency, or the functional currency of one of its subsidiaries. The risk is measured using sensitivity analysis and projections of future commercial transactions. Forward contracts are used to manage foreign exchange risk associated with inventory purchases.

The consolidated entity's risk management policy is for each region to hedge up to 75% of forecast USD denominated inventory purchases over a seven month period, where USD is not the functional currency of the subsidiary. All hedges of projected purchases qualify as "highly probable" forecast transactions for hedge accounting purposes.

The consolidated entity does not hedge its net investments in foreign subsidiaries denominated in foreign currencies as those currency positions are considered long term in nature. Any foreign exchange gains or losses are taken to the foreign currency translation reserve on consolidation.

The consolidated entity's net exposure to foreign exchange risk in relation to financial instruments on hand at the reporting date, in Australian dollars, was as follows:

	2018				2017*			
	000's USD	000's Euro	000's GBP	000's CAD	000's USD	000's Euro	000's GBP	000's CAD
Trade receivables and other receivables	84	93	591	782	47	192	405	754
Trade payables	(8,720)	-	(2)	-	(5,832)	-	-	-
Forward exchange contracts to buy foreign currency	25,213	-	-	-	19,509	-	-	-
	16,577	93	589	782	13,724	192	405	754

*Where relevant, prior year numbers have been restated for comparative purposes.

NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

(b) Market Risk (continued)

(ii) Interest rate risk

The consolidated entity's main interest rate risk during the financial year resulted from movements in interest rates on advances under financing facilities in North America, as discussed in further below under liquidity risks. Under the terms of the agreement, the consolidated entity is exposed to interest rate risk, to the extent that the available facilities are utilised.

The consolidated entity's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets and liabilities on hand at the reporting date, is detailed below:

	Weighted Average interest rate (%)	Fixed interest rate \$'000	Floating interest rate \$'000	Non- interest bearing \$'000	Total \$'000
2018					
Financial assets:					
Cash and cash equivalents	0.50	-	6,187	10,614	16,801
Trade and other receivables	2.17	552	-	20,971	21,523
Other assets	n/a	-	-	1,859	1,859
		552	6,187	33,444	40,183
Financial liabilities					
Trade and other payables	n/a	-	-	28,090	28,090
Other liabilities	n/a	-	-	673	673
		-	-	28,763	28,763
2017					
Financial assets:					
Cash and cash equivalents	0.6	-	641	10,169	10,810
Trade and other receivables	1.49	536	-	17,253	17,789
Other assets	n/a	-	-	1,787	1,787
		536	641	29,209	30,386
Financial liabilities					
Trade and other payables	n/a	-	-	22,419	22,419
Other liabilities	n/a	-	-	814	814
		-	-	23,233	23,233

NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk

The consolidated entity finances its operations by a combination of net cash from operating activities, the reinvestment of surplus cash and the use of finance facilities. These finance facilities include a combination of trade finance, borrowings against inventories and short-term funding from the sale of certain receivables to factoring institutions. Liquidity risk is the risk that the consolidated entity may not be able to access funding when required, for both day-to-day requirements and to support its strategic activities.

Liquidity risk is managed by continuously monitoring forecast and actual cash flows and matching the maturities of financial assets against liabilities. In many cases trade receivables are financially incentivised to pay on time; and credit terms with both customers and suppliers of goods and services are negotiated to minimise the gap between payments to suppliers and collections from customers.

Due to the seasonal nature of the cash flows and the requirement for working capital funding at certain peak times throughout the year, finance facilities are obtained from a number of reputable banks and financial institutions globally. Management regularly reviews the forecast levels of available facilities in line with cash flow requirements. In addition, management maintains relationships with key financial institutions that may be able to provide alternate sources of funding, should the need arise.

The key components of liquidity risk for the consolidated entity include the value of financial liabilities as at the reporting date, and the availability of borrowing facilities. The quantitative details of both of these exposures as at the reporting date are included below:

(i) Financial liabilities

With the exception of "other liabilities" the contractual maturities of the consolidated entity's financial liabilities are all less than 6 months from balance date. Accordingly, the impact of discounting is not significant. As a result, the contractual cash flow is equal to the carrying amount of the financial liabilities.

Other liabilities include deferred rental accruals which arise from the impact of straight lining contractual rental expenses (in accordance with the accounting policy in Note 35 (h)), and the non-current portion of deferred settlement obligations for non-trade payables. The effect of discounting on both types of liabilities is not material, and therefore the contractual cash flow is considered to be equal to the carrying amount of the financial liabilities.

NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk (continued)

(ii) Borrowing facilities

As at the reporting date, the consolidated entity had access to the following current borrowing facilities, which can be used as required for short-term funding to meet the contractual maturities of the financial liabilities noted above.

	2018	2017
	\$'000	\$'000
(1) Secured receivables financing facilities		
- amount used (non-recourse North American facility)	4,285	4,782
- amount used (full-recourse Australian facility)	-	-
- amount unused	9,575	5,898
	<u>13,860</u>	<u>10,680</u>
(2) Secured inventory financing facilities		
- amount used	-	-
- amount unused	1,893	1,734
	<u>1,893</u>	<u>1,734</u>
(3) Secured multi-option facilities		
-amount used	-	-
-amount unused	5,473	5,446
	<u>5,473</u>	<u>5,446</u>
 TOTAL FINANCING FACILITIES		
-amount used	4,285	4,782
-amount unused	16,941	13,078
	<u>21,226</u>	<u>17,860</u>
(4) Bank guarantee facilities		
-amount used	889	876
-amount unused	54	53
	<u>943</u>	<u>929</u>

(1) Secured receivables financing facilities

Australia

The parent entity has in place a receivables financing arrangement which will continue on an annual rolling basis, with no fixed term. This is a non-disclosed facility that allows the parent entity access to funds at up to 85% of outstanding eligible trade receivables, at the discretion of the lender, to a maximum facility level of \$10.0 million (2017: \$10.0 million). The credit risk, and all obligations associated with collecting the receivables remain with the consolidated entity. The consolidated entity may draw down on the net receivables factored at any time before their maturity date, with funds drawn reported as short term borrowings. The lender charges a fixed annual commission on the net sales factored, and interest on any funds drawn. The interest rate is based on relevant floating reference rates, plus a fixed margin. Obligations due to the financier under this agreement are collateralised by a continuing security interest in the financed receivables of the parent entity, and the other assets of the parent entity and its wholly owned Australian subsidiaries. There are certain financial covenants associated with this facility which relate to gross margins and inventory months on hand. The covenants are tested half yearly and the consolidated entity has fallen comfortably within the covenants since they were introduced.

NOTE 1. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity Risk (continued)

(ii) Borrowing facilities (continued)

North America

The consolidated entity's North American subsidiaries have an arrangement to assign a portion of their accounts receivable to a factor under an ongoing arrangement that is cancellable by either party with 60 days' notice. This arrangement includes both recourse and non-recourse receivables. The majority of the receivables sold are on a non-recourse basis, which means that all credit risk passes to the factor at the time of assignment, such that the consolidated entity has no further exposure to default by trade debtors. When receivables are sold on a recourse basis, those receivables can be passed back to the consolidated entity if they are not collected within a certain time frame. Accordingly, the credit risk on these receivables remains with the consolidated entity, despite the assignment to the factor.

Non-recourse receivables sold to the factor are derecognised as trade receivables, and shown as other receivables - debt due from factor (see Note 11 *Trade and other receivables*). The consolidated entity may request advances on the net receivables factored at any time before their due date, which reduces the amounts owed by the factor to the consolidated entity. The factor charges a commission on the net sales factored, and interest on any advances. The interest rate is based on relevant floating reference rates, plus a fixed margin.

Maximum advances under the factoring agreement, provided at the discretion of the factor, are 85% of eligible accounts receivable (which excludes all recourse receivables), representing the total available facility. Amounts advanced are reported as cash. Obligations due to the factor under the factoring agreement are collateralised by a continuing security interest in the factored receivables, and other tangible assets of the North American subsidiaries. There are no financial covenants associated with this agreement.

(2) Secured inventory financing facilities

The consolidated entity's North American subsidiaries have an arrangement to finance a portion of their inventories to the factor mentioned in (1) above, under an ongoing arrangement that is cancellable by either party with 60 days' notice. This arrangement is an extension of the asset-based financing facilities provided by the factor under the factoring agreement specified in (1) above.

