

# APN | Property Group

2 March 2021

Mr Robert Bovell & Mrs Jennifer Bovell  
ATF Bovell Superannuation Fund  
PO Box 1326  
Canning Bridge Post office  
APPLECROSS WA 6153

## Attribution Managed Investment Trust Member Annual Statement for the year ended 30 June 2021

APN Coburg North Retail Fund | (ARSN 601 833 363)

Investor number: CBG00100

### Part A: Your details

Australian tax file number (TFN)	Provided
Country of tax residency	Australia

### Part B: Summary of 2021 tax return (supplementary section) items

Tax return for individuals (supplementary section)	Tax return	Total amount (\$)
Share of net income from trusts, including unfranked dividends less net capital gains, foreign income and franked distributions	13U	423.2236
Franked distributions from trusts	13C	--
Share of franking credit from franked dividends	13Q	--
Share of credit for tax file number amounts withheld from unit trust distributions	13R	--
Net capital gain	18A	31.8119
Total current year capital gains (grossed up amount)	18H	63.6239
Assessable foreign source income	20E	--
Other net foreign source income	20M	--
Foreign income tax offsets	20O	--

### Part C AMMA: Components of an Attribution

#### Table 1: Australian income

		Attribution (\$)	Tax Paid (\$)
Interest		45.7427	
Dividends – unfranked amount		--	
Other taxable Australian income		377.4809	
<b>Total Non-primary production income</b>	13U	<b>423.2236</b>	
<b>Dividends: Franked amount (grossed up) (Franked distributions)</b>	13C / 13Q	<b>--</b>	<b>--</b>

#### Table 2: Capital gains

		Attribution (\$)
Capital gains discount - Taxable Australian property		31.8119
Capital gains discount - Non-Taxable Australian property		--
Capital gains other - Taxable Australian property		--
Capital gains other - Non-Taxable Australian property		--
<b>Net capital gain</b>	18A	<b>31.8119</b>
AMIT CGT gross up amount		31.8119
<b>Total capital gains</b>	18H	<b>63.6239</b>

#### Table 3: Foreign income

		Attribution (\$)	Tax offset (\$)
Other net foreign source income	20M / 20O	--	--
Assessable foreign source income	20E	--	--
<b>Total foreign income (C)</b>		<b>--</b>	<b>--</b>

#### Table 4: Other non-attributable amounts (includes tax-deferred)

	Amount (\$)
Other non-attributable amounts (includes tax-deferred)*	103,505.5645

#### Table 5: Cash distribution details

		Amount (\$)
Gross cash distribution		103,960.6000
TFN amounts withheld	13R	--
<b>Net cash distribution</b>		<b>103,960.6000</b>

#### Table 6: Cost base details

	Amount (\$)
AMIT cost base net amount - excess* (reduction in cost base)	(103,473.7525)
AMIT cost base net amount - shortfall* (increase in cost base)	--

Please retain this statement for income tax purposes. A guide to your 2021 return information is enclosed for your information.

\* Tax-free amounts and tax-deferred amounts (including returns of capital) are included in Other non-attributable amounts and reflected in the calculation for AMIT cost base net amount – excess or shortfall shown in Table 6.

# **APN | Coburg North Retail Fund**

ARSN: 601 833 363

for the Period 1 July 2020 to 22 January  
2021

(prepared under the wind-up basis of  
accounting)

# CONTENTS

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Directors' report	1
Auditor's independence declaration	4
Independent auditor's report	5
Directors' declaration	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

# DIRECTORS' REPORT

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The directors of APN Funds Management Limited (ACN 080 674 479) ("APN FM"), the Responsible Entity of APN Coburg North Retail Fund (the "Fund") present their report together with the financial statements of the Fund, for the period 1 July 2020 to 22 January 2021.

In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

## Information about the directors

The following persons were directors of the Responsible Entity during and up to the date of this report:

Geoff Brunsdon AM	Independent Chairman
Howard Brenchley	Independent Director
Jennifer Horrigan	Independent Director
Michael Johnstone	Independent Director
Joseph De Rango	Alternate Director for Howard Brenchley

## Principal activities

The principal activity of the Fund for the financial period 1 July 2020 to 1 October 2020 is to invest in a single asset, which offers a sustainable income yield and has the potential for capital growth.

