

DomaCom Fund
ARSN 167 020 626

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

DomaCom Fund

ARSN 167 020 626

Annual Financial Report

For the year ended 30 June 2021

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The Responsible Entity of the Fund is Melbourne Securities Corporation Limited ("the Responsible Entity") (ABN 57 160 326 545) (AFSL No. 428289).

Directors' Report

The Directors of Melbourne Securities Corporation Limited (ABN 57 160 326 545, AFSL 428289), the Responsible Entity of DomaCom Fund, present their report together with the financial statements of the Fund for the year ended 30 June 2021 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 year are:

Michael Peter Fleming (Chairman)

Matthew James Fletcher

Andrew Georgiou (resigned 14 May 2021)

Shelley Gaye Brown (appointed 14 May 2021)

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 and participate in capital growth. The Fund also provides the opportunity to invest in underlying mortgage funds which invest in a unit trust with underlying exposure to registered mortgages. The Fund also has the ability to hold investments in special opportunity projects that can involve the agricultural and renewable energy sectors. 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:

	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Net operating profit/(loss) before financing costs attributable to unitholders	4,571,131	448,827
Distribution paid and payable	2,864,453	1,677,412

Impact of COVID-19

Although the COVID-19 pandemic has had a significant impact on the Australian Property market as a whole, the direct impact on the DomaCom Fund has been limited in the year ended 30 June 2021. DomaCom Fund monitors its portfolio on a property-by-property basis through the use of a rolling external annual valuation process. Management review the portfolio not only through the external valuations but also through vacancy rates and delays in rental payments. The main impact has been the student accommodation that has suffered from the downturn in overseas students. These properties have been revalued accordingly. Beyond the annual valuations that have been reflected in the annual report no further asset value adjustments have been made as a result of COVID-19.

The limited impact of COVID-19 can be seen through the continued growth in Funds Under Management. The Fund still managed to record an increase of 16% during the year ended 30 June 2021.

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 year.

5 After Balance Date Events

There have been 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 year.

7 Indemnification and insurance of Officers and Auditors

During or since the end of the year, 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. Grant Thornton Audit Pty Ltd. continues to be the auditor in office.

8 Options

No options over issued units or interests in the Fund were granted during or since the end of the year and there were no options outstanding at the date of this report. The directors and executives of the Responsible Entity hold no options over interests in the Fund.

9 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 year.

10 Fees, Commissions or other charges by the Responsible Entity or Related Parties of the Responsible Entity

All fees payable to the Responsible Entity or its related parties are detailed in Note 15 to the financial statements.

11 Buy Back Arrangements

As detailed in the Fund's Constitution the Responsible Entity is not under any obligation to buy back, purchase or redeem units from unitholders.

12 Value of Fund Assets

The total value of the Fund's assets at the end of the reporting period is \$85,402,730 (2020: \$71,102,604).

Directors' Report (continued)

13 Number of Interests on Issue

At 30 June 2021 the number of units issued in the Fund was 87,410,376 (2020: 76,035,870). During the year 5,651,063 units were redeemed (2020: 3,369,258).

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the Board of Directors of Melbourne Securities Corporation Limited, pursuant to s303(5) of the Corporations Act 2001.



Director
Melbourne Securities Corporation Limited

Melbourne
1 October 2021

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 audit of the DomaCom Fund for the year ended 30 June 2021, 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 1 October 2021

Statement of Profit or Loss and Other Comprehensive Income

	Note	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Revenue and other income			
Rental and other property income		1,141,417	1,073,869
Interest income		2,456,247	1,817,222
Sale of Development Properties	3	2,964,764	920,909
Change in fair value of investment properties	4 (a), 8	1,728,651	(532,865)
Total revenue and other income		8,291,079	3,279,135
Expenses			
Property outgoings		939,379	648,259
Cost of Sales of Development Properties	3	2,953,287	1,092,741
Reversal of previously recognised write down to development assets	3	(1,163,284)	343,921
Management fees	15	506,892	427,256
Legal and professional fees		51,124	39,920
Finance Costs		420,106	278,211
Depreciation Expense		12,444	-
Total expenses		3,719,948	2,830,308
Operating profit/(loss) for the year		4,571,131	448,827
Finance costs attributable to unit holders			
Distributions to unitholders	14	(2,864,453)	(1,677,412)
Decrease/(increase) in net assets attributable to unitholders	12	(1,706,678)	1,228,585
Operating profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year attributable to unitholders		-	-