Maximum advances under the inventory financing agreement are 50% of eligible inventory approved by the factor at the end of each month, subject to a maximum limit of \$2.7 million (2017: \$2.6 million). Obligations due to the factor under the inventory financing agreement are reported as short term borrowings and are collateralised by a continuing security interest in the tangible assets of the North American subsidiaries as specified in (1) above. There are no financial covenants associated with this agreement.

(3) Secured multi-option facilities

The parent entity has a trade-finance facility secured against the assets of the parent entity and its Australian subsidiaries, as part of the security agreement outlined in (1) above. The maximum facility balance is \$5.0 million (2017: \$5.0 million).

The consolidated entity's European subsidiary has an overdraft facility subject to a maximum limit of \$0.5 million (2017: \$0.4 million). There are no financial covenants associated with this agreement.

(4) Bank guarantee facilities

These facilities are based on fixed outstanding guarantee requirements. They are predominantly secured by restricted cash on deposit at the banks providing the guarantees (see Note 11 *Trade and other receivables*), as well as a secondary charge over certain assets of the consolidated entity.

NOTE 2. SEGMENT REPORT

(a) Description of Segments

Operating segments are determined in accordance with AASB 8 *Operating Segments*. To identify the operating segments of the business, management has considered the business from both a product and geographic perspective, as well as considering the way information is reported internally to management and the board of directors. Ultimately, there are many ways that the business is broken down for internal reporting, depending on the user and the purpose of the report. From a product perspective, information may be reported by brand (Globe, Almost, Stussy etc), by product category (footwear, apparel, hardgoods) or by market (action sports, streetwear or workwear). None of these bases for reporting is more predominantly used than the other. The only consistent breakdown of the business from a management reporting perspective is by region. Accordingly, management has determined that there are three operating segments based on the geographical location of each of the regional offices. Each regional office is headed by a President or Vice President. These operating segments are Australasia, North America and Europe. Management and the Board monitor the performance of each of these segments separately and consistently.

Segment revenues, expenses and results within each region are based on the location of the divisional office that generated the sale or expense, rather than the location of the end customer or underlying activity.

Segment Revenues

Segment revenue includes all sales of goods and receipts from licensing income, but excludes interest income. There are no inter-segment revenues.

Segment Result

Earnings before interest, tax, depreciation and amortisation (EBITDA) is the basis for the segment result as this is the most common measure used by the CEO and the board of directors to measure the performance of the operating segments. Segment result excludes the following items as these costs are excluded by management when assessing the performance of the operating segments:

- Central corporate costs;
- Investments in new brands and new technologies for new products;
- Trademark protection costs where these costs (a) relate to a global brand; and (b) are significant.

These costs are “unallocated” in the segment report. All other costs are predominantly allocated to the segments based on the location of the expenditure, or based on a reasonable allocation of costs where the costs are centrally incurred. Globe brand development costs, including marketing creation and product design and development, are incurred centrally. To determine segment profitability, these costs are allocated by one third to each of the operating segments for management and segment reporting purposes. Where applicable, when internal allocations are modified in order to report segment performance to the CEO and board of directors, prior year figures are represented within the segment report to ensure comparability to the current period.

Segment Assets

Segment Assets are allocated to the segments based on the physical location of the asset (inventories and property plant and equipment), or the segment to which the asset originated (cash, trade and other receivables, prepayments and other assets). Net intercompany receivables are included in the segments as applicable. Intangible assets are treated as unallocated, unless they relate to sales in a specific segment only. Current and deferred tax assets are not considered to be segment assets.

Segment Liabilities

Segment Liabilities are allocated to the segments based on the operations of the segment. Net intercompany payables are included in the segments as applicable. Borrowings are included in segment liabilities as these are short-term financing loans generally used to fund segment working capital. Other liabilities that relate to the deferred consideration for the acquisition of trademarks are treated as unallocated. Current and deferred tax liabilities are not considered to be segment liabilities.

NOTE 2. SEGMENT REPORT (continued)

(b) Reportable Segment Information

The segment information provided to the CEO for the reportable segments is as follows:

2018	Notes	Australasia \$'000	North America \$'000	Europe \$'000	Total \$'000
<u>Segment Revenue</u>					
Total Segment Revenue	(c)(i)	78,432	46,385	22,861	147,678
<u>Segment Result</u>					
Segment EBITDA	(c)(ii)	14,551	1,562	636	16,749
Depreciation		(251)	(311)	(65)	(627)
Interest revenue		23	4	21	48
Finance costs		(2)	(134)	(15)	(151)
<i>Other material non-cash items</i>					
Impairment of receivables		(62)	(82)	(291)	(435)
Impairment of inventories		(39)	(10)	(41)	(90)
<u>Segment Assets and Liabilities</u>					
Reportable segment assets	(c)(iii)	44,364	19,355	14,073	77,792
Reportable segment liabilities	(c)(iv)	14,835	15,626	8,962	39,423
Acquisition of non-current assets		187	563	38	788
2017	Notes	Australasia \$'000	North America \$'000	Europe \$'000	Total \$'000
<u>Segment Revenue</u>					
Total Segment Revenue	(c)(i)	77,082	41,989	21,391	140,462
<u>Segment Profit / (Loss)</u>					
Segment EBITDA	(c)(ii)	12,211	(1,248)	631	11,594
Depreciation		(247)	(171)	(87)	(505)
Interest revenue		8	11	3	22
Finance costs		(171)	(60)	-	(231)
<i>Other material non-cash items</i>					
Impairment of receivables		(238)	57	(162)	(343)
Impairment of inventories		34	(37)	77	74
<u>Segment Assets and Liabilities</u>					
Reportable segment assets	(c)(iii)	35,758	18,191	12,325	66,274
Reportable segment liabilities	(c)(iv)	11,424	15,169	8,106	34,699
Acquisition of non-current assets		426	412	47	885

NOTE 2. SEGMENT REPORT (continued)

(c) Reconciliations

(i) Segment Revenues

Segment revenue reconciles to total revenue from continuing operations as follows:

	Notes	2018 \$'000	2017 \$'000
Total segment revenue		147,678	140,462
Interest revenue		48	22
Total revenue	3	147,726	140,484

(ii) Segment EBITDA

Segment EBITDA reconciles to total operating profit before tax as follows:

	Notes	2018 \$'000	2017 \$'000
Total segment EBITDA		16,749	11,594
Unallocated expenses		(7,131)	(5,481)
EBITDA		9,618	6,113
Depreciation	4	(627)	(505)
Amortisation	4	(434)	(217)
Interest revenue	3	48	22
Finance costs	4	(151)	(231)
		(1,164)	(931)
Profit before tax		8,454	5,182

(iii) Segment Assets

Reportable segment assets are reconciled to total assets as follows:

	Notes	2018 \$'000	2017 \$'000
Total segment assets		77,792	66,274
Elimination of inter-segment loans		(9,564)	(10,738)
Unallocated intangible assets	16	1,083	1,517
Current and deferred tax assets	6	3,590	3,477
Total assets		72,901	60,530

(iv) Segment Liabilities

Reportable segment liabilities are reconciled to total liabilities as follows:

	Notes	2018 \$'000	2017 \$'000
Total segment liabilities		39,423	34,699
Elimination of inter-segment loans		(9,564)	(10,738)
Unallocated provisions and other liabilities		1,350	1,300
Current and deferred tax liabilities	7	646	35
Total liabilities		31,855	25,296

NOTE 2. SEGMENT REPORT (continued)

(c) Reconciliations (continued)

(d) Other information

Information about revenues from external customers and non-current assets in Australia, the entity's country of domicile, and any other material individual countries is disclosed below. These revenues are allocated based on the location of the customer. Non-current assets are allocated based on the location of the asset, or the country which derives income from the asset in the case of investments and intangible assets. Assets that are not allocated to reporting segments are excluded from regional assets.