On 27 May 2020, the Fund had accepted an unconditional offer to sell Coburg Hill Shopping Centre for \$21.3 million. Upon completion of settlement on 2 October 2020, the Fund's principal activity for the period between 2 October 2020 to 22 January 2021 is to proceed with the wind up of the Fund.

## Review of operations

The results of operations of the Fund are disclosed in the statement of profit or loss and other comprehensive income. The Fund's total comprehensive loss for the period 1 July 2020 to 22 January 2021 was \$162,502 (year-ended 30 June 2020: total comprehensive income of \$1,440,046).

## Termination of the Fund

On 15 January 2021, investors were notified of a final payment amount of 1.823 cents per unit which was paid on 18 January 2021. Units were cancelled and taken to be redeemed on completion of the final payment. The Fund was terminated in accordance with the Fund's Constitution on 22 January 2021.

For full details of distributions and return of capital paid and/or payable during the period, refer to note 6 to the financial statements.

## Significant change in the entity's state of affairs

The sale of the shopping centre at Coburg North was completed on 2 October 2020. Subsequently, the Fund was terminated on 22 January 2021.

## Basis of preparation

The directors of the Responsible Entity have concluded that the Fund is not a going concern. Therefore, the financial statements for the period 1 July 2020 to 22 January 2021 have been prepared on the wind-up basis of accounting. Under the wind-up basis of accounting, assets are measured at their net realisable values and liabilities are measured at their contractual settlement amounts.

The accounting policies and method of computation adopted in the financial report are on the wind-up basis of accounting and are consistent with those adopted and disclosed in the Fund's financial report for the financial year ended 30 June 2020.

## DIRECTORS' REPORT (continued)

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### Non-audit services

At times, the auditor of the Fund may perform certain other services in addition to their statutory duties.

The directors of the Responsible Entity will consider the non-audit services provided by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Responsible Entity and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Fund, acting as an advocate for the Fund or jointly sharing economic risks and rewards.

Details of the amounts paid to the auditor, which includes the amounts paid for non-audit services relating to audit of compliance plan and other approved advisory services are set out in note 10 to the financial statements.

### Auditor's independence declaration

A copy of the external auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* is included on page 4.

### Fund information in the directors' report

Fees paid to the Responsible Entity during the period are disclosed in note 9 to the financial statements. The Responsible Entity and its associates' security holdings in the Fund are also disclosed in note 9.

The number of securities in the Fund on issue at the end of the period is disclosed in note 5 to the financial statements.

The value of the Fund's assets at the end of the period is disclosed in the statement of financial position as "total assets" and the basis of valuation is included in note 2 to the financial statements.

### Options granted

As the Fund is an externally managed vehicle, no options were:

- Granted over unissued securities in the Fund during or since the end of the period; or
- Granted to the Responsible Entity.

No unissued securities in the Fund were under option as at the date on which this report is made.

No securities were issued in the Fund during or since the end of the period as a result of the exercise of an option over unissued securities in the Fund.

## DIRECTORS' REPORT (continued)

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### **Indemnification of officers of the Responsible Entity and auditors**

APN Funds Management Limited in its capacity as the Responsible Entity of the Fund has agreed to indemnify the directors and officers of APN FM and its related body's corporate, both past and present, against all liabilities to another person (other than APN FM or a related body corporate) that may arise from their position as directors and officers of APN FM and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. APN FM will meet the full amount of any such liabilities, including costs and expenses. In addition, APN FM has paid a premium in respect of a contract insuring against a liability incurred by an officer of the Fund. Under the contract of insurance, disclosure of the nature of the insured liabilities and the amount of premium paid is prohibited. APN FM has not indemnified or made a relevant agreement to indemnify the auditor of the Fund or of any related body (corporate) against a liability incurred by the auditor.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the directors



Geoff Brunsdon AM  
Director

Melbourne, 11 February 2021

11 February 2021

The Board of Directors  
APN Funds Management Limited  
Level 30, 101 Collins Street  
MELBOURNE VIC 3000

Dear Board Members

### Independence Declaration – APN Coburg North Retail Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of APN Funds Management Limited, the Responsible Entity, regarding the annual financial report for APN Coburg North Retail Fund.

As lead audit partner for the audit of the financial report of APN Coburg North Retail Fund for the period ended 22 January 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Mark Stretton  
Partner  
Chartered Accountants

## Independent Auditor's Report to the Unitholders of APN Coburg North Retail Fund

### *Opinion*

We have audited the financial report of APN Coburg North Retail Fund (the "Fund") which comprises the statement of financial position as at 22 January 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Fund is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Fund's financial position as at 22 January 2021 and of its financial performance for the period then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *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 are independent of the Fund 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 (including Independence Standards)* (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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Responsible Entity of the Fund ("the Directors"), would be in the same terms if given to the Directors as at the time of this auditor's report.

