

DomaCom Fund
ARSN 167 020 626

**CONDENSED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

DomaCom Fund

ARSN 167 020 626

Condensed interim financial report For the half-year ended 31 December 2015

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The Responsible Entity of the Fund is Perpetual Trust Services Limited ("the Responsible Entity")(ABN 48 000 142 049)(AFSL No. 236648).

Directors' Report

The Directors of Perpetual Trust Services Limited (ABN 48 000 142 049, AFSL 236648), the Responsible Entity of DomaCom Fund, present their report together with the condensed interim financial statements of the Fund for the half-year ended 31 December 2015 and the auditor's report thereon.

1 Directors

The names of Directors of the Responsible Entity in office at any time during or since the end of the half-year are:

Green, Christopher	Director Appointed 1 October 2008
Larkins, Gillian	Director Appointed 07 January 2013 and resigned 27 July 2015
Vainauskas, Michael	Director Appointed 02 March 2015
Foster, Glenn Stephen	Director Appointed 27 July 2015
Cannane, Andrew	Director Appointed 28 August 2015
Foster, Glenn Stephen	Alternate (for Gillian Larkins) Appointed 25 January 2013, ceased 27 July 2015
O'Sullivan, Anna	Alternate (for Christopher Green) Appointed 24 February 2014, resigned 07 December 2015)
Garth, Rodney Ellwood	Alternate (for Christopher Green and Andrew Cannane) Appointed 07 December 2015

The Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2 Principal activities

The principal activity of the Fund is fractional investment in real estate (residential and commercial), for the purpose of earning revenue in the form of rent. The Fund seeks to offer a stable, tax effective income investment stream coupled with growth potential over the longer term for its investors.

3 Review and results of operations

There have been no significant changes to the operations of the Fund since the previous financial period. The Fund continued to invest funds in accordance with the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Net operating profit/(loss) before financing costs attributable to unitholders	48,646	(1,062)
Distribution paid and payable (\$)	46,509	33,008

Directors' Report (continued)

4 Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial half-year under review.

5 After Balance Date Events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

6 Environmental Issues

The Fund complied with all environmental regulations during the course of the half-year.

7 Indemnification and insurance of Officers and Auditors

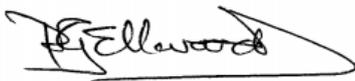
During or since the end of the period, the Fund has not indemnified or agreed to indemnify, nor paid insurance premiums to insure any of the directors or officers of the Responsible Entity. The auditors of the Fund are not indemnified out of the assets of the Fund.

8 Proceedings on Behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund, or intervene in any proceedings to which the Fund is a party, for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings. The Fund was not a party to any such proceedings during the half-year.

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the Board of Directors of Perpetual Trust Services Limited.



Rodney Ellwood
Director
Perpetual Trust Services Limited

Sydney
9 March 2016

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Auditor's Independence Declaration To The Directors of DomaCom Fund

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of DomaCom Fund for the half-year ended 31 December 2015, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Brad Taylor
Partner - Audit & Assurance

Melbourne, 9 March 2016

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Condensed interim statement of profit or loss and other comprehensive income

	Note	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Revenue and other income			
Rental and other property income		42,797	21,058
Interest income		32,303	19,947
Change in fair value of investment properties		(1,850)	(30,846)
Total revenue and other income		73,250	10,159
Expenses			
Property outgoings		17,668	8,295
Management fees		6,056	2,926
Legal and professional fees		880	-
Total expenses		24,604	11,221
Operating profit/(loss) for the half-year		48,646	(1,062)
Finance costs attributable to unit holders			
Distributions to unitholders	5	(46,509)	(33,008)
(Increase)/decrease in net assets attributable to unit holders	4	(2,137)	34,070
Operating profit/(loss) for the half-year		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the half-year attributable to unitholders		-	-

The above condensed interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed interim statement of financial position

	Note	As at 31 December 2015 \$	As at 30 June 2015 \$
Assets			
Current assets			
Cash and cash equivalents		6,720,367	2,363,614
Trade and other receivables		46,736	4,583
Other assets		47,000	-
Total current assets		6,814,103	2,368,197
Non-current assets			
Investment properties	3	1,469,665	979,245
Total non-current assets		1,469,665	979,245
Total assets		8,283,768	3,347,442
Liabilities			
Current liabilities			
Distributions payable		3,422	1,117
Trade and other payables		849	2,186
Total current liabilities		4,271	3,303
Total liabilities		4,271	3,303
Net assets attributable to unit holders - liability	4	8,279,497	3,344,139
Liabilities attributable to unit holders		(8,279,497)	(3,344,139)
Net assets		-	-

The above condensed interim statement of financial position should be read in conjunction with the accompanying notes.

Condensed interim statement of changes in equity

	Note	Half-year ended 31 December 2015 \$	Year ended 30 June 2015 \$
Beginning balance		3,344,139	638,219
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Applications	4	5,781,201	5,477,328
Redemptions	4	(847,980)	(2,752,588)
Units issued upon reinvestment of distributions		-	22,675
Increase/(decrease) in net assets attributable to unitholders	4	2,137	(41,495)
Total net assets attributable to unitholders at the end of the period	4	8,279,497	3,344,139

The above condensed interim statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes.