	External Segment Revenues		External Non-Current Assets	
	2018	2017	2018	2017
	\$000	\$000	\$000	\$000
Australia	74,074	71,426	515	579
United States	34,597	29,503	2,870	2,504
Other foreign countries	39,007	39,533	157	176
Unallocated deferred taxes	-	-	3,583	3,376
Unallocated intangible assets	-	-	1,083	1,517
Total	147,678	140,462	8,208	8,152

NOTE 3. REVENUE

	2018	2017
	\$'000	\$'000
Sale of goods	147,261	140,006
Royalty income	417	456
Interest revenue	48	22
	147,726	140,484

GLOBE INTERNATIONAL LIMITED**Notes to the financial statements**For the year ended 30 June 2018

NOTE 4. EXPENSES

	2018	2017
	\$'000	\$'000
Profit from ordinary activities of the continuing operations, before income tax, includes the following specific expenses:		
Cost of sales	77,162	76,075
Bad and doubtful debts	435	343
Write down of inventory to net realisable value	90	(74)
Borrowing costs		
Interest & finance charges paid	151	231
Operating lease expenses		
Rent for premises	3,576	3,062
Depreciation		
Leasehold improvements	374	176
Plant & equipment	37	27
Office equipment, furniture and fittings	203	288
Motor Vehicles	13	14
Total Depreciation	<u>627</u>	<u>505</u>
Amortisation of trademarks	434	217
Total Amortisation	<u>434</u>	<u>217</u>
Total Amortisation and Depreciation	<u>1,061</u>	<u>722</u>

NOTE 5. INCOME TAX EXPENSE

	Notes	2018 \$'000	2017 \$'000
(a) Income tax expense recognised in the income statement			
Adjustments to prior year taxes paid / carried forward	(i)	694	-
Current income tax expense	(ii)	3,091	1,571
Deferred income tax expense	(iii)	249	33
Movement in provision against deferred taxes	(iii)	(4,018)	(1,503)
Total income tax expense / (benefit)		15	101

- (i) Adjustments to prior year taxes comprises amounts due in accordance with the settlement of a tax audit and the revaluation of carry forward tax losses based on the change in the US Federal tax rate.
- (ii) The current income tax expense represents the amount charged to income tax expense in relation to current year tax payable, before the application of any available carried forward tax losses.
- (iii) The deferred income tax expense represents the movement in deferred tax assets relating to gross temporary differences. The movement in the provision against deferred taxes is the net impact on income tax expense from the net movement in the provision against deferred tax assets relating to both tax losses and temporary differences. In the current year, both amounts include the impact of revaluation due to the change in the US Federal tax rate.

	2018 \$'000	2017 \$'000
(b) Numerical reconciliation between tax expense and pre-tax profit		
Profit from continuing operations before income tax	8,456	5,182
Income tax expense / (benefit) calculated at 30%	2,537	1,555
Increase / (decrease) in tax due to:		
Non allowable / (assessable) amounts	198	112
Differences in tax on overseas income	71	(63)
Settlement of tax audit	279	-
Revaluation of deferred tax assets due to change in US tax rate	948	-
Movement in provision against deferred tax assets due to:		
Reassessment of provision requirement	(3,070)	(1,503)
Impact of changes in US tax rate	(948)	-
Income tax expense / (benefit)	15	101

(c) Deferred tax recognised directly in other comprehensive income

Cash flow hedge reserve	352	55
Foreign currency translation reserve	186	(96)
Deferred tax expense / (benefit)	538	(41)

(d) Franking Account

Franking account balance at 30% tax rate	-	1,626
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NOTE 6. TAX ASSETS

	Notes	2018 \$'000	2017 \$'000
Current tax assets	(a)	7	101
Deferred tax assets attributable to temporary differences	(b)	891	976
Deferred tax assets attributable to tax losses	(c)	2,692	2,400
Total deferred tax assets		3,583	3,376
Total tax assets		3,590	3,477

(a) Current tax assets are tax refunds due on current or prior year period taxes paid.

(b) Deferred tax assets attributable to temporary differences

		2018 \$'000	2017 \$'000
The total value of temporary differences, net of provisions, is as follows:			
Total gross temporary differences	(i)	3,031	3,721
Less: provisions for temporary differences	(ii)	(1,507)	(2,210)
Less: Deferred tax liability off-set		(633)	(535)
Deferred tax assets attributable to temporary differences		891	976

(i) The gross balance comprises of temporary differences attributable to:

Amounts recognised in profit and loss:

Trade and other receivables	366	431
Inventories	362	509
Property, plant and equipment	814	961
Intangible assets	70	243
Provisions	658	486
Accruals	564	388
Other	402	445
	3,236	3,463

Amounts recognised directly in equity:

Foreign currency translation reserve	15	122
Cash flow hedge reserve	(220)	136
Deferred tax assets attributable to temporary differences	3,031	3,721

(c) Deferred tax assets attributable to tax losses

This balance includes only those tax losses for which utilisation in the foreseeable future is considered probable. Included below is a full summary of total available tax losses net of the provisions held against these losses:

Revenue losses		6,103	9,024
Less: provisions against revenue losses	(ii)	(3,411)	(6,624)
Net deferred tax assets attributable to revenue losses		2,692	2,400
Capital losses		3,771	3,771
Less: provision against capital losses	(ii)	(3,771)	(3,771)
Net deferred tax assets attributable to capital losses		-	-
Net deferred tax assets attributable to losses		2,692	2,400

(ii) The consolidated entity recognises a provision against deferred tax assets to the extent that it is not considered probable that these deductible temporary differences or losses can be utilised in the foreseeable future. The provision is a management estimate that requires some judgement, the basis of which is outlined in Note 35(ae). The provision will remain until such time that current taxable profit forecasts for the relevant jurisdictions indicate that it is probable that these benefits will be utilised in the foreseeable future. The majority of these tax losses do not expire under current tax legislation. Where they do, this is taken into account in the estimate of the provision.

NOTE 7. TAX LIABILITIES

	2018 \$'000	2017 \$'000
Current tax liability	646	35

NOTE 8. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	2018 \$'000	2017 \$'000
Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax			
Operating profit after taxation		8,439	5,081
Depreciation and amortisation	4	1,061	722
Net exchange gains / (losses) on net assets		958	(154)
Changes in operating asset and liabilities as reported:			
(Increase)/Decrease in trade receivables		(3,552)	(269)
(Increase)/Decrease in other receivables and prepayments		(685)	(1,249)
(Increase)/Decrease in inventories		(2,181)	6,313
Increase/(Decrease) in other payables/provisions/accruals		6,673	(476)
Increase/(Decrease) in net taxes payable		498	605
Net cash provided by/(used in) operating activities		11,211	10,573

NOTE 9. CASH AND CASH EQUIVALENTS

	Note	2018 \$'000	2017 \$'000
Cash at bank	(a)	16,801	10,810

(a) Credit risk and interest rate risk

The consolidated entity's management of credit risk and interest rate risk, and exposure to these risks, at the reporting date is outlined in Note 1 *Financial Risk Management*.

NOTE 10. DERIVATIVE FINANCIAL INSTRUMENTS

	Note	2018 \$'000	2017 \$'000
Forward exchange contracts – cash flow hedge asset / (liability)	(a)	857	(318)

(a) Forward exchange contracts

The consolidated entity enters into forward exchange contracts, in the normal course of business, to hedge certain foreign exchange exposures, as discussed in Note 1 *Financial Risk Management*. These contracts are hedging highly probable forecasted purchases, and are timed to mature when payments for the major shipments for each season are due. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the consolidated entity effectively adjusts the initial measurement of the inventory recognised in the balance sheet by the related amount deferred in equity. For details of the hedging instruments outstanding as at balance date, refer to Note 1 *Financial Risk Management*.

NOTE 11. TRADE AND OTHER RECEIVABLES

	Notes	2018 \$'000	2017 \$'000
Current			
Trade receivables		20,402	17,085
Less: Provision for doubtful receivables		(1,083)	(1,318)
	(a)	19,319	15,767
Other receivables	(b)	1,526	1,363
Restricted cash on deposit		678	659
	(c)	21,523	17,789

(a) *Fair Value*

The consolidated entity's financial assets are carried in the balance sheet at amounts that approximate fair value. Fair value is determined having taken into account the timing of expected cash flows and any provision for doubtful debts. The provision for doubtful debts is a management estimate which requires some judgement, the basis for which is further outlined in Note 35 (ae).

(b) *Other receivables*

This amount includes \$1.3 million (2017: \$1.0 million) relating to amounts recoverable under trade receivables factoring arrangements – refer to Note 1 *Financial Risk Management* for further information. Other amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Collateral is not normally obtained.

(c) *Credit risk and interest rate risk*

The consolidated entity's management of credit risk and interest rate risk, and exposure to these risks, at the reporting date is outlined in Note 1 *Financial Risk Management*.

NOTE 12. INVENTORIES

	Notes	2018 \$'000	2017 \$'000
Raw materials		416	350
Finished goods		23,537	21,413
Total inventories at cost		23,953	21,763
Provision for inventory write-downs	(a)	(840)	(831)
		23,113	20,932

(a) *Provision for inventory write-downs*

The provision for inventory write-downs reduces the carrying value of inventory to net realisable value, where this is considered to be lower than cost. The provision is a management estimate which requires some judgement, the basis for which is further outlined in Note 35(ae).