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Note	As at 30 June 2021 \$	As at 30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents	5	14,462,667	11,462,509
Trade and other receivables	6	349,936	479,927
Loan Receivable	7	2,100,000	3,107,000
Mortgage Securities	9	21,145,546	15,381,848
Other assets		45,192	551,209
Total current assets		38,103,341	30,982,493
Non-current assets			
Loan Receivable	7	2,716,887	2,716,887
Inventory of development assets		5,755,002	4,658,816
Investment properties	8	36,550,262	29,494,408
Property, plant and equipment	9	236,433	-
Mortgage Securities	10	2,040,601	3,250,000
Total non-current assets		47,299,185	40,120,111
Total assets		85,402,526	71,102,604
Liabilities			
Current liabilities			
Distributions payable	14	9,191	9,265
Trade and other payables	11	100,490	73,983
Loan payable	7	6,271,106	7,337,000
Total current liabilities		6,380,787	7,420,248
Non-current liabilities			
Loan payable	7	1,909,409	1,470,000
Total non-current liabilities		1,909,409	1,470,000
Total liabilities		8,290,196	8,890,248
Net assets attributable to unit holders - liability	12	77,112,330	62,212,356
Liabilities attributable to unit holders		(77,112,330)	(62,212,356)
Net assets		-	-

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

Statement of Changes in Net Assets Attributable to Unitholders

	Note	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Beginning balance		62,212,356	50,270,136
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Applications / Reinvestments	12	18,844,359	16,540,063
Redemptions	12	(5,651,063)	(3,369,258)
Decrease in net assets attributable to unitholders	12	1,706,678	(1,228,585)
Total net assets attributable to unitholders at the end of the period	12	77,112,330	62,212,356

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

Statement of Cash Flows

		Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Cash flows from operating activities			
Rental and other property income received		1,157,735	1,002,198
Interest received		2,648,150	1,817,222
Property outgoings paid		(486,517)	(647,044)
Interest Paid		(420,107)	(278,211)
Payments to suppliers		(1,100,183)	(837,927)
Net cash provided by operating activities	13	1,799,078	1,056,238
Cash flows from investing activities			
Payments for purchase of investment properties		(10,239,430)	(5,571,917)
Payments for purchase of mortgage securities		(4,554,299)	(8,181,848)
Receipts from disposal of investment properties		5,534,401	948,056
Net cash used in investing activities		(9,259,328)	(12,805,709)
Cash flows from financing activities			
Proceeds from applications by unitholders		18,595,483	16,540,063
Proceeds from borrowings		380,515	983,113
Payments for redemptions by unitholders		(5,651,063)	(3,369,258)
Distributions to unitholders		(2,864,527)	(1,680,177)
Net cash provided by financing activities		10,460,408	12,473,741
Net increase in cash and cash equivalents		3,000,158	724,270
Cash and cash equivalents at the beginning of the year		11,462,509	10,738,239
Cash and cash equivalents at the end of the year	5	14,462,667	11,462,509

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

1 Significant accounting policies

Reporting Entity

The financial statements are for the entity The DomaCom Fund ('the Fund') as an individual entity. The Fund is an unlisted registered scheme established and domiciled in Australia and operates as a for profit entity. The Responsible Entity ('RE') of the Fund is Melbourne Securities Corporation Limited. The Fund was registered on 13 December 2013.

The Fund has a limited life under its constitution, such that it must terminate no later than 2094.

Basis of preparation

The financial statements are a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of investments and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The COVID-19 pandemic has created uncertainty across the Australian property market. However, using the rolling annual independent external property valuations as a base, the property valuations and rental incomes of the Fund have been reviewed to support the preparation of the financial statements on a going concern basis.

Compliance with IFRSs

The financial statements and Notes of the Fund also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 text.

(a) Investment properties

Investment property is property which is held to earn rental income and capital appreciation.

Investment properties are carried at fair value determined by independent valuers. Changes to fair value are recorded in profit or loss.

The fair value of investment properties excludes any accrued operating lease income or lease incentives recognised as a receivable in accordance with AASB 16 Leases.

Property purchases are recognised when the Fund has entered into an unconditional purchase contract, and the majority of the significant risks and rewards of ownership have been transferred to the Fund. Property disposals are recorded when the Fund has entered into an unconditional sales contract, and the majority of the significant risks and rewards of ownership have been transferred to the buyer. Transfers of risks and rewards vary depending on the individual terms of the contracts.

(b) Inventories

Property development

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of sales in the ordinary course of business. Expenses of marketing, selling and distribution to customers are estimated and deducted to establish net realisable value. Where the net realisable value of inventory is less than cost, an impairment expense is recognised in the consolidated statement of profit or loss and other comprehensive income. Reversals of previously recognised impairment charges are recognised in the statement of profit or loss and other comprehensive income such that the inventory is always carried at the lower of cost and net realisable value. Cost includes the purchase consideration, development costs and holding costs such as borrowing costs, rates and taxes.

The proceeds from property development asset sales during the period are recognised as Sales of Development Properties. The inventory values of the property development assets sold are recognised as Cost of Sales of Development Properties.

1 Significant accounting policies (continued)

(c) Mortgage Securities

(a) Classification

The Fund's investments in Mortgage Securities are classified as at fair value through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such as basis.