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

### *Other Information*

The Directors are responsible for the other information. The other information comprises the Directors' report, included in the Fund's financial report for the period ended 22 January 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information 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, 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.



## *Responsibilities of the Directors for the Financial Report*

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and is appropriate to meet the needs of the Directors. The Directors' responsibility also includes 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 Fund to continue as a going concern. As disclosed in Note 2, the financial report has been prepared on a non-going concern basis due to the termination of the Fund on 22 January 2021.

## *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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the non-going concern basis of accounting. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Mark Stretton  
Partner  
Chartered Accountants

Melbourne, 11 February 2021

# DIRECTORS' DECLARATION


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The directors of APN Funds Management Limited, the Responsible Entity of APN Coburg North Retail Fund, declare that:

- (a) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity, APN Funds Management Limited.



Geoff Brunsdon AM  
Director

Melbourne, 11 February 2021

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period 1 July 2020 to 22 January 2021

	Notes	Wind-up Basis	
		1 July 2020 to 22 January 2021	1 July 2019 to 30 June 2020
		\$	\$
Revenue	3	346,026	1,585,428
Straight line rental income recognition		(1,288)	(1,935)
<b>Total revenue for continuing operations</b>		<b>344,738</b>	<b>1,583,493</b>
<b>Other income</b>			
Net fair value (loss) / gain on investment property	4	(388,874)	749,858
Net fair value gain on derivatives		47,313	81,174
Other income		6,736	105
<b>Total other income</b>		<b>(334,825)</b>	<b>831,137</b>
<b>Total income</b>		<b>9,913</b>	<b>2,414,630</b>
<b>Expenses</b>			
Property expenses		(2,642)	(410,335)
Management fees	9	(30,383)	(118,686)
Finance costs		(106,633)	(356,618)
Other expenses		(32,757)	(88,945)
<b>Total expenses</b>		<b>(172,415)</b>	<b>(974,584)</b>
<b>Net (loss) / profit for the period / year</b>		<b>(162,502)</b>	<b>1,440,046</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive (loss) / income for the period / year</b>		<b>(162,502)</b>	<b>1,440,046</b>

Notes to the financial statements have been included in the accompanying pages.

# STATEMENT OF FINANCIAL POSITION

As at 22 January 2021

	Notes	Wind-up Basis	
		22 January 2021 \$	30 June 2020 \$
<b>Assets</b>			
Cash and cash equivalents	8	-	2,382,730
Trade and other receivables		-	49,517
Investment property held for sale	4	-	21,300,000
<b>Total assets</b>		-	<b>23,732,247</b>
<b>Liabilities</b>			
Trade and other payables		-	(2,265,624)
Distributions payable	6	-	(42,008)
Derivative financial instruments		-	(47,313)
Interest bearing liabilities	8	-	(9,698,044)
<b>Total liabilities</b>		-	<b>(12,052,989)</b>
<b>Net assets</b>		-	<b>11,679,258</b>
<b>Equity</b>			
Contributed equity	5	-	10,970,784
Retained earnings		-	708,474
<b>Total Equity</b>		-	<b>11,679,258</b>

Notes to the financial statements have been included in the accompanying pages.

## STATEMENT OF CHANGES IN EQUITY

For the period ended 22 January 2021

	Notes	Contributed equity \$	Retained earnings \$	Total \$
<b>Balance at 1 July 2019</b>		<b>10,970,784</b>	<b>(23,986)</b>	<b>10,946,798</b>
Net profit for the year		-	1,440,046	1,440,046
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,440,046</b>	<b>1,440,046</b>
Distributions to unitholders	6	-	(707,586)	(707,586)
<b>Balance at 30 June 2020</b>		<b>10,970,784</b>	<b>708,474</b>	<b>11,679,258</b>
Net profit for the year		-	(162,502)	(162,502)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>(162,502)</b>	<b>(162,502)</b>
Return of capital to unitholders	6	(10,970,784)		(10,970,784)
Distributions to unitholders	6	-	(545,972)	(545,972)
<b>Balance at 22 January 2021</b>		<b>-</b>	<b>-</b>	<b>-</b>

Notes to the financial statements have been included in the accompanying pages.