NOTE 13. PREPAYMENTS

	2018 \$'000	2017 \$'000
Trade deposits	1,707	1,932
Other prepayments	685	814
	2,392	2,746

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

Reconciliations of the carrying values of each class of property, plant and equipment at the beginning and end of the current and previous financial years, for the consolidated entity, are as follows:

	Leasehold Imp'ments \$'000	Motor Vehicles \$'000	Plant & Equipment \$'000	Office Equipment, Furniture & Fittings \$'000	Total Consolidated Entity \$'000
Carrying value at 1 July 2016	513	51	76	478	1,118
Additions	552	-	55	278	885
Depreciation	(176)	(14)	(27)	(288)	(505)
Foreign currency translation gain / (loss) on fixed assets of overseas subsidiaries	(12)	(2)	(3)	(9)	(26)
Carrying value at 30 June 2017	877	35	101	459	1,472
<i>Cost as at 30 June 2017</i>	<i>5,486</i>	<i>204</i>	<i>994</i>	<i>4,479</i>	<i>11,163</i>
<i>Accumulated depreciation at 30 June 2017</i>	<i>(4,609)</i>	<i>(169)</i>	<i>(893)</i>	<i>(4,020)</i>	<i>(9,691)</i>
Carrying value at 30 June 2017 / 1 July 2017	877	35	101	459	1,472
Additions	396	-	46	346	788
Depreciation	(374)	(13)	(37)	(203)	(627)
Reclassification between classes	(37)	-	-	37	-
Foreign currency translation gain / (loss) on fixed assets of overseas subsidiaries	38	1	4	7	50
Carrying value at 30 June 2018	900	23	114	646	1,683
<i>Cost as at 30 June 2018</i>	<i>6,018</i>	<i>210</i>	<i>1,064</i>	<i>4,937</i>	<i>12,229</i>
<i>Accumulated depreciation at 30 June 2018</i>	<i>(5,118)</i>	<i>(187)</i>	<i>(950)</i>	<i>(4,291)</i>	<i>(10,546)</i>
Carrying value at 30 June 2018	900	23	114	646	1,683

NOTE 15. OTHER ASSETS

	2018 \$'000	2017 \$'000
Investment in production facility	1,859	1,787

The consolidated entity holds a non-controlling interest in a production facility in China. This interest is non-controlling as the consolidated entity does not have power over the investee, is not exposed to variable returns and there is no joint arrangement between the shareholders. While the consolidated entity does have significant influence, it is not entitled to any share of profit or other changes in the net assets of the investee. The investment is therefore carried at cost.

NOTE 16. INTANGIBLE ASSETS

	Goodwill \$'000	Trademarks \$'000	Other intangible assets \$'000	Total \$'000
At 1 July 2016				
Cost	65,345	35,114	437	100,896
Accumulated amortisation and impairment	(65,345)	(35,114)	(437)	(100,896)
Carrying value at 1 July 2016	-	-	-	-
Year ended 30 June 2017				
Trademarks acquired during the year	(a) -	1,733	-	1,733
Amortisation charge	-	(216)	-	(216)
Carrying value at 30 June 2017	-	1,517	-	1,517
At 30 June 2017				
Cost	65,345	36,847	437	102,629
Accumulated amortisation and impairment	(65,345)	(35,330)	(437)	(101,112)
Carrying value at 30 July 2017 / 1 July 2017	-	1,517	-	1,517
Year ended 30 June 2018				
Amortisation charge	(a) -	(434)	-	(434)
Carrying value at 30 June 2018	-	1,083	-	1,083
At 30 June 2018				
Cost	65,345	36,847	437	102,629
Accumulated amortisation and impairment	(65,345)	(35,764)	(437)	(101,546)
Carrying value at 30 June 2018	-	1,083	-	1,083

(a) Impairment tests for intangible assets

Goodwill

Goodwill was allocated to the consolidated entity's cash-generating units (CGUs) which were determined based on specific businesses / acquisitions. The consolidated entity has carried a provision for impairment against the full cost value of goodwill since before the beginning of the current financial year. In accordance with the accounting policy in Note 35(j), this provision will never be reversed.

Trademarks

The consolidated entity has recognised the cost of various brands over the years as intangible assets. The recoverable amount of these brands is determined based on fair value less costs to sell (FVLCTS), in accordance with AASB 136. In applying the FVLCTS approach, the recoverable amount of the brand is assessed using the "relief from royalty" market based valuation technique.

The carrying value of the majority of the consolidated entity's brands has been written down to zero through a combination of amortisation and impairment expense. In accordance with the accounting policy in Note 35(j), trademarks that have suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

The only brand with a carrying value is the Salty Crew trademark, of which the consolidated entity owns 50%. The trademark is considered to have a finite life of 4 years. The carrying value of the trademark at the reporting date is the value of consideration paid or payable to acquire 50% of the trademark, less amortisation expense since the acquisition date. The carrying value of the asset will be tested for impairment when any triggers for impairment are identified, in accordance with the accounting policy in Note 35 (j).

Other intangible assets

Other intangible assets include key-moneys paid to secure retail tenancies in France. The payment is made to the exiting tenant, rather than the landlord, and there is evidence to suggest that there is an active, generally appreciating, market for payment to secure retail tenancies. The asset is measured at cost, less impairments and amortisation over the life of the lease.

NOTE 17. TRADE AND OTHER PAYABLES

	2018	2017
	\$'000	\$'000
Current payables		
Trade creditors	19,426	13,428
Other creditors and accruals	8,664	8,991
	<u>28,090</u>	<u>22,419</u>

NOTE 18. PROVISIONS

	Notes	2018	2017
		\$'000	\$'000
Current			
Employee entitlements	(a)	1,185	1,185
Provisions for legal claims	(b)	674	-
		<u>1,859</u>	<u>1,185</u>
Non-Current			
Employee entitlements	(a)	<u>587</u>	<u>525</u>

(a) Employee entitlements include:

Annual leave and long service leave provisions

The provision for employee entitlements comprises amounts for annual leave and long service leave. Annual leave is recognised as a current provision as the consolidated entity does not have the unconditional right to defer settlement. The consolidated entity expects annual leave amounts to be largely paid out within 12 months. The following assumptions were used in measuring the long service leave provision for the year ended 30 June 2018:

Expected increase in salaries and wages	3% - 4%	(2017: 3% - 4%)
Expected salaries and wages on-costs	7% - 16%	(2017: 7% - 16%)

Superannuation

The consolidated entity contributes to various industry superannuation fund plans in Australia. The plans operate on an accumulation basis and provide lump sum benefits for members on retirement in addition to death and disablement insurance. The contributions are based on negotiated agreements with employees or employee consolidated entities. Accrued superannuation contributions, along with other accrued labour costs, are included in trade and other payables (Note 17).

(b) Provisions for legal claims relates to certain companies within the consolidated entity that are party to various legal actions which have arisen in the normal course of business. The timing of potential cash outflows are uncertain. The movement in the provision is reconciled below:

	2018	2017
	\$'000	\$'000
Opening balance	-	-
Amounts provided during the year	674	-
Closing balance	<u>674</u>	<u>-</u>

NOTE 19. OTHER LIABILITIES

	2018	2017
	\$'000	\$'000
Non-Current		
Deferred consideration relating to trademark acquisition	338	650
Accruals related to lease incentives and fixed rent escalation clauses	335	164
	<u>673</u>	<u>814</u>

NOTE 20. CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities or assets existing as at reporting date.

NOTE 21. COMMITMENTS

	2018 \$'000	2017 \$'000
Operating lease commitments:		
Non-cancellable operating leases contracted for but not capitalised in the financial statements include:		
- not later than 1 year	2,844	3,268
- later than 1 year but not later than 5 years	8,169	8,667
- later than 5 years	794	2,797
	<u>11,807</u>	<u>14,732</u>

Operating lease commitments relate to offices, warehouses and retail stores leased by the consolidated entity.

NOTE 22. POST BALANCE DATE EVENTS

There are no reportable post balance date events.