(b) Recognition and derecognition

The Fund recognises financial assets on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets from this date. Financial assets are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

(c) Measurement

Subsequent to initial recognition, all financial assets held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss and other comprehensive income. Fair value of Mortgage Funds is based on the net asset value determined and advised by the relevant external manager.

(d) Property, plant and equipment

Plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended.

Plant and equipment is subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

Moveable Property: 20 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(e) Revenue

Rental income from operating leases is recognised as income on a straight-line basis over the lease term. Where a lease has fixed annual increases, the total rent receivable over the operating lease is recognised as revenue on a straight-line basis over the lease term. This results in more income being recognised early in the lease term and less late in the lease term compared to the lease conditions. The difference between the lease income recognised and actual lease payments received is included in receivables.

Lease incentives provided by the Fund to lessees are excluded from the measurement of fair value of investment property and are included in receivables. The amounts are recognised over the lease periods as rental income.

Contingent rents based on the future amount of a factor that changes other than with the passage of time, including CPI linked rental increases and turnover rents, and are only recognised when contractually due.

Interest income is recognised in profit or loss on a time basis using the effective interest rate method.

Distribution income is recognised when the right to receive a distribution has been established.

Other income is recognised when the right to receive the revenue has been established.

All income is stated net of the amount of goods and services tax (GST).

1 Significant accounting policies (continued)

(f) Goods and Services Tax (GST)

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

(g) Receivables and payables

Receivables are recorded at fair value and subsequently at amortised cost. Receivables may include amounts for rent and interest.

Financial assets, other than those at fair value through profit or loss, shall recognise a loss allowance by applying the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all receivables.

Payables represent liabilities for goods and services provided to the Fund prior to the end of the financial year which are unpaid. Normal commercial terms and conditions are applied to receivables and payables.

(h) Income tax

Under current legislation the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

The Fund elected to enter the Attribution Managed Investment Trust (AMIT) Regime under Division 276 of the Income Tax Assessment Act 1997, effective 1 July 2015. The purpose of this election was to ensure that the tax treatment of the distributions paid to each unitholder accurately reflects the nature of the profits generated by the portion of that Fund's assets in which the unitholder has an economic interest.

(i) Distributions

In accordance with the Fund's Constitution, the Fund distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of profit or loss and other comprehensive income as finance costs attributable to unitholders.

(j) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in profit or loss as finance costs.

(k) Functional currency

The Fund has a functional currency of Australian dollars.

(l) Critical judgements and significant accounting estimates

The preparation of financial statements requires the directors of the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(i) Fair value estimation

Investments in securities that are unlisted, and investment properties, are carried at values that are based on assumptions and estimates. If any of these assumptions or estimates were not correct this could have a material impact on the carrying amounts in the statement of financial position.

1 Significant accounting policies (continued)

(l) Critical judgements and significant accounting estimates (continued)

(ii) Recognition of unconditional property purchases and disposals

Property purchases, including associated acquisition costs, are recognised when the Fund has entered into an unconditional purchase contract, and the majority of the significant risks and rewards of ownership have been transferred to the Fund.

Property disposals, including associated disposal costs, are recorded when the Fund has entered into an unconditional sales contract, and the majority of the significant risks and rewards of ownership have been transferred to the buyer.

Transfers of risks and rewards vary depending on the individual terms of the contracts.

(m) New and amended standards adopted by the Fund

There are no new accounting standards and interpretations that have been recently issued that are not yet effective that have been early adopted by the Fund for the year ended 30 June 2021.

Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Conceptual Framework for Financial Reporting (Conceptual Framework) describes the objective of, and the concepts for, general purpose financial reporting. The purpose of the Conceptual Framework is to:

- Assist in the development of accounting standards;
- Help preparers develop consistent accounting policies where there is no applicable standard in place; and
- Assist all stakeholders to understand the standards better.

The Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The revised Conceptual Framework includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance - in particular, the definitions of an asset and a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

IFRS Interpretations Committee (IFRIC) Agenda Decision Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)

The Committee received a request about how a customer accounts for costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement. DomaCom has considered this decision and concluded there is no impact to the Fund.

2 Financial risk management

(a) Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The management of these risks is conducted by the Fund's Manager who manages the Fund's assets in accordance with its investment objectives.

A financial risk management framework has been established by the Fund's Investment Manager who conducts regular assessment processes in order to ensure that procedures and controls are adequately managing the risks arising from the Fund's investment activities.

This framework includes:

- Integrated computer systems and processes with checks and balances;
- Policies and procedures covering operations;
- Post-trade investment compliance monitoring;
- Segregation of the dealing and investment management function from the administration and settlement function; and
- An independent service provider for the valuation of securities.

The Responsible Entity also has in place a framework to identify, control, report and manage compliance and business obligations, and to ensure that the interests of unitholders in the Fund are protected.

Compliance is integrated into the day to day operations of the Responsible Entity.