Condensed interim statement of cash flows

	Half-year ended 31 December 2015 \$	Half-year ended 31 December 2014 \$
Cash flows from operating activities		
Rental and other property income received	42,796	21,058
Interest received	32,303	19,947
Property outgoings paid	(19,316)	(8,294)
Other expenses paid	(8,777)	(2,400)
Net cash provided by operating activities	47,006	30,311
Cash flows from investing activities		
Payments for purchase of investment properties	(539,270)	(674,546)
Net cash used in investing activities	(539,270)	(674,546)
Cash flows from financing activities		
Proceeds from applications by unitholders	5,741,201	3,316,095
Payments for redemptions by unitholders	(847,980)	(400,000)
Distributions to unitholders	(44,204)	(28,153)
Net cash provided by financing activities	4,849,017	2,887,942
Net increase in cash and cash equivalents	4,356,753	2,243,707
Cash and cash equivalents at the beginning of the half-year	2,363,614	720,207
Cash and cash equivalents at the end of the half-year	6,720,367	2,963,914

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year financial statements

These general purpose financial statements for the interim half-year ended 31 December 2015 have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2015 and any public announcements made in respect of the DomaCom Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on 9 March 2016. The directors of the Responsible Entity have the power to amend the financial statements after they have been issued.

The accounting policies adopted are consistent with those of the previous financial year.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

(i) *AASB 9 Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund's financial instruments. The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting. The fund has not yet decided when to adopt AASB 9.

(ii) *AASB 15 Revenue from Contracts with Customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The directors do not expect the adoption of AASB15 to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements. The Fund has not yet decided when to adopt AASB 15.

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

2 Fair value measurement

(a) Recognised fair value measurements

The Fund measures and recognises assets and liabilities at fair value on a recurring basis.

To provide an indication about the reliability of inputs used in determining fair value, the Fund classifies its assets and liabilities at fair value into three levels prescribed under the accounting standards. An explanation of each level is set out below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Fair value measurement (continued)

(a) Recognised fair value measurements (continued)

Financial assets and liabilities not carried at fair value have carrying values that reasonably approximate their fair values and are categorised within the fair value hierarchy as follows:

- Cash and cash equivalents - Level 1; and
- All other financial assets and liabilities - Level 2

The following table presents the Fund's non-financial assets measured and recognised at fair value:

At 31 December 2015	Level 1	Level 2	Level 3	Total
Non-financial assets				
Investment properties	-	-	1,469,665	1,469,665
Total assets	-	-	1,469,665	1,469,665
At 30 June 2015	Level 1	Level 2	Level 3	Total
Non-financial assets				
Investment properties	-	-	979,245	979,245
Total assets	-	-	979,245	979,245

There were no transfers between levels of fair value measurement during the half-year and there were no other financial assets or liabilities that were measured and recognised at fair value and classified as Level 1 or Level 3.

The policy of the Fund is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period.

The Fund did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2015.

The following table presents the movement in level 3 assets for the half-year ended 31 December 2015 by class of financial asset.

	Investment properties	
	Half-year ended 31 December 2015	Year ended 30 June 2015
Opening balance	979,245	-
Purchases	272,350	1,011,660
Additions	219,920	13,745
Gains and losses recognised in profit or loss	(1,850)	(46,160)
Closing balance	1,469,665	979,245

(b) Valuation process

The Responsible Entity through the Fund's Manager conducts an investment property valuation process on a rolling 12 month basis. All independent valuations are performed by independent professionally qualified external valuers.

Existing properties

On an ongoing basis, the Responsible Entity through the Fund's Manager, assesses whether there has been a material change in the value of a property. External valuations are obtained within 2 months after the management form a view that there is a likelihood that there has been a material change in the valuation of the property.

2 Fair value measurement (continued)

(b) Valuation process (continued)

To make this assessment, the following steps are performed by the Fund's Manager:

- 1 perform desktop assessments of current values through discussions with external valuers and by using external market data feeds to gauge the current market situation;
- 2 compare the initial assessment of current value to the most recent book value and determine the percentage movement; and
- 3 if the property has been acquired in the last 12 months, the valuation on acquisition may still be valid but is reviewed against comparable sales/market data.

Development properties

The total cost of a development property is generally capitalised to its carrying value until development is complete. At the commencement of a development project, an estimated valuation on completion is obtained and the capitalised costs during the project are monitored against this initial valuation.

At each reporting date, the carrying values of development properties are reviewed to determine whether they are in excess of their fair value. Where appropriate, a write-down is made to reflect fair value.

