

DOWN UNDER PROPERTIES LLC TRUST

ABN: 52 404 776 725

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FOR THE YEAR ENDED 30 JUNE 2018

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DOWN UNDER PROPERTIES LLC TRUST

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COMPILATION REPORT

I have compiled the accompanying special purpose financial statements of Down Under Properties LLC Trust which comprise the balance sheet as at 30 June 2018, and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is to provide information relating to the performance and financial position of the trust that satisfies the information needs of the directors of the trustee company and of the unit holders.

The responsibility of the directors

The directors of the trustee company are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

My responsibility

On the basis of information provided by the directors of the trustee company, I have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in the notes to the financial statements and APES 315: Compilation of Financial Information.

I have applied my expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. I have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Assurance disclaimer

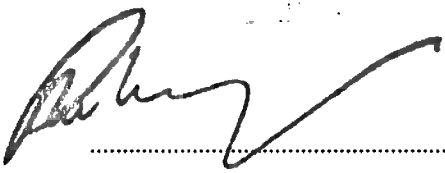
Since a compilation engagement is not an assurance engagement, I am not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, I do not express an audit opinion or a conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors of the trustee company who are responsible for the reliability, accuracy and completeness of the information used to compile them. I do not accept responsibility for the contents of the special purpose financial statements.

Firm PDK Financial Synergy Pty Ltd
 Certified Practicing Accountants

Address Level 5, 195 North Terrace Adelaide, SA, 5000

Date 13 November 2018

Signed 
.....

Phil Louder

DOWN UNDER PROPERTIES LLC TRUST

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DIRECTORS' DECLARATION

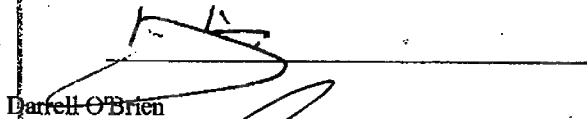
The directors of the trustee company have determined that the unit trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 2 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes present fairly the unit trust's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements;
2. In the directors' opinion there are reasonable grounds to believe that the unit trust will be able to pay its debts as and when they become due and payable.

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

Director



Darrell O'Brien

Director



Phil Louder

Dated

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RENTAL STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	<i>2018</i>	<i>2017</i>
	<i>\$</i>	<i>\$</i>
Less: expenses		
Rental Income	(63,577)	(185,073)
Insurance Claim Received	-	(4,988)
Property Management Fees	5,596	17,558
Cleaning Expenses	538	117
Depreciation	27,198	67,338
Association Fees	875	4,581
Interest	18,724	56,912
Owners' Taxes	740	1,451
Property Taxes	6,978	20,022
Utilities	(476)	1,317
Repairs & Maintenance	3,816	36,157
Landscaping Expenses	1,430	1,685
Insurance	6,840	14,246
	<hr/>	<hr/>
	8,683	31,323
NET LOSS FROM RENTAL	<hr/> (8,683) <hr/>	<hr/> (31,323) <hr/>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of PDK Financial Synergy Pty Ltd.

DOWN UNDER PROPERTIES LLC TRUST

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PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	<i>2018</i>	<i>2017</i>
	<i>\$</i>	<i>\$</i>
SALES		
Interim Profit/(Loss) from US Rental Operations- Jan - Jun	-	(48,413)
	-	(48,413)
EXPENSES		
Accountancy Fees	28,868	13,784
Bank Charges	543	766
Filing Fees	254	572
Foreign Exchange Loss / Gain	106,190	34,754
Legal Costs	192	-
Management Fees	127,480	-
Market Value Real Estate Loss / Gain	281,208	58,424
Postage & Courier	178	-
Sundry Expenses	6,790	-
Travelling Expenses	2,397	1,538
	554,099	109,837
OTHER INCOME		
Net profit (loss) on rental operations	(8,683)	(31,323)
Other Revenue	2,611	-
Profit on Sale of Non-current Assets	462,810	67,922
	456,738	36,599
NET LOSS	(97,361)	(121,650)
Retained earnings at beginning of the financial year	840,026	961,676
TOTAL AVAILABLE FOR DISTRIBUTION	742,665	840,026
RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR	742,665	840,026

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report of PDK Financial Synergy Pty Ltd.