This framework includes:

- Policies and procedures,
- Committee and board reporting,
- Staff training,
- Formal service provider agreements,
- Compliance reporting by the Investment Manager, Investment Administrator and Custodian (the "Service Providers"),
- Regular monitoring visits of Service Providers, and
- Monitoring of compliance in accordance with program.

The Responsible Entity is ultimately responsible for compliance monitoring.

The Responsible Entity has established a Compliance Committee which is responsible for developing and monitoring the Fund's compliance monitoring policies, including those related to its activities. Compliance monitoring policies and systems are reviewed periodically to reflect changes in market conditions and the Fund's activities.

The Responsible Entity undertakes periodic on-site monitoring reviews of the Fund's service providers, focusing on the general control environment and investment management, administration and custodial functions as provided to the Responsible Entity of the Fund. This is conducted to ensure that the service providers continue to satisfy their obligations as detailed within the relevant service agreement entered into with the Responsible Entity.

(b) Market risk

Market risk embodies the potential for both loss and gains and includes interest rate risk and other price risk. The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The Fund's market risk is managed on a daily basis by the Investment Manager in accordance with the investment guidelines as outlined in the Fund's Constitution.

(c) Credit risk

Credit risk is the risk that a party to the financial instrument will cause a financial loss to the Fund by failing to discharge an obligation.

Tenants for each of the properties held by the Fund are assessed for creditworthiness before commencing a lease, and if necessary rental guarantees are sought before tenancy is approved. The Investment Manager also performs a detailed review of both related and other parties before approving investments / advancement of funds. This is performed to ensure that they will be able to meet quoted distributions, as well as interest and principal repayments.

All receivables are monitored by the Fund Manager on a monthly basis. If any amounts owing are overdue these are followed up and if necessary, allowances are made for debts that are doubtful.

At reporting date, there are no issues with the credit quality of financial assets that are neither past due or impaired, and all amounts are expected to be received in full.

2 Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial liabilities as they fall due.

The Fund manages liquidity risk by managing its holding cash in its operating account to meet creditors' claims as they fall due.

The following table sets out the maturity analysis that shows the remaining contractual maturities.

As at 30 June 2021	Less than 6 months \$	6 months to a year \$	1-5 years \$	5+ years \$
Distributions payable	9,191	-	-	-
Management fees payable	13,326	-	-	-
Other payable	87,164	-	-	-
Loan Payable	-	6,271,107	1,909,409	-
Total	109,681	6,271,107	1,909,409	-

As at 30 June 2020	Less than 6 months \$	6 months to a year \$	1-5 years \$	5+ years \$
Distributions payable	9,265	-	-	-
Management fees payable	987	-	-	-
Other payable	72,996	-	-	-
Loan Payable	-	7,337,000	1,470,000	-
Total	83,248	7,337,000	1,470,000	-

3 Sale of development properties

	As at 30 June 2021 \$	As at 30 June 2020 \$
Sale of Development Properties	2,964,764	920,909
Cost of Sales of Development Properties	(2,953,287)	(1,092,741)
Reversal of previously recognised write down to development assets	1,163,284	(343,921)
	<u>1,174,761</u>	<u>(515,753)</u>

DomaCom Sub-Fund DMC0135AU acquired land for the purpose of sub-division. The first of 3 stages of development completed in the previous financial year with the remaining 15 of the 20 lots of land sold during the 12 month period ended 30 June 2021 for \$2,964,764.

Work undertaken on the development during the current year and prior years is allocated to the lots and recognised as Cost of Sales of Development Properties for lots sold during the current year.

External independent valuations are carried out on a periodic basis. The upward revaluation in the current period is less than the cumulative write downs recognised in previous periods. In addition where a lot has been sold subsequent to 30 June 2021 an adjustment is made to the inventory value of the lot at 30 June 2021 when the sales proceeds are less than the recorded inventory value.

4 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).

4 Fair value measurement (continued)

(a) Recognised fair value measurements (continued)

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

At 30 June 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Mortgage Securities	-	-	23,186,147	23,186,147
Total assets	-	-	23,186,147	23,186,147
At 30 June 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mortgage Securities	-	-	18,631,848	18,631,848
Total assets	-	-	18,631,848	18,631,848

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

At 30 June 2021	Level 1	Level 2	Level 3	Total
Non-financial assets				
Investment properties	-	-	36,550,262	36,550,262
Total assets	-	-	36,550,262	36,550,262
At 30 June 2020	Level 1	Level 2	Level 3	Total
Non-financial assets				
Investment properties	-	-	29,494,408	29,494,408
Total assets	-	-	29,494,408	29,494,408

There were no transfers between levels of fair value measurement during the year.

The following table presents the movement in level 3 assets for the year ended 30 June 2021 by class of asset.