NOTE 23. CONTRIBUTED EQUITY

	Notes	2018 \$'000	2017 \$'000
Paid-up Capital:			
41,463,818 (2017: 41,463,818) fully paid ordinary shares	(a)	<u>144,223</u>	<u>144,223</u>

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(b) Capital risk management

The consolidated entity's primary objectives when managing capital are to safeguard its ability to continue as a going concern, while providing reasonable returns to shareholders. Accordingly, the consolidated entity is constantly balancing these competing forces to determine the most appropriate mix of keeping cash within the business to minimise borrowings, versus returning cash to shareholders in the form of dividends. The consolidated entity's core strategies to manage these factors includes linking borrowings facilities to working capital balances (receivables, inventory or payables) to ensure that borrowings are limited to short term working capital needs; and linking dividends paid to a certain proportion of net profits earned (based on a pre-determined range).

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to pay down debt or return capital to shareholders.

NOTE 24. EARNINGS PER SHARE

	Notes	2018	2017
Basic EPS			
Earnings used in calculation of basic earnings per share (\$'000)		8,439	5,081
The weighted average number of shares on issue during the year used in calculation of basic earnings per share	23	41,463,818	41,463,818
Basic earnings per share (cents per share)		20.35	12.25
Diluted EPS			
Earnings used in calculation of diluted earnings per share (\$'000)		8,439	5,081
The weighted average number of shares on issue during the year used in calculation of diluted earnings per share	23	41,463,818	41,463,818
Diluted earnings per share (cents per share)		20.35	12.25

NOTE 25. TREASURY SHARES

	Notes	2018 \$'000	2017 \$'000
Treasury shares held by the Employee Share Trust	(a)	(487)	(487)

- (a) Treasury shares are shares in Globe International Limited that are held by the Employee Share Trust for the purpose of issuing shares to employees under the consolidated entity's remuneration policies, as outlined in the Remuneration Report, on pages 5 to 9 of the Directors' Report. The total number of shares held as at the end of the financial year was 510,000 (2017: 510,000).

NOTE 26. RESERVES

	Notes	2018 \$'000	2017 \$'000
Foreign currency translation reserve	(a)	(6,698)	(7,394)
Hedging reserve – cash flow hedge	(b)	596	(227)
Share based payments reserve	(c)	323	323
		5,779	(7,298)
(a) Foreign currency translation reserve			
Balance at 1 July		(7,394)	(6,901)
Currency translation differences arising during the year, net of tax		696	(493)
Balance at 30 June		(6,698)	(7,394)

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 35(d). The reserve is recognised in profit and loss if and when the net investment is disposed of.

NOTE 26. RESERVES (continued)

	2018	2017
	\$'000	\$'000
(b) <i>Hedging reserve – cash flow hedges</i>		
Balance at 1 July	(227)	(349)
Revaluation of outstanding hedges	857	(318)
Transfer to inventory (settled hedges)	318	495
Net deferred tax impact	(352)	(55)
Balance at 30 June	<u>596</u>	<u>(227)</u>

The hedging reserve is used to record gains or losses on hedging instruments that are designated as cash flow hedges and are therefore recognised directly in equity, as described in Note 35(r). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

- (c) The share based payments reserve was used to recognise the fair value of performance rights issued but not vested in accordance with the Long Term Incentive Plan, when that plan was operational. The balance in the reserve was generated when the rights issued had market-based vesting conditions. Given the vesting conditions were market-based, the value of the reserve was not subsequently remeasured, even if those rights never vested. More recent rights issued under the Long Term Incentive Plan had non-market based vesting conditions, and as such the amounts charged to reserves were remeasured at each reporting date. There has been no movement in the value of the reserve in the current or the prior period as there are no rights currently on issue as the Long Term Incentive Plan is not currently being utilised.

NOTE 27. RETAINED PROFITS / (LOSSES)

	2018	2017
	\$'000	\$'000
Balance at 1 July	(101,204)	(103,797)
Net profit for the year attributable to the members of the Company	8,439	5,081
Dividends paid	(4,146)	(2,488)
Retained profits / (losses) at the reporting date	<u>(96,911)</u>	<u>(101,204)</u>

NOTE 28. DIVIDENDS

Final dividend paid in respect of 2017 financial year

During the year, the Company paid a fully franked final dividend of 5 cents per share, relating to the 2017 financial year. This dividend amounting to \$2.1 million was paid to shareholders on 22 September 2017 (2016 final dividend: \$1.7 million).

Interim dividend paid in respect of 2018 financial year

During the year, the Company paid an interim dividend of 5 cents per share, franked to 83%, relating to the 2018 financial year. This dividend amounting to \$2.1 million was paid to shareholders on 23 March 2018 (2017 interim dividend: \$1.2 million).

Final dividend in respect of 2018 financial year

Since the end of the financial year, the directors have determined that a final dividend of 6 cents per share will be payable, relating to the 2018 financial year. This dividend, amounting to \$2.5 million, will be unfranked and will be paid to shareholders on 21 September 2018 (2017 final dividend: \$2.1 million).

In total, dividends of 11 cents per share will be paid to shareholders in respect of the financial year ended 30 June 2018, compared to 8 cents paid in relation to the year ended 30 June 2017.

NOTE 29. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The names of the directors who have held office at any time during the financial year are:

Chairman – non executive director

Paul Isherwood

Executive directors

Stephen Hill

Peter Hill

Other Key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly during the year:

Name	Position	Employer
Matthew Hill	Chief Executive Officer	Osata Enterprises Inc.
Jessica Moelands	Chief Financial Officer	Globe International Limited
Gary Valentine	Chief Operating Officer and President - North America	Osata Enterprises Inc.
Matthew Wong	President - Globe Product	Globe International Limited
Jon Moses	President - Australasia	Globe International Limited

Key management personnel compensation

	2018	2017
	\$	\$
Short-term employee benefits	4,383,311	3,917,564
Post-employment benefits	108,621	98,887
	<u>4,491,931</u>	<u>4,016,451</u>

NOTE 30. AUDITORS' REMUNERATION

	2018	2017
	\$	\$
(a) Audit services		
<i>PricewaterhouseCoopers Australia:</i>		
Audit and review of financial reports	240,211	233,784
<i>Overseas PricewaterhouseCoopers firms:</i>		
Audit and review of financial reports	41,942	38,812
	<u>282,153</u>	<u>272,596</u>
(b) Non-audit services		
<i>PricewaterhouseCoopers Australia:</i>		
Taxation services	25,080	36,193
<i>Overseas PricewaterhouseCoopers firms and other related parties:</i>		
Taxation services	34,283	14,729
	<u>59,363</u>	<u>50,922</u>
(c) Non-PricewaterhouseCoopers audit firms		
Audit and review of financial reports	6,913	6,856
	<u>6,913</u>	<u>6,856</u>
Total auditors' remuneration	<u>348,429</u>	<u>330,374</u>

NOTE 31. RELATED PARTY DISCLOSURES

(a) Parent entity

The ultimate parent entity of the consolidated entity is Globe International Limited. For financial information relating to the parent, refer to Note 33.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 32.

(c) Key Management Personnel

Disclosures relating to directors and key management personnel are set out in Note 29.

(d) Transactions with related parties

From time to time the consolidated entity may engage in transactions with directors, key management personnel and their related entities where the transaction presents a commercial opportunity for the consolidated entity. Such transactions occur on the condition that they are based on arms- length, or better than arms- length, terms and conditions. Where such transactions are on a fixed contractual basis (such as property lease contracts), approval is required from the independent non-executive Chairman of the board prior to the execution of the contract. Such approval is only granted where management is able to provide evidence that the transaction is commercially relevant and has been made on an arm's length basis. For property leases, such evidence includes independent professional advice with regards to the appropriate valuation of the leased property.

During the year, the following transactions occurred with related parties:

	Notes	2018 \$	2017 \$
<i>Commercial property lease</i>			
Payments for office and warehouse rent made to a director related entity		795,675	781,191
<i>Retail property fit out contribution</i>			
Payments for Globe branded retail store fit out contribution made to a director related entity		-	56,808
<i>Sale and Purchase of inventory</i>			
Purchases of inventory from other related party	15	14,166,533	15,714,701
Sales of inventory to a director related entities		59,654	17,380
		<u>14,226,187</u>	<u>15,732,081</u>

(e) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

		2018 \$	2017 \$
Current payables (purchase of inventory) – other related party	15	5,151,312	4,457,971
Current receivables (sale of inventory) – director related entities		16,650	17,380
		<u>5,167,962</u>	<u>4,475,351</u>

(f) Terms and conditions

Payments for the purchase of inventory from the other related party are due within 90 days from shipment date.
Rent is paid to the director related entity one month in advance, and is due and payable on the first of every month.
Sale of goods to the director related entities are on arms-length terms, and amounts are due 30 days from shipment date.