3 Non-current assets - investment properties

Property	Ownership	Date acquired	Book value \$
806,127-133 Leicester Street, Carlton VIC 3053	100%	15 August 2014	165,000
811,127-133 Leicester Street, Carlton VIC 3053	100%	15 August 2014	155,000
803,127-133 Leicester Street, Carlton VIC 3053	100%	5 September 2014	165,000
808,127-133 Leicester Street, Carlton VIC 3053	100%	16 September 2014	165,000
606,127-133 Leicester Street, Carlton VIC 3053	100%	31 January 2015	157,500
36 Ceres Street, Wulkuraka, QLD 4305*	100%	19 May 2015	413,665
158/251-255A Clarence St Sydney NSW 2000	100%	22 July 2015	75,000
222/251-255A Clarence St Sydney NSW 2000	100%	4 August 2015	69,500
1/388-390 Burwood Hwy Burwood VIC	100%	23 July 2015	104,000
			<u>1,469,665</u>

* The book value of 36 Ceres St Wulkuraka QLD 4305 is the development cost to date. Expected value at completion is \$454,900.

Reconciliation

Reconciliation of the carrying amounts of the investment properties at the beginning and end of the current period are set out in the succeeding page.

3 Non-current assets - investment properties

Reconciliation (continued)

	811,127-133 Leicester Street, Carlton VIC 3053	806,127-133 Leicester Street, Carlton VIC 3053	803,127-133 Leicester Street, Carlton VIC 3053	808,127-133 Leicester Street, Carlton VIC 3053	606,127-133 Leicester Street, Carlton VIC 3053	Lot 14 Ceres Street, Wulkuraka Queensland 4305	158/251-255A Clarence St Sydney NSW 2000	222/251-255A Clarence St Sydney NSW 2000	1/388-390 Burwood Hwy Burwood VIC 3125	Total
Beginning balance 1 July 2015	157,000	157,000	157,000	157,000	157,500	193,745	-	-	-	979,245
Acquisition	-	-	-	-	-	-	75,000	69,500	104,000	248,500
Acquisition costs	-	-	-	-	-	2,812	5,095	5,120	6,591	19,618
Revaluation	(2,000)	8,000	8,000	8,000	-	(2,812)	(5,095)	(5,120)	(6,591)	2,382
Carrying amount	155,000	165,000	165,000	165,000	157,500	193,745	75,000	69,500	104,000	1,249,745
Property development cost	-	-	-	-	-	219,920	-	-	-	219,920
Adjusted carrying amount at 31 December 2015	155,000	165,000	165,000	165,000	157,500	413,665	75,000	69,500	104,000	1,469,665
30 June 2015										
Beginning balance 1 July 2014	-	-	-	-	-	-	-	-	-	-
Acquisition	157,000	157,000	157,000	157,000	157,500	180,000	-	-	-	965,500
Acquisition costs	7,771	7,738	7,669	7,669	7,777	7,538	-	-	-	46,160
Revaluation	(7,771)	(7,738)	(7,669)	(7,669)	(7,777)	(7,538)	-	-	-	(46,160)
Carrying amount	157,000	157,000	157,000	157,000	157,500	180,000	-	-	-	965,500
Property development cost	-	-	-	-	-	13,745	-	-	-	13,745
Adjusted carrying amount at 30 June 2015	157,000	157,000	157,000	157,000	157,500	193,745	-	-	-	979,245

4 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unit holders during the half-year were as follows:

	Half-year ended 31 December 2015		Year ended 30 June 2015	
	Units	\$	Units	\$
Opening balance	3,387,315	3,344,139	638,220	638,219
Applications	5,759,360	5,759,360	5,477,328	5,477,328
Redemptions	(847,980)	(847,980)	(2,752,588)	(2,752,588)
Unit class conversion	32,840	-	1,680	-
Units issued upon reinvestment of distributions	21,841	21,841	22,675	22,675
Increase/(decrease) in net assets attributable to unit holders	-	2,137	-	(41,495)
Closing balance	8,353,376	8,279,497	3,387,315	3,344,139

5 Distributions

Distributions paid/payable to unitholders

The distributions for the period were:

	Half-year ended 31 December 2015	Half-year ended 31 December 2014
	\$	\$
Distributions paid	43,087	27,243
Distributions payable	3,422	5,765
	46,509	33,008

6 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2015 and 30 June 2015.

7 Events subsequent to reporting date

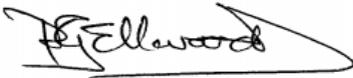
No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Directors' declaration

The Directors of Perpetual Trust Services Limited, the Responsible Entity of DomaCom Fund, declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; 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 standard AASB 134 *Interim Financial Reporting* and giving a true and fair view of the financial position as at 31 December 2015 and performance of the Fund for the half-year ended on that date.

This declaration is made in accordance with a resolution of the directors, made pursuant to Section 303(5) of the *Corporations Act 2001*.



Rodney Ellwood
Director
Perpetual Trust Services Limited

Sydney
9 March 2016

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Independent Auditor's Review Report To the Unitholders of DomaCom Fund

We have reviewed the accompanying half-year financial report of the DomaCom Fund (the "Scheme"), which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of accounting policies, other explanatory information and the directors' declaration.

Directors' responsibility for the half-year financial report

The Directors of the Responsible Entity of the Scheme are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the DomaCom Fund's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the DomaCom Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the DomaCom Fund is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Brad Taylor
Partner - Audit & Assurance

Melbourne, 9 March 2016