	Mortgage Securities	
	Year ended 30 June 2021	Year ended 30 June 2020
Opening balance	18,631,848	10,450,000
Acquisitions/ additions	12,610,819	14,114,637
Disposals	(8,056,520)	(5,932,789)
Gains and losses recognised in profit or loss	-	-
Closing balance	23,186,147	18,631,848
	Investment properties	
	Year ended 30 June 2021	Year ended 30 June 2020
Opening balance	29,494,408	27,060,312
Acquisitions/ additions	7,550,997	2,966,961
Disposals	(2,223,794)	-
Gains and losses recognised in profit or loss	1,728,651	(532,865)
Closing balance	36,550,262	29,494,408

(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.

4 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.

Mortgage Securities

Fair value of the mortgage funds is calculated from the net asset value determined and advised by the relevant external manager.

COVID-19

Given the unknown future impact that COVID-19 might have on the Australian property market, there is currently a higher degree of uncertainty relating to ongoing property valuations. However, DomaCom benefits from a rolling annual valuation process that allows all properties to be independently revalued during a 12 month period. Having recent valuations for many of the properties in the Fund portfolio, including valuations carried out after the year end, ensures that current information is available in assessing all property values. No additional revaluations have been made as a result of COVID-19 beyond those already captured in the rolling external independent property valuations during and subsequent to the year ended 30 June 2021.

(c) Sensitivity analysis

The following table shows the impact of a 10% increase or 10% decrease in market prices on the investment property portfolio, with all other factors impacting market valuation remaining unchanged.

Significant input	Fair value measurement sensitivity to significant movement in input	Fair value measurement sensitivity to significant movement in input
	30 June 2021	30 June 2020
	\$	\$
Market price (+10%)	3,655,026	2,949,441
Market price (- 10%)	(3,655,026)	(2,949,441)

5 Cash and cash equivalents

	As at 30 June 2021	As at 30 June 2020
	\$	\$
Cash at bank	14,462,667	11,462,509
	14,462,667	11,462,509

6 Trade and other receivables

	As at 30 June 2021	As at 30 June 2020
	\$	\$
Prepayments	-	5,694
Accrued interest	267,216	459,119
Rent and other receivables	82,720	15,114
	349,936	479,927

7 Loans Receivable and Payable

	As at 30 June 2021 \$	As at 30 June 2020 \$
<u>Loans receivable</u>		
Current:		
Loan Sub-Fund 8 Turnberry Close	-	509,000
Loan Sub-Fund Lot 108 Turnberry Close	-	498,000
Loan - 9 Emmetts Farm Road	2,100,000	2,100,000
	2,100,000	3,107,000
Non-current:		
Loan Sub-Fund 66 Beaconsfield Parade, Northcote VIC 3070	948,000	948,000
Special Opportunity Sub-Fund Sapphire Wind Farm	1,768,887	1,768,887
	2,716,887	2,716,887
 Total loans receivable	4,816,887	5,823,887
<u>Loans payable</u>		
Current:		
Property Development Sub-Fund Lot 15 Avery Lane, Clifftleigh, NSW 2321	3,530,000	3,230,000
Property Sub-Fund 8 Turnberry Close	-	509,000
Property Sub-Fund Lot 108 Turnberry Close	-	498,000
Property Sub-Fund 9 Emmetts Farm Road	2,100,000	2,100,000
Property Sub-Fund 54 Watts Road (DMC0170AU)	-	1,000,000
Property Sub-Fund LOT 111 St Andrews Way, Fletcher NSW 2287	641,106	-
	6,271,106	7,337,000
Non-current:		
Property Sub-Fund 66 Beaconsfield Parade, Northcote VIC 3070	948,000	948,000
Property Sub-Fund 4/27 Crombie Avenue, Bundall QLD 4217	520,808	522,000
Property Sub-Fund 918/40 Hall St, Moonee Ponds VIC	200,000	-
Property Sub-Fund 304/1009 Dandenong Rd, Malvern East VIC	240,601	-
	1,909,409	1,470,000
 Total loans payable	8,180,515	8,807,000

In the current period, Property Sub-Fund Lot 111 St Andrews Way drew down \$641,107 of a \$1,300,000 secured loan facility with a third party lender at a rate of 8.99% and initial term of 15 months.

In the current period, Property Sub-Fund 801/35 Hall Street entered into a \$200,000 secured loan with a third party lender at a rate of 5.99% and a term of 5 years.

In the current period, Property Sub-Fund 304/1009 Dandenong Rd, Malvern East entered into a loan agreement for \$240,601 with the DomaCom Loan Fund with a rate of interest of 5.5% and term of 5 years. The DomaCom Loan Fund is separate to the DomaCom Fund and was set up solely to enable loans between sub-Funds of the DomaCom Fund. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund Property Sub-Fund 304/1009 Dandenong Rd, Malvern East with a rate of interest of 5.5% and term of 5 years.

In the prior year, Special Opportunity Sub-Fund Sapphire Wind Farm has invested \$1,768,887 in a 10 year unsecured loan with Grassroots Finance invested in the Sapphire Wind Farm, a completed wind farm developed and managed by CWP Renewables.