NOTE 32. SUBSIDIARIES

The financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 35(b):

Name	Country	Ownership Interest	
		2018 %	2017 %
<i>The Company</i>			
Globe International Limited*	Australia		
<i>Entities under the control of Globe International Ltd</i>			
Hardcore Enterprises Pty Ltd*	Australia	100	100
<i>Entities under the control of Hardcore Enterprises Pty Ltd</i>			
WINT Enterprises Pty Ltd*	Australia	100	100
KIDD Consolidated Pty Ltd*	Australia	100	100
Globe International Nominees Pty Ltd*	Australia	100	100
Globe International (NZ) Ltd	New Zealand	100	100
PSC Skateboarding Pty Ltd*	Australia	100	100
Osata Enterprises, Inc.	United States	100	100
Globe Europe SAS	France	100	100
<i>Entities under the control of PSC Skateboarding Pty Ltd</i>			
CASE Enterprises Pty Ltd*	Australia	100	100
<i>Entities under the control of Osata Enterprises, Inc.</i>			
Diaxis LLC	United States	100	100
Chomp Inc	United States	100	100
Dwindle, Inc.	United States	100	100
<i>Entities under the control of Globe International Nominees Pty Ltd</i>			
Globe International (Asia) Limited	Hong Kong	100	100

* Party to Deed of Cross Guarantee dated 29 June 2001 – relief from preparing financial statements obtained under ASIC Class Order 98/1418.

NOTE 33. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2018	2017
	\$'000	\$'000
Balance sheet		
Current assets	33,362	23,300
Total assets	67,320	55,367
Current liabilities	14,014	10,638
Total liabilities	14,639	11,212
 <i>Shareholders equity</i>		
Issued capital	144,223	144,223
Treasury shares	(487)	(487)
Reserves	836	4
Profit reserves	16,553	8,857
Accumulated losses	(108,443)	(108,443)
Total Equity	52,682	44,154
 Statement of comprehensive income		
Net profit for the year before tax	12,885	7,854
Net profit for the year after tax	11,843	5,434
Total comprehensive income	12,674	5,512

(b) Guarantees entered into by the parent entity

The parent entity has not extended any guarantees on behalf of its subsidiaries, with the exception of the cross guarantee given by Globe International Limited to its 100% owned Australian subsidiaries, as described in Note 34 *Deed of Cross Guarantee*.

(c) Contingent liabilities and contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contingent liabilities or contractual commitments for the acquisition of property, plant or equipment as at 30 June 2018 or 30 June 2017.

NOTE 34. DEED OF CROSS GUARANTEE

A deed of cross guarantee between Hardcore Enterprises Pty Ltd, WINT Enterprises Pty Ltd, Globe International Nominees Pty Ltd, CASE Enterprises Pty Ltd, KIDD Consolidated Pty Ltd, PSC Skateboarding Pty Ltd ("the subsidiaries") and Globe International Limited was entered into on 29 June 2001 and relief was obtained from preparing financial statements for the subsidiaries under ASIC Class Order 98/1418. Under the deed each entity guarantees to support the liabilities and obligations of the others. The income statement and balance sheet for the closed consolidated entity, which is also the extended closed consolidated entity, comprising Globe International Limited and the subsidiaries is as follows:

INCOME STATEMENT	2018	2017
	\$'000	\$'000
Revenue from operations	74,902	76,330
Other income	1,139	783
Changes in inventories of finished goods and work in progress	1,598	(5,521)
Materials and consumables used	(40,133)	(33,724)
Selling, general and administrative expenses	(19,325)	(19,420)
Employee benefits expense	(9,787)	(9,061)
Depreciation, amortisation and impairment expense	(684)	(464)
Finance costs	(1)	(171)
Profit before income tax	7,709	8,752
Income tax benefit / (expense)	381	2,548
Net profit after tax	8,090	11,300

NOTE 34. DEED OF CROSS GUARANTEE (continued)

BALANCE SHEET

	2018	2017
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	8,686	2,063
Trade and other receivables	11,293	9,957
Inventories	10,862	9,208
Prepayments	1,787	2,072
Derivative financial instruments	734	-
Total current assets	33,362	23,300
Non current assets		
Trade and other receivables	10,489	11,867
Property, plant and equipment	515	579
Intangibles	1,083	1,517
Other assets	16,768	16,768
Deferred tax assets	3,390	3,325
Total non current assets	32,245	34,056
Total assets	65,607	57,356
LIABILITIES		
Current liabilities		
Trade and other payables	13,715	10,181
Derivative financial instruments	-	454
Provisions	1,263	606
Total current liabilities	14,978	11,241
Non current liabilities		
Provisions	587	525
Other	376	699
Total non current liabilities	963	1,224
Total liabilities	15,941	12,465
NET ASSETS	49,666	44,891
Equity		
Contributed equity	144,223	144,223
Treasury Shares	(487)	(487)
Reserves	836	5
Retained losses and accumulated profit reserves	(94,906)	(98,850)
Total equity	49,666	44,891

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity, consisting of Globe International Limited and its subsidiaries.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Globe International Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of Globe International Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Adoption of standards

The consolidated entity has adopted all relevant applicable standards that were effective for the financial year ended 30 June 2018. The adoption of these standards has not had a material impact to the financial position, performance or cash flows of the consolidated entity.

(b) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Globe International Limited as at 30 June 2018 and the results of all subsidiaries for the year then ended. Globe International Limited and all its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities over which the consolidated entity has control. The consolidated entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity (refer Note 35(k)). All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

(ii) Employee Share Trust

The consolidated entity has formed a trust to administer the consolidated entity's Executive Incentive Plans which may be settled in shares. The trust is consolidated as the substance of the relationship is such that the trust is controlled by the consolidated entity. Shares held by the trust were all purchased on-market, are disclosed as Treasury Shares, and the acquisition value is deducted from equity.

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate for each jurisdiction adjusted by:

- changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements;
- the utilisation or derecognition of tax assets associated with net operating losses, temporary differences and foreign tax credits;
- prior year adjustments between the tax provided and the tax return ultimately lodged; and
- provisions for estimated tax liabilities in relation to on-going tax audits or disputes with tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability.

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income Tax (continued)

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities shall be set off if, and only if:

- (a) there is a legally recognised right to set off current tax assets and liabilities, and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either:
 - i. the same taxable entity, or
 - ii. different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each entity of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Globe International Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Group companies

The assets and liabilities of overseas controlled entities are translated into Australian currency at rates of exchange current at balance date, while its revenues and expenses are translated at average exchange rates during the year. Exchange differences arising on translation are taken directly to foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings are repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, goods and services tax (GST) and other taxes paid. Revenue from a sale to a wholesale customer is recorded when goods have been delivered to a customer pursuant to a sales order and control has passed to the customer. While such arrangements are rare, if there is an arrangement with a wholesale customer that includes multiple performance obligations, the total revenues are allocated to the separate elements of the contract, at the appropriate transaction price. In such cases, revenues will be recognised once each performance obligation is met. Revenue from retail sales is recognised when a retail store sells a product to the customer. Royalties are recognised in the period in which underlying sales are made by the licensee. Interest revenue is recognised on a proportional basis using the effective interest rate method.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer ("CEO").

(g) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred and include interest on bank overdrafts, receivables financing facilities and any other short or long term borrowings.

(h) Leases

Leases of property, plant and equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. The consolidated entity does not have any finance leases, which are those leases where the consolidated entity has substantially all the risks and rewards of ownership.

(i) Web site costs

Costs in relation to the development of new e-commerce sites are capitalised as incurred and depreciated over the estimated useful life of the website. Costs in relation to the on-going development and maintenance of branded web sites and existing e-commerce sites are charged as expenses in the period in which they are incurred.

(j) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation, and other assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined based on either fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are consolidated at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that have suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date.

(k) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. Consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred; liabilities incurred; equity instruments issued; the fair value of any contingent asset or liability; and the fair value of any pre-existing equity instruments in the subsidiary. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the consolidated entity's share of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit and loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(m) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are principally on 30 to 60 day terms. Cash flows relating to trade receivables are generally not discounted as the effect of discounting is immaterial. A provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivable. Management judgement is used to estimate the value of the provision – as outlined in Note 35(ae). The amount of the provision is recognised in the income statement.

Other receivables consist of amounts receivable under a factoring arrangement and amounts due as a result of transactions outside the normal course of business. A provision for doubtful other receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the other receivable.