DOWN UNDER PROPERTIES LLC TRUST

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BALANCE SHEET**FOR THE YEAR ENDED 30 JUNE 2018**

	<i>2018</i>	<i>2017</i>
	\$	\$
CURRENT ASSETS		
First Savings USA - Reserve Account - ***4981	-	32,334
First Savings USA - Business Checking Account ***5045	350,270	128,677
Escrow Reserve A/C **3412	-	3,583
Escrow Reserve A/C **4028	-	2,377
Escrow Reserve A/C **4454	-	1,677
Westpac Business One	8,433	-
Loans - Down Under Properties 2015 Trust	5,069	5,069
Prepaid Expenses	125,557	-
US Income Tax (2017)	3,933	-
TOTAL CURRENT ASSETS	<u>493,262</u>	<u>173,717</u>
NON-CURRENT ASSETS		
Down Under Properties LLC	830,802	2,495,157
Less Accumulated Amortisation	-	(9,185)
Formation Expenses	-	9,185
TOTAL NON-CURRENT ASSETS	<u>830,802</u>	<u>2,495,157</u>
TOTAL ASSETS	<u>1,324,065</u>	<u>2,668,874</u>
CURRENT LIABILITIES		
Sundry Creditors (PDK Trust)	826	572
Loans - Las Vegas Properties Management Pty Ltd	170,000	-
TOTAL CURRENT LIABILITIES	<u>170,826</u>	<u>572</u>
NON-CURRENT LIABILITIES		
Beneficiary Loans	30,574	22,344
Loan - First Savings USA ***3412	-	448,952
Loan - First Savings USA ***4028	-	195,250
Loan - First Savings USA ***4454	-	151,730
TOTAL NON-CURRENT LIABILITIES	<u>30,574</u>	<u>818,276</u>
TOTAL LIABILITIES	<u>201,400</u>	<u>818,848</u>
NET ASSETS	<u>1,122,665</u>	<u>1,850,026</u>
EQUITY		
Ordinary Units of \$1	380,000	1,010,000
Retained earnings	742,665	840,026
TOTAL EQUITY	<u>1,122,665</u>	<u>1,850,026</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report of PDK Financial Synergy Pty Ltd.

DOWN UNDER PROPERTIES LLC TRUST
ABN: 52 404 776 725
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trustees have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed to prepare financial accounts and assist with the preparation of the trust's income tax return.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

The First Savings and Bank of America cash balances at 30 June 2018 include the retained earnings of Las Vegas Properties Pty Ltd of which Down Under Properties LLC Trust is the 100% beneficial owner. These bank balances have been converted to Australian dollars at the AUD:USD exchange rate on 30 June 2018.

(b) Borrowings

Secured and unsecured loans have been obtained. While some loans are interest free, these have not been discounted to present values. Carrying amounts therefore represent amounts expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and therefore presented as current liabilities.

(c) Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

(d) Investments

Investments held are immediately recognised at cost which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period plus/minus gains/losses on foreign currency exchange. Movements in fair value and movements in the foreign currency exchange are recognised through an equity reserve.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

As at 30/06/2018 the properties are held at cost in the balance sheet. The updated market values according to the Residential Appraisal Reports and the AUD:USD foreign exchange rate as at 30/06/2018 are:

	<u>Cost (AUD)</u>	<u>Market Value (exchange rate on 30 June 2018 - \$0.7714)</u>
2255 Loring Avenue	\$229,675	\$473,166
189 Verde Ridge Court	\$227,906	\$401,867

(e) **Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the trust that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

(f) **Retained Earnings**

The profits for the period 1st July 2017 to 30th June 2017 are included in the profits of the LLC Trust.