# STATEMENT OF CASH FLOWS

For the period ended 22 January 2021

	Notes	Wind-up Basis	
		1 July 2020 to 22 January 2021	1 July 2019 to 30 June 2020
		\$	\$
<b>Cash flows from operating activities</b>			
Net rental income received		328,978	1,187,441
Other income and interests received		6,736	106
Other expenses paid		(150,224)	(256,634)
Finance costs paid		(89,295)	(324,114)
<b>Net cash inflow from operating activities</b>	<b>8</b>	<b>96,195</b>	<b>606,799</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investment property (net of capitalised disposal costs)		18,779,838	2,082,518
<b>Net cash inflow from investing activities</b>		<b>18,779,838</b>	<b>2,082,518</b>
<b>Cash flows from financing activities</b>			
Net (repayments of) / proceeds from borrowings	8	(9,700,000)	200,000
Return of capital to unitholders	6	(10,970,784)	-
Distributions paid to unitholders		(587,979)	(730,085)
<b>Net cash (outflow) from financing activities</b>		<b>(21,258,763)</b>	<b>(530,085)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,382,730)</b>	<b>2,159,232</b>
Cash and cash equivalents at the beginning of the financial period / year		(2,382,730)	223,498
<b>Cash and cash equivalents at the end of the financial period / year</b>	<b>8</b>	<b>-</b>	<b>2,382,730</b>

Notes to the financial statements have been included in the accompanying pages.

# NOTES TO THE FINANCIAL STATEMENTS

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## 1. GENERAL INFORMATION

APN Coburg North Retail Fund (the "Fund") is a registered managed investment scheme domiciled in Australia.

APN Funds Management Limited, a public company incorporated and operating in Australia, is the Responsible Entity of the Fund. The registered office and its principal place of business is Level 30, 101 Collins Street, Melbourne VIC 3000.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following.

### 2.1. Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Fund comply with International Financial Reporting Standards ("IFRS").

The financial statements comprise the financial statements of the Fund. For the purposes of preparing these financial statements, the Fund is a for-profit entity.

The financial statements were authorised for issue by the directors on 11 February 2021.

### 2.2. Basis of preparation

The directors of the Responsible Entity have concluded that the Fund is not a going concern. Therefore, the financial statements for the period ended 22 January 2021 have been prepared on the wind-up basis of accounting. Under the wind-up basis of accounting, assets are measured at their net realisable values and liabilities are measured at their contractual settlement amounts.

The accounting policies and method of computation adopted in the financial report are on the wind-up basis of accounting and are consistent with those adopted and disclosed in the Fund's financial report for the financial year ended 30 June 2020.

### 2.3. Investment properties

Investment properties are properties held to earn rentals and are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value (inclusive of adjustments for straight line rental revenue recognition, unamortised lease incentives and capital expenditure obligations), with gains and losses arising from changes in the fair value of investment properties included in the statement of profit or loss and other comprehensive income in the period in which they arise.

#### (a) Derecognition

An investment property is derecognised upon disposal or when it is withdrawn from use, and when no future economic benefits are expected from use. The gain or loss arising on derecognition of the property is measured as the difference between the net proceeds from disposal and its carrying amount at disposal date and is recognised in the statement of profit or loss and other comprehensive income in the period in which the property is derecognised.

Initial deposits received in association with the disposal are recognised as a liability in the statement of financial position until completion of settlement or when it is probable that the purchaser may no longer fulfil their contractual obligations.

# NOTES TO THE FINANCIAL STATEMENTS

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## 2.4. Rental income

Rental income from investment property comprise of lease components (including base rent, recoveries of property tax and property insurance) and non-lease components that primarily consists of property outgoing recoveries. Rental income is recognised at the fair value of consideration receivable (exclusive of GST).

Rental income relating to lease components are recognised on a straight-line basis over the term of the lease for the period where the rental income is fixed and determinable.

On 2 October 2020, the Fund ceased recognition of rental income from investment property and those relating to lease components recognised on a straight-line basis.

## 2.5. Outgoing recoveries

Income from property outgoing recoveries are recognised as the costs are incurred, which is typically when the services are provided.

## 2.6. Contributed equity

Issued and paid up securities are recognised at the fair value of the consideration received by the Fund, net of direct transaction costs.