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable expenditure (including freight costs and duties). Cost comprises the cost of purchase, the cost of conversion and other costs incurred in bringing the goods to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated selling costs. A provision for inventory is included to write down the value of inventory to net realisable value, when required. Management judgement is used to estimate the value of the provision – as outlined in Note 35(ae). The amount of the provision is recognised in the income statement.

(o) Investments and other financial assets

Classification

The consolidated entity classifies its financial assets in the following categories: all receivables are classified as “loans and receivables” and derivatives are classified as derivative financial instruments. The consolidated entity does not hold any “financial assets at fair value through profit and loss”, as derivatives qualify for hedge accounting, nor does it hold any “held-to-maturity investments”. Other investments are presented as other assets.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. These assets are subsequently measured at fair value unless the fair value cannot be reliably measured, in which case they are carried at cost less impairment losses. Receivables are carried at amortised cost using the effective interest rate method.

Impairment

The consolidated entity assesses at each balance date whether there is objective evidence that an investment, a financial asset or group of financial assets is impaired. In the case of investments, a significant or prolonged decline in the future benefit to be recovered from the asset is considered as an indicator that the asset is impaired. Impairment losses on investments and receivables are recognised directly in the income statement.

(p) Property, plant and equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. All subsequent costs, including repairs and maintenance, are expensed as incurred.

Depreciation on plant and equipment is calculated using the straight line method to allocate cost, net of the residual value, over estimated useful lives as follows:

<u>Class of Asset</u>	<u>Useful Life</u>	<u>Class of Asset</u>	<u>Useful Life</u>
Leasehold Improvements	Period of Lease	Motor Vehicles	7 years
Computer Equipment	3 years	Plant & Equipment	4-10 years
Office Equipment, Furniture and Fittings	4-10 years		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 35(j)). Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(q) Intangible assets

Trademarks that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 1 to 15 years. Where the consolidated entity has a partial ownership in a trademark, it recognises its share in that trademark to the extent of the amount invested.

Trademarks that have an indefinite useful life are carried at cost less impairment losses. These assets are assumed to have nil tax cost bases, unless specific deductions are available. These assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that an asset may be impaired (Note 35(j)).

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Derivatives

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity designates certain derivatives as hedges of highly probable forecast transactions (cash flow hedges).

The consolidated entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as risk management objectives and strategy for undertaking various hedge transactions. The consolidated entity also documents its assessment of whether the derivatives that are used in hedging transactions have been, and will continue to be, highly effective in offsetting changes in the cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 10. Movements in the hedging reserve in shareholders' equity are shown in Note 26. The credit risk and foreign exchange risk exposures associated with these instruments is discussed in Note 1.

Cash Flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash-flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion, if any, is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss. As the consolidated entity's cash flow hedges all relate to non-financial assets (inventory), the gains and loss previously deferred in equity are transferred from equity and are included in the measurement of the initial cost of that inventory. They are subsequently transferred to profit and loss upon the sale of that inventory.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments may not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts that are unpaid are generally payable within 30 – 90 days of recognition.

(t) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case the amounts are classified as non-current liabilities.

(u) Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are recognised at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Where an estimate of the likely obligation is not possible, the value of the provision may be calculated based on the weighted probability of the potential outcomes. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. Where relevant, the increase in the provision due to the passage of time is recognised as interest expense.

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Employee Benefits

Salaries and wages

Liabilities for salaries and wages, including non-monetary benefits, are recognized as payables.

Annual leave and sick leave

Liabilities for annual leave are recognised as provisions in respect of employee's services up to the reporting date and are measured at the nominal value of amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by Australian employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Superannuation

The consolidated entity makes contributions to various accumulating employee superannuation funds, or foreign equivalent funds, which are charged as expenses when incurred. The consolidated entity does not contribute to any defined benefit funds.

Short-term incentive plans

The consolidated entity recognises a liability and an expense for bonuses payable under various short term incentive plans. Short term incentive plans are generally based on the achievement of targeted performance levels set at the beginning of each financial year. Further information relating to the incentive plans for executives is included in the Remuneration Report which is set out on pages 5 to 9 of the Directors' Report. The consolidated entity recognises a liability to pay short term incentives when contractually obliged based on the achievement of the stated performance levels, where there is a past practice that has created a constructive obligation, or where the amount of the STI payable has been determined prior to the end of the financial year.

(w) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. If the entity acquires its own equity instruments as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit and loss and the consideration paid including any directly attributable incremental costs, net of tax, is recognised directly in equity.

(x) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included within other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as an operating cash flow.

(aa) Rounding of amounts

The Company has applied relief available under ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and accordingly amounts in the financial report have been rounded off to the nearest one thousand dollars or, in certain cases, to the nearest dollar.

(ab) Comparative figures

Where required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(ac) Parent entity financial information

The financial information for the parent entity, Globe International Limited, disclosed in Note 33 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment losses.

(ii) Accumulated profits reserves

Annual profits are held in separate accumulated profits reserves, rather than being off-set against retained earnings. Dividends are paid out of the accumulated profits reserves.

(iii) Tax consolidation legislation

Globe International Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as at 1 July 2003. The head entity, Globe International Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone tax payer in its own right.

In addition to its own current and deferred tax amounts, Globe International Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Globe International Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Globe International Limited for any current tax payable assumed and are compensated by Globe International Limited for any current tax receivable and deferred taxes relating to unused tax losses or unused tax credits that are transferred to Globe International Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. Assets or liabilities arising under tax funding agreements within the tax consolidated group are recognised as amounts receivable or payable to other entities in the consolidated entity. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ad) New accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods, and which have not yet been adopted by the consolidated entity. A brief outline of these standards and the likely impacts of their application are outlined below:

- (i) *AASB 15 Revenue from Contracts with Customers* – effective for reporting periods on or after 1 January 2018. The consolidated entity has reviewed the new standard and expects this standard will not have a material impact on the income statement and balance sheet upon application. The Corporate team has undertaken a full assessment of the new accounting standard, reviewed all of the consolidated entities' revenue practices and customer arrangements and determined the impact on the measurement and presentation of our financial statements will be negligible.
- (ii) *AASB 9 Financial Instruments* – effective for reporting periods on or after 1 January 2018. The consolidated entity has reviewed the new standard and expects this standard will not have a material impact on the income statement and balance sheet upon application. The Corporate team has undertaken a full assessment of the new accounting standard and our current practices and determined the impact on the measurement and presentation of our financial statements will be negligible, however, disclosures may be impacted.
- (iii) *AASB 16 Leases* - effective for reporting periods on or after 1 January 2019. The consolidated entity has reviewed the new standard and expects this standard will have a material impact on the income statement and balance sheet upon application. The Corporate team has undertaken a full assessment of the new accounting standard, collated and reviewed all of the consolidated entities' existing leases and built financial models to determine the impact on the measurement and presentation of our financial statements. The likely impact upon transition has been quantified based on our current lease portfolio, having made a number of assumptions with regards to interest rates, lease renewal options and other areas that require judgement. In addition, where leases are due to expire before the transition date and are expected to be renewed for a further term, we have made assumptions about the likely commercial terms of the new lease. Accordingly, the figures below are an estimation based on the information available today. This is subject to change as new leases are entered into between now and the transition date.

The consolidated entity plans to adopt AASB 16 using the modified retrospective method, with the effect of initially applying this standard recognised at the date of initial application. As a result, under AASB 16, there will be an adjustment to the opening balance of the consolidated entity's equity.

Management's assessment of the impact of the adoption of this standard at transition date is:

- Total liabilities will increase by approximately \$12.8 million due to the recognition of a lease liability representing all future lease commitments.
- Total assets will increase by approximately \$11.9 million due to the recognition of "Right to Use" asset for all existing operating leases.
- Accumulated losses will increase by approximately \$0.9 million due to the transitional impact of the application of the new rules.
- Earnings before interest, tax, depreciation and amortization (EBITDA) will be higher in the transition year by approximately \$3.5m due to the elimination of operating lease expenses. This will be off-set by a correlating increase in interest expense (approximately \$0.6 million) and depreciation (approximately \$2.9 million).

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(ae) Critical Accounting estimates

Accounting estimates are assumptions that are used to determine the financial performance and position at a point in time. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events, that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Included below are details of significant management estimates and assumptions.