In the prior year, Property Sub-Fund 4/27 Crombie Avenue, Bundall entered into a \$522,000 secured loan with a third party lender at a rate of 5.99% and a term of 5 years.

In the prior year, Property Sub-Fund 9 Emmetts Farm Road entered into a loan agreement for \$2,100,000 with the DomaCom Loan Fund with a rate of interest of 10% and term of 1 year. The DomaCom Loan Fund is separate to the DomaCom Fund and was set up solely to enable loans between sub-Funds of the DomaCom Fund. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund 54 Watts Road with a rate of interest of 10% and term of 1 year.

In the prior year Property sub-fund 66, Beaconsfield Parade entered into a loan agreement for \$948,000 with the DomaCom Loan Fund with a rate of interest of 5.5% and term of 5 years. The DomaCom Loan Fund is separate to the DomaCom Fund and was set up solely to enable loans between sub-Funds of the DomaCom Fund. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund 66, Beaconsfield Parade with a rate of interest of 5.5% and term of 5 years.

In the prior year, Property development sub-fund Avery's Green entered into a loan agreement for \$2,000,000 with the DomaCom Loan Fund with a rate of interest of 14.0% and term of 1 year. The DomaCom Loan Fund separately entered into a loan with the Mortgage Sub-Fund DMC0170AU with a rate of interest of 14.0% and term of 1 year.

In the current period, the loan was increased to \$3,530,000.

7 Loans Receivable and Payable (continued)

In a previous period, Property sub-fund 8 Turnberry Close entered into a loan agreement for \$509,000 with the DomaCom Loan Fund with a rate of interest of 8.00% and term of 1 year. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund 8 Turnberry Close with a rate of interest of 8.0% and term of 1 year. The loan was repaid in the current period.

In a previous period, Property sub-fund Lot 108 Turnberry Close entered into a loan agreement for \$498,000 with the DomaCom Loan Fund with a rate of interest of 8.0% and term of 7 months. The DomaCom Loan Fund separately entered into a loan with the Loan sub-fund Lot 108 Turnberry Close with a rate of interest of 8.0% and term of 7 months. The loan was repaid in the current period.

In the prior period Property sub-fund 54 Watts Road entered into a loan agreement for \$1,000,000 with the DomaCom Loan Fund with a rate of interest of 10.0% and an initial term of 6 months. The DomaCom Loan Fund separately entered into a loan with the Mortgage Sub-Fund DMC0170AU with a rate of interest of 10.0% and an initial term of 6 months. The loan was repaid in the current period.

The loans payable are secured only on the respective assets above.

8 Non-current assets - investment properties

Below is the list of properties fully owned by the Fund:

	As at 30 June 2021 \$	As at 30 June 2020 \$
811/127-133 Leicester Street, Carlton VIC 3053	157,500	155,000
806/127-133 Leicester Street, Carlton VIC 3053	160,000	155,000
803/127-133 Leicester Street, Carlton VIC 3053	157,500	155,000
808/127-133 Leicester Street, Carlton VIC 3053	157,500	155,000
606/127-133 Leicester Street, Carlton VIC 3053	160,000	170,000
14 Ceres Street, Wulkuraka QLD 4305	-	400,000
1/388-390 Burwood Highway, Burwood VIC 3125	120,000	116,000
Lot 42 Parkfield Loop, Paralowie SA 5108	330,000	325,000
Lot 43 Parkfield Loop, Paralowie SA 5108	330,000	325,000
604/127-133 Leicester Street, Carlton VIC 3053	160,000	170,000
6/18 Workshops Street, Brassall QLD 4305	300,000	290,000
5 Prospect Street, Silkstone QLD 4304	360,000	320,000
Lot 45 Parkfield Loop, Paralowie SA 5108	330,000	325,000
15 Pommer Street, Brassall QLD 4305	355,000	340,000
Lot 18 Fazzolari Circuit, Paralowie SA 5110	340,000	325,000
202/51-53 Gaffney Street, COBURG VIC 3058	470,000	450,000
Lot 44 Parkfield Loop, Paralowie SA 5108	340,000	325,000
Lot 47 Parkfield Loop, Paralowie SA 5108	325,000	320,000
Lot 56 Parkfield Loop, Paralowie SA 5108	325,000	320,000
Lot 20 Stacey Court, Munno Para West SA 5115	250,000	260,000
117/36 Queen Victoria Street, Fremantle WA 6160	580,000	500,000
Lot 40/33 Junction Drive, Redbank Plains QLD 4301	300,000	300,000
Lot 15/225 Sutton Street, Warragul VIC 3820	400,000	360,000
Lot 64 Athena Drive, Risdon Vale TAS 7016	425,000	400,000
7/37 Wildey Street, Raceview QLD 4305	240,000	270,000
Lot 27 Isla Court, Munno Para West SA 5115	250,000	260,000
421/6 Aqua Street, Southport QLD 4215	410,000	410,000
"Doyles", Lower Coleraine Road, Muntham VIC 3315	1,355,000	1,330,000
Lot 821 Celestial Way, Coomera QLD 4209	450,000	450,000
Apt 2419/27-41 Appleton Street, Richmond VIC 3121	415,000	435,000
Lot 47/21 Springfield Parkway, Springfield QLD 4300	-	335,000
Lot 66 Athena Drive, Risdon Vale TAS 7016	405,000	390,000
Unit 8/37 Wildey Street, Raceview QLD 4305	265,000	260,000
Lot 21 Chellaston Road, Munno Para West SA 5115	250,000	260,000
3/157 Walcott Street, Mount Lawley WA 6050	490,000	450,000
7/157 Walcott Street, Mount Lawley WA 6050	375,000	340,000
Lot 440 Fernbrooke NA, Redbank Plains QLD 4301	380,000	380,000
Lot 1241/60 Devonshire Road, Rossmore NSW 2557	4,600,000	4,235,000
Lot 123/64 Devonshire Road, Rossmore NSW 2557	4,100,000	3,650,000
Unit 18/37 Wildey Street, Raceview QLD 4305	270,000	270,000
LOT 102 Matthias Way, Leichhardt, QLD 4305	410,000	410,000
9 EMMETTS FARM ROAD, ROSSMORE NSW 2557	3,600,000	-
LOT 107 Turnberry Close, Fletcher Way, NSW 2287	-	762,454
66 Beaconsfield Parade, Northcote VIC 3070	1,800,000	1,550,000
Lot 54 Athena Drive, Risdon Vale TAS 7016	415,000	400,000
LOT 108 Turnberry Close, Fletcher Way, NSW 2287	-	331,886
54 Watts Road, Kempas Creek NSW 2178	4,000,000	3,600,000
4/27 CROMBIE AVENUE, BUNDALL QLD 4217	1,000,000	960,000
3/227 High Forest Road, Omeo VIC 3898	200,000	165,000
LOT 111 ST ANDREWS WAY, FLETCHER NSW 2287	1,529,382	629,068
9/117 Royal St, Tuart Hill WA	290,000	-
918/40 Hall St, Moonee Ponds VIC	440,000	-
304/1009 Dandenong Rd, Malvern East VIC	684,000	-
811/5 Everage St, Moonee Ponds VIC	643,000	-
6 Donovan Street, Blacks Beach QLD	195,022	-
Lot 184 Williamtown Court, Rural View QLD	256,358	-
	36,550,262	29,494,408

8 Non-current assets - investment properties (continued)

Reconciliation

Reconciliation of the carrying amounts of the investment properties at the beginning and end of the current financial year are set out below:

	As at 30 June 2021 \$	As at 30 June 2020 \$
Beginning balance	29,494,408	27,060,312
Acquisitions	7,547,297	2,966,961
Disposals	(2,278,784)	-
Net gains/(losses) from fair value adjustments	1,787,341	(532,865)
Adjusted carrying amount at year end	36,550,262	29,494,408

9 Property, plant and equipment

	As at 30 June 2021 \$	As at 30 June 2020 \$
Property, plant and equipment	248,877	-
Less: Accumulated Depreciation	(12,444)	-
	236,433	-

Reconciliation

Reconciliation of the carrying amounts of the investment properties at the beginning and end of the current financial year are set out below:

	As at 30 June 2021 \$	As at 30 June 2020 \$
Beginning balance	-	-
Acquisitions	248,877	-
Disposals	-	-
Depreciation Expense	(12,444)	-
Adjusted carrying amount at year end	236,433	-

10 Mortgage Securities

	As at 30 June 2021 \$	As at 30 June 2020 \$
Current	21,145,546	15,381,848
Non-current	2,040,601	3,250,000
Total mortgage securities	23,186,147	18,631,848

The sub-fund allows investors to participate in multiple commercial and residential loans backed by first registered mortgages.

11 Trade and other payables

	As at 30 June 2021 \$	As at 30 June 2020 \$
Management fees payable	13,326	987
Other payables	87,164	72,996
	100,490	73,983

12 Net assets attributable to unitholders

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

	Year ended 30 June 2021		Year ended 30 June 2020	
	Units	\$	Units	\$
Opening balance	76,035,870	62,212,356	60,569,577	50,270,136
Applications and unit class conversion	17,025,569	18,844,359	18,835,551	16,540,063
Redemptions	(5,651,063)	(5,651,063)	(3,369,258)	(3,369,258)
Increase/(decrease) in net assets attributable to unit holders	-	1,706,678	-	(1,228,585)
Closing balance	87,410,376	77,112,330	76,035,870	62,212,356

13 Reconciliation of net profit to net cash provided by operating activities

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
Profit/(loss) for the year	-	-
Decrease in net assets attributable to unitholders	1,706,678	(1,228,585)
Depreciation	12,444	-
Distributions to unitholders	2,864,453	1,677,412
Change in fair value of investment properties	(1,728,651)	532,865
Sale of Development Properties	(2,964,764)	(920,909)
Cost of Development Properties	2,953,287	1,092,741
Change in value of inventory	(1,163,284)	343,921
Net change in receivables and accrued income	92,408	(400,001)
Net change in accounts payable and accrued liabilities	26,507	(41,206)
Net cash provided by operating activities	1,799,078	1,056,238

14 Distributions

Distributions paid/payable to unitholders

The distributions for the period were:

	Year ended 30 June 2021	Year ended 30 June 2020
	\$	\$
Distributions paid	2,855,262	1,668,147
Distributions payable	9,191	9,265
	2,864,453	1,677,412

15 Related party transactions

Responsible Entity

The Responsible Entity of The DomaCom Fund is Melbourne Securities Corporation Limited.

