

**AVENTUS PROPERTY GROUP PTY LIMITED**  
ACN 606 747 620

Annual report  
for the financial year ended 30 June 2017



## CONTENTS

Directors' report	3
Auditor's independence declaration	5
Annual financial report	
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	25
Independent auditor's report	26

## DIRECTORS' REPORT

The directors of Aventus Property Group Pty Limited ("the Company") present their report together with the consolidated financial statements of the Company and its consolidated entities ("the Group") for the financial year ended 30 June 2017.

### Directors and secretaries

The following persons held office as directors of the Company during the whole of the financial year and up to the date of this report:

- > Brett Blundy                      Executive Director
- > Darren Holland                  Executive Director

The company secretaries of the Company are Mary Weaver AGIA and Lawrence Wong.

### Principal activities

The principal activities of the Group during the financial year were to provide property investment, management, development and leasing services.

There was no significant change in the Group's principal activities during the financial year.

### Review of operations and results

During the financial year the Group engaged in its principal activities, the results of which are disclosed in the attached financial statements.

### Dividends

No dividends were declared for the financial years ended 30 June 2017 or 30 June 2016.

### Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

### Likely developments and expected results of operations

The Group will continue to engage in its principal activities in future financial years. Expected results of operations in future financial years have not been disclosed as it would result in unreasonable prejudice to the Group.

### Shares under option

No options over unissued shares were granted during the financial year. There were no shares under option at 30 June 2017 or at the date of this report.

### Environmental regulations

The Group's activities are not subject to any significant environmental regulations under Commonwealth, State or Territory legislation.

### Events occurring after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## DIRECTORS' REPORT

### Insurance of officers and indemnities

During the financial year, the Company paid a premium to insure the directors, company secretaries and officers of the Group against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit except for any loss in respect of any matters which are finally determined to have resulted from Ernst & Young's negligent, wrongful or wilful acts or omissions.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### Auditor's independence declaration

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

This report is made in accordance with a resolution of the directors of made pursuant to s298(2) of the Corporations Act 2001.



Darren Holland  
Executive Director

Sydney  
29 September 2017

## Auditor's Independence Declaration to the Directors of Aventus Property Group Pty Limited

As lead auditor for the audit of Aventus Property Group Pty Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Aventus Property Group Pty Limited and the entities it controlled during the financial year.



Ernst & Young



Mark Conroy  
Partner  
29 September 2017

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Notes	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
<b>Revenue</b>					
Revenue from services		28,218,169	12,752,871	-	-
Other revenue		538,204	313,868	320	345
<b>Total revenue</b>		<b>28,756,373</b>	<b>13,066,739</b>	<b>320</b>	<b>345</b>
<b>Expenses</b>					
Employee benefits expense	4	(8,454,746)	(5,947,504)	-	-
Professional fees		(505,624)	(658,246)	-	-
Responsible entity fees		-	(352,376)	-	-
Payroll tax expense		(480,623)	(241,546)	-	-
Recruitment fees		(154,762)	(205,711)	-	-
Rent expense		(732,597)	(155,834)	-	-
Insurance expenses		(179,358)	(121,724)	-	-
Travel expenses		(273,012)	(87,213)	-	-
Depreciation		(42,868)	(21,926)	-	-
Loss on disposal of plant and equipment		(943)	-	-	-
Other expenses		(1,430,782)	(506,379)	(163)	(70)
<b>Total expenses</b>		<b>(12,255,315)</b>	<b>(8,298,459)</b>	<b>(163)</b>	<b>(70)</b>
<b>Profit for the year before tax</b>		<b>16,501,058</b>	<b>4,768,280</b>	<b>157</b>	<b>275</b>
Income tax expense		(4,920,658)	(1,461,237)	(47)	(83)
<b>Profit for the year</b>		<b>11,580,400</b>	<b>3,307,043</b>	<b>110</b>	<b>192</b>
<b>Other comprehensive income for the year net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>11,580,400</b>	<b>3,307,043</b>	<b>110</b>	<b>192</b>

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

**BALANCE SHEET**  
**AS AT 30 JUNE 2017**

	Notes	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	5,250,818	5,520,655	3,980	53,139
Trade and other receivables	6	10,068,152	2,387,194	7,646,223	-
Other assets	7	187,542	110,890	-	-
<b>Total current assets</b>		<b>15,506,512</b>	<b>8,018,739</b>	<b>7,650,203</b>	<b>53,139</b>
<b>Non-current assets</b>					
Trade and other receivables	6	6,269,219	319,896	-	-
Other financial assets	8	-	-	5,203,100	5,203,100
Plant and equipment	9	89,386	64,720	-	-
Deferred tax assets	10	832,302	563,738	-	-
<b>Total non-current assets</b>		<b>7,190,907</b>	<b>948,354</b>	<b>5,203,100</b>	<b>5,203,100</b>
<b>Total assets</b>		<b>22,697,419</b>	<b>8,967,093</b>	<b>12,853,303</b>	<b>5,256,239</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	11	(1,893,466)	(1,695,190)	(4,053)	(4,069)
Borrowings	12	-	(1,385,623)	-	(1,359,623)
Current tax liabilities	13	(3,319,922)	(1,890,989)	(47)	(83)
Provision for employee benefits	14	(592,618)	(573,435)	-	-
<b>Total current liabilities</b>		<b>(5,806,006)</b>	<b>(5,545,237)</b>	<b>(4,100)</b>	<b>(1,363,775)</b>
<b>Non-current liabilities</b>					
Borrowings	12	-	-	(12,847,901)	(3,891,272)
Provision for employee benefits	14	(176,198)	(112,860)	-	-
Deferred tax liabilities	10	(1,826,772)	(953)	-	-
<b>Total non-current liabilities</b>		<b>(2,002,970)</b>	<b>(113,813)</b>	<b>(12,847,901)</b>	<b>(3,891,272)</b>
<b>Total liabilities</b>		<b>(7,808,976)</b>	<b>(5,659,050)</b>	<b>(12,852,001)</b>	<b>(5,255,047)</b>
<b>Net assets</b>		<b>14,888,443</b>	<b>3,308,043</b>	<b>1,302</b>	<b>1,192</b>
<b>Equity</b>					
Contributed equity	15	1,000	1,000	1,000	1,000
Retained earnings	16	14,887,443	3,307,043	302	192
<b>Total equity</b>		<b>14,888,443</b>	<b>3,308,043</b>	<b>1,302</b>	<b>1,192</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

Consolidated	Notes	Contributed equity \$	Retained earnings \$	Total equity \$
<b>Balance at 21 July 2015</b>		-	-	-
Profit for the period		-	3,307,043	3,307,043
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		-	3,307,043	3,307,043
Issue of shares net of transaction costs	15	1,000	-	1,000
Dividends paid or provided for	17	-	-	-
<b>Balance at 30 June 2016</b>		1,000	3,307,043	3,308,043
<b>Balance at 1 July 2016</b>		1,000	3,307,043	3,308,043
Profit for the year		-	11,580,400	11,580,400
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	11,580,400	11,580,400
Issue of shares net of transaction costs	15	-	-	-
Dividends paid or provided for	17	-	-	-
<b>Balance at 30 June 2017</b>		1,000	14,887,443	14,888,443

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



**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

Company	Notes	Contributed equity \$	Retained earnings \$	Total equity \$
<b>Balance at 