NOTE 35. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ae) Critical Accounting estimates (continued)

(1) Estimates and assumptions with potentially material impacts on the financial statements in future periods

i. Taxation estimates

The current year income tax expense and current tax payable are determined in accordance with Note 35(c). The areas within this accounting policy that require management estimates include:

- Deferred tax assets related to deductible temporary differences and unused tax losses can only be recognized to the extent to which it is probable that future taxable amounts will be available to utilize those temporary differences and tax losses. Where it is not considered probable that such future taxable amounts will be available, a provision will be carried against the value of the deferred tax asset. Management estimates "future taxable amounts" by considering a range of possible outcomes for each jurisdiction and selecting the most appropriate amount within that range, based on recent history and current business trends. The range of possible outcomes includes estimates of future profits based on recent history of taxable income and approved budgeted profits within a range of between 1 and 3 years of future profitability.
- Estimated tax liabilities in relation to on-going tax audits or disputes with tax authorities. Where there has been notification from a tax authority that there are specific areas under review as part of an on-going audit, the consolidated entity recognizes a provision for taxes payable to the extent it is considered probable that these areas under review will result in additional taxes payable in that jurisdiction.

ii. Estimates of the provision for trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. The provision for doubtful receivables is established when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivable. A combination of Group Policy and management judgement is used to estimate the value of the provision, as follows:

- The first step is to classify each receivable individually as collectable or doubtful.
- Management judgement is used to determine the provision required against each individual doubtful account. Management uses a number of factors to judge the level of the provision required including recent communication with the customer, the age of the receivable, the presence of and adherence to payment plans, external information with regards to the financial viability of the customer and general market conditions. The provision is usually be somewhere between 25% and 100% of the outstanding balance of each doubtful receivable.
- Group policy is applied to the remaining receivables not identified as doubtful. Based on historical collectability, the consolidated entity applies a provision of 0.5% and 25%, based on the respective age of receivables.

iii. Estimates of the provision for inventories

Inventories are valued at the lower of cost and net realisable value. A provision for inventory is included to write down the value of inventory to net realisable value, when required. The provision is calculated based on Group policy which states that inventory of a certain age must have a specific provision against it – the level of provisioning increases as the age of the inventory increases. Inventory ageing is based on the last selling season in which the inventory was available for sale. This Group policy is determined based on historical levels of inventory obsolescence. In addition to the provision calculated based on the Group policy, management judgement is required to adjust the provision based on known market factors. For example, where there is significant excess inventory in a certain category, or a particularly poor selling style or colourway, management may determine that an extra provision (over and above Group policy) is required to reflect the heavier discounting than normal which may be required to clear that inventory.

(2) Changes in accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes, as set out on pages 11 to 53, and remuneration disclosures on pages 5 to 9, are in accordance with the *Corporations Act 2001*, including;
 - (a) complying with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2018, and of their performance for the financial year ended on that date; 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; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed consolidated entity identified in Note 34 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 34.

The directors draw attention to Note 35(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial reporting period ending 30 June 2018.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5) of the *Corporations Act 2001*.

Dated 23 August 2018



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Paul Isherwood
Chairman



Independent auditor's report

To the members of Globe International Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Globe International Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the balance sheet as at 30 June 2018
- the income statement for the year then ended
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	Audit scope	Key audit matters
- For the purpose of our audit we used overall Group materiality of \$1.0 million, which represents approximately 0.7% of the Group's revenue. - We applied this threshold, together with quantitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole - We chose Group revenue because, in our view, it is the metric against which the performance of the Group is commonly measured by users. - We selected 0.7% based on our professional judgement which is within the range of commonly accepted revenue related benchmarks.	- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. - We conducted an audit of the financial information of the Australian and North American reporting units given their financial significance to the Group as described in note 2 of the financial report. - A component auditor operating under our instruction performed an audit of the financial information of the European reporting unit. We determined the level of involved required from us to conclude whether sufficient audit evidence had been obtained. Our involvement included issuing detailed instructions and holding discussions with the component auditors to understand key audit risks and findings.	- Amongst other relevant topics, we communicated the following key audit matters to the Board of Directors: - Inventory valuation - Recoverability of deferred tax assets - Accounts receivable valuation - These are further described in the <i>Key audit matters</i> section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
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Inventory valuation

(Refer to note 12)

Inventory represents the largest asset on the balance sheet (\$24.0m) as at June 2018, and is presented net of an inventory provision of \$0.9m. Inventory is held at the Group's warehouses or is in transit.

We considered this a key audit matter as the Group operates in an industry where fashion changes and trends are volatile. The future performance of individual brands is inherently judgemental due to the uncertainty of their position and popularity in the market. Whilst overall gross margins are positive, judgement and estimation are required by the Group to identify inventory that may not be saleable or that may need to be discounted below cost to sell.

To assess the valuation of inventory with regards to provisioning, we performed the following procedures amongst others:

- Selected a sample of inventory items held at 30 June 2018 and examined the relevant sales invoices post year-end to determine whether any items were sold below cost price.
- Tested the accuracy of the aging in the Group's inventory product-by-season report by comparing a sample of product lines to the Group's seasonal marketing catalogue.
- Recalculated the percentages applied to the aged categories of inventory and compared these to the Group's inventory provisioning policy.
- Compared prior year sales to the current year's sales by brand. Where there was a decline in sales performance for a brand, we assessed whether relevant inventory items were included within the inventory provision analysis.
- Held discussions with the marketing management team to determine whether any plans to discontinue or sell individual brands had been considered in calculating the inventory provision.

Recoverability of deferred tax assets

(Refer to note 6)

The Group has \$3.6m of deferred tax assets recognised as at 30 June 2018. \$3.3m of these deferred tax assets relate to temporary differences and taxable losses arising in Australia. The Group also holds \$2.3m of unrecognised taxable losses in relation to Australia.

To evaluate the Group's ability to utilise the deferred tax assets, we performed the following procedures amongst others:

- Compared the deferred tax assets to the range of possible outcomes of forecast taxable income to determine whether the deferred tax assets recognised was within this range.

Key audit matter

How our audit addressed the key audit matter

Australian Accounting Standards require deferred tax assets to be recognised only to the extent that it is probable that sufficient future taxable profits will be generated in order for the benefits of the deferred tax assets to be realised. These benefits are realised by reducing tax payable on future taxable profits.

We considered this to be a key audit matter because significant judgement is required by the Group in determining whether it is probable that there will be sufficient future taxable profits to utilise the recognised deferred tax assets given the historically volatile market in which the Group operates.

- Considered the appropriateness of the range of possible outcomes by:
 - Comparing the underlying revenue and revenue growth assumptions to historical performance
 - Evaluating the underlying profit, profit growth assumptions and effective tax rate applied
 - Comparing the prior year budgets to actual performance to determine the accuracy of the Group's budgeting process

Accounts receivable valuation

(Refer to note 11)

The Group had trade receivables of \$20.4m as at 30 June 2018, which is presented in the balance sheet net of a provision for doubtful receivables (the provision) of \$1.1m.

The Group's customer base is made up of a large number of small to medium sized retailers who are spread across different geographical regions. The retail market in which the Group's customers operate is volatile and highly competitive.

We considered the valuation of receivables to be a key audit matter as judgement is required by the Group in determining the provision for doubtful receivables based on the Group's assessment of the ability of customers to pay their outstanding balances.

To assess the valuation of receivables we performed the following procedures amongst others:

- Tested the accuracy of the trade receivables aging report by agreeing a sample of outstanding invoices captured in the report to the corresponding sales invoice.
- Recalculated the provision to determine whether it had been calculated in accordance with the Group's provisioning policy.
- Analysed and compared the aging profile for each significant reporting unit to the corresponding aging profile for the prior year to identify any deterioration in the overall aging of trade receivables.
- Assessed the Group's provisioning policy by considering the historical collection from aged receivables and developing an understanding of the movements of aged receivables from the prior year.
- Compared total accounts receivable written off in the current year against the provision recorded in the prior year to assess the accuracy of the provisioning policy.
- Traced a sample of outstanding receivables at 30 June 2018 to payments received after year-end. Where any balances remained unpaid, we considered whether they were recoverable by examining the aging of these items and assessing historic payment terms.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' Report. We expect the remaining other information to be made available to us after the date of this auditor's report, including Globe International heritage and brand overviews, Worldwide Locations, Flagship Retail, Social Responsibility letter, Chief Executive Officer's Letter to Shareholders, Stock Exchange and Investor Information and Company Particulars.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material



misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 3 to 7 of the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of Globe International Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature of the PricewaterhouseCoopers firm.

PricewaterhouseCoopers

A handwritten signature of Alison Tait.

Alison Tait
Partner

Melbourne
23 August 2018

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