Investment Manager DomaCom Australia Limited has been appointed to promote, administer, invest and manage the assets of the DomaCom Fund and to perform various services pursuant to the Investment Management Agreement.

DomaCom Australia Limited held cash in the DomaCom Fund. Interest earned during the financial year was \$818 (2020: \$1,612). At 30 June 2021, cash held in the DomaCom Fund amounted to \$1,363 (2020: \$502,263).

DomaCom Australia Limited acting as Investment Manager incurred \$80,461 (2020: \$3,270) direct costs relating to the operation of the DomaCom Fund that are reimbursed in accordance with the DomaCom Fund Constitution.

DomaCom RTO Trust Pty Ltd

DomaCom RTO Trust Pty Ltd is trustee of DomaCom Rental Property Accelerator (RPA) 304/1009 Dandenong Road, Malvern East Trust and DomaCom RTO Trust for DomaCom Sub-fund 918/40 Hall Street Moonee Ponds, collectively the RTO Trusts.

The Rental Property Accelerator (RPA) product includes the provision of up to 5% of the units of a property sub-fund to the tenant of the property over a 5 year period. Initially the units are held by the RTO Trust for the benefit of future tenants and DomaCom Australia Limited to the extent the units are not transferred to the tenants.

On 17 September 2020 13,097 units were transferred to the DomaCom RTO Trust for DomaCom Sub-fund 918/40 Hall Street Moonee Ponds. The 13,097 units held by RTO Trust were valued at \$11,758 at 30 June 2021.

On 9 March 2021 21,655 units were transferred to the DomaCom Rental Property Accelerator (RPA) 304/1009 Dandenong Road, Malvern East Trust. Subsequently 4,301 units were transferred to the tenant on 31 May 2021. The 17,354 units held by RTO Trust were valued at \$17,912 at 30 June 2021.

Responsible Entity's fees and other transactions

The Responsible Entity fees are paid in accordance with the Constitution.

	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Management fees expense during the year	506,892	427,256
Management fees payable as at year end	13,326	987

Management fees are paid to the investment manager. The Investment Manager pays the Responsible Entity fees from the Management fees.

15 Related party transactions (continued)

Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Responsible Entity, Melbourne Securities Corporation Limited, to manage the activities of the Fund. The directors of the Responsible Entity are key management personnel of that entity and their names are:

Michael Peter Fleming (Chairman)

Matthew James Fletcher

Andrew Georgiou (resigned 14 May 2021)

Shelley Gaye Brown (appointed 14 May 2021)

Unit holdings

No units in the Fund were held during the year by directors and other key management personnel of the Responsible Entity, including their personally related parties. There were no units granted during the reporting period as compensation.

16 Remuneration of auditor

The remuneration of auditor for the year ended 30 June 2021 has been incurred by the DomaCom Fund and paid for by DomaCom Australia Ltd for the amount of \$30,000 (2020: \$20,500).

17 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2021 and 30 June 2020.

18 Events subsequent to reporting date

There have been 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.

19 Responsible Entity details

The registered office and the principal place of business of the Responsible Entity is Level 2, 395 Collins Street, Melbourne VIC 3000.

Directors' declaration

In the opinion of the Directors of Melbourne Securities Limited, the Responsible Entity of DomaCom Fund ("the Fund"):

- a. the financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in net assets attributable to unitholders, statement of cash flows, and accompanying notes, are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance as represented by the results of its operations and its cash flows, for the year ended on that date; and

- b. there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors of the Responsible Entity, made pursuant to s303(5) of the Corporations Act 2001.



Director
Melbourne Securities Corporation Limited

Melbourne
1 October 2021

Independent Auditor's Report

To the Members of DomaCom Fund

Report on the audit of the financial report

Opinion

We have audited the financial report of DomaCom Fund (the Scheme), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Scheme's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b 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 Scheme in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The Directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Scheme's Directors' report for the year 30 June 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 of the Responsible Entity of the Scheme 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 for such internal control as the Directors of the Responsible Entity 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 of the Responsible Entity are responsible for assessing the Scheme's ability 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 Scheme 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 this 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/ar4.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



D G Ng
Partner – Audit & Assurance

Melbourne, 1 October 2021