## 2.7. Distributions and return of capital

A liability for any distributions and return of capital declared on or before the end of the reporting period is recognised in the statement of financial position in the reporting period to which the distribution pertains.

## 2.8. Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

Borrowings are derecognised upon maturity or cancellation of the facility by derecognising the original liability in the statement of financial position. Any difference between carrying amount and consideration paid is recognised in the statement of profit or loss and other comprehensive income as finance costs.

## 2.9. Finance costs

Interest expense is recognised in the statement of profit or loss and other comprehensive income using the effective interest rate method except where it is incurred for the construction of any qualifying asset, where it is capitalised during the period of time that is required to complete and prepare the asset for its intended use.

The effective interest rate method calculates the amount to be recognised over the relevant period at the rate that exactly discounts estimated future cash receipts (including all fees that form an integral part of the financial instrument, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. There were no substantial modifications to the terms of existing financial liabilities.

## 2.10. Derivatives – interest rate contracts

Derivatives are categorised as financial instruments at fair value through profit or loss and are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date based on counterparty bank valuations. Counterparty bank valuations are tested for reasonableness by discounting the estimated future contractual cashflows and using market interest rates for a substitute instrument at the measurement date.

The resulting gain or loss is recognised immediately in the statement of profit or loss and other comprehensive income as hedge accounting has not been applied.



# NOTES TO THE FINANCIAL STATEMENTS

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## 2.11. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in banks or other short term highly liquid investments, net of outstanding bank overdrafts.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## 2.12. Income taxes

The Fund is a “flow-through” entity for Australian income tax purposes that has elected into the Attribution Managed Investment Trusts rules (“AMIT Funds”) from the 2017 income year, such that the determined trust components of each AMIT Fund will be taxable in the hands of the beneficiaries (the unitholders) on an attribution basis.

Accordingly, deferred taxes associated with these AMIT Funds have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains/losses which could arise in the event of a sale of properties for the amount at which they are stated in the financial statements.

Realised capital losses are not attributed to unitholders but instead are retained within the AMIT Funds to be offset against realised capital gains. The benefit of any carried forward capital losses is also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income attributed to unitholders as noted above. For the period ended 22 January 2021, there were no unrecognised carried forward capital losses (30 June 2020: \$nil).

## 2.13. Use of estimates and critical accounting judgments

In the application of the Fund’s accounting policies, the directors have made judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, however actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments are disclosed below and where applicable, in the relevant notes to the financial statements.

## 2.14. New accounting standards and interpretations

### *(a) New and revised AASBs affecting amounts reported and/or disclosures in the financial statements*

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current period.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. REVENUE

Revenue from investment properties comprises of lease components (including base rent, recoveries of property tax and property insurance) and non-lease components that primarily consists of property outgoing recoveries.

	1 July 2020 to 22 January 2021	1 July 2019 to 30 June 2020
	\$	\$
Rental income	308,329	1,472,854
Outgoing recoveries	37,697	112,574
<b>Total revenue</b>	<b>346,026</b>	<b>1,585,428</b>

## 4. INVESTMENT PROPERTIES

### 4.1. Reconciliation of carrying amounts

	22 January 2021	30 June 2020
	\$	\$
Carrying amount at the beginning of the period	21,300,000	20,500,000
Straight-line rental revenue recognition	(1,288)	(1,935)
Sale of investment property	(21,300,000)	-
Capitalised deferred charges and disposal costs	390,162	52,077
Net (loss) / gain on fair value adjustments	(388,874)	749,858
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>21,300,000</b>

## 5. CONTRIBUTED EQUITY

### 5.1. Carrying amount

	22 January 2021	30 June 2020
	\$	\$
At the beginning of the period	10,970,784	10,970,784
Return of capital during the period	(10,970,784)	-
<b>At the end of the period</b>	<b>-</b>	<b>10,970,784</b>

### 5.2. Number of securities on issue

	22 January 2021	30 June 2020
	No.	No.
At the beginning of the period	11,078,000	11,078,000
Units cancelled upon final payment on 18 January 2021	(11,078,000)	-
<b>At the end of the period</b>	<b>-</b>	<b>11,078,000</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. DISTRIBUTIONS (INCLUDING RETURN OF CAPITAL)

	1 July 2020 to 22 January 2021		1 July 2019 to 30 June 2020	
	Cents per unit	\$	Cents per unit	\$
Distributions paid during the period	4.9284	545,971	6.0081	665,577
Distributions payable	-	-	0.3792	42,008
Return of capital paid during the period	99.0322	10,970,784	-	-
<b>Total distributions (including return of capital) paid / payable</b>	<b>103.9606</b>	<b>11,516,755</b>	<b>6.3873</b>	<b>707,585</b>

### 7. COMMITMENT AND CONTINGENCIES

There are no outstanding contingencies or commitments as at 22 January 2021.

### 8. CASH AND CASH EQUIVALENTS

#### 8.1. Reconciliation of net (loss) / profit to net cash flows from operating activities

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and bank and short-term deposits at call.

	22 January 2021	30 June 2020
	\$	\$
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents	-	2,382,730
<b>Reconciliation of net (loss) / profit to net cash flows from operating activities</b>		
Net (loss) / profit	(162,502)	1,440,046
<i>Add / (less) non-cash items:</i>		
Straight line lease revenue recognition	1,288	1,935
Fair value losses / (gains) on investment properties	388,874	(749,858)
Fair value (gains) / losses on derivatives at maturity – closed out on 23 July 2020	(47,313)	(81,174)
Amortisation of borrowing costs	1,956	5,819
<i>Changes in assets / liabilities:</i>		
Decrease in trade and other receivables	49,516	1,014
(Decrease) in trade and other payables	(135,624)	(10,983)
<b>Net cash inflows from operating activities</b>	<b>96,195</b>	<b>606,799</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 8.2. Reconciliation of liabilities arising from financing activities

The table below details changes in the Fund's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Fund's statement of cash flows as cash flows from financing activities.

	22 January 2021	30 June 2020
	\$	\$
Borrowings at beginning of the period / year	9,698,044	9,492,226
Net cash inflow / (outflow) from financing activities:		
Proceeds from borrowings	-	200,000
Repayment of borrowings	(9,700,000)	-
Non-cash changes:		
Amortisation of capitalised borrowing costs	1,956	5,818
<b>Borrowings at end of the period / year</b>	<b>-</b>	<b>9,698,044</b>

## 9. RELATED PARTY TRANSACTIONS

### 9.1. Transactions with key management personnel

The Fund does not employ personnel in its own right. However, it is required to have a Responsible Entity to manage the activities of the Fund, as such there are no staff costs (including fees paid to directors of the Responsible Entity) included in the statement of profit or loss and other comprehensive income.

### 9.2. Transactions with the Responsible Entity and related bodies corporate

The Responsible Entity and Manager of the Fund is APN Funds Management Limited whose immediate and ultimate parent entity is APN Property Group Limited (ACN 109 846 068). Accordingly, transactions with entities related to APN Property Group Limited are disclosed below:

	22 January 2021		30 June 2020	
	Paid \$	Payable \$	Paid \$	Payable \$
Management fees <sup>1</sup>	30,383	-	89,442	29,239
Registry fees <sup>1</sup>	2,746	-	7,521	2,486
Accounting fees <sup>1</sup>	2,696	-	7,521	2,486
Reimbursement of costs paid on behalf of the Fund <sup>1</sup>	2,228	-	6,464	-
	<b>38,053</b>	<b>-</b>	<b>110,948</b>	<b>34,211</b>

<sup>1</sup> Fees and costs disclosed above excludes goods and services tax ("GST"). The Fund qualifies for Reduced Input Tax Credits ("RITC"), hence, management fees, registry and accounting fees, and other expenses have been recognised in the statement of profit or loss and other comprehensive income are net of the amount of GST recoverable from the Australian Taxation Office ("ATO").

# NOTES TO THE FINANCIAL STATEMENTS

## 9.3. Unitholdings and associated transactions with related parties

The below table shows the number of the Fund's securities held by its related parties (including managed investment schemes for which a related party is the Responsible Entity or Manager) and the distributions received or receivable.

	22 January 2021		30 June 2020	
	Number of units	Distributions \$	Number of units	Distributions \$
APN Property Group Limited	-	24	479	31

## 10. REMUNERATION OF AUDITORS

	22 January 2021	30 June 2020
	\$	\$
<b>Deloitte and related network firms *</b>		
Audit or review of financial reports	9,500	18,139
Statutory assurance services required by legislation to be provided by the auditor	-	4,600
	<b>9,500</b>	<b>22,739</b>

\* The auditor of the Fund is Deloitte Touche Tohmatsu.

## 11. SUBSEQUENT EVENTS

The Fund was wound up on 22 January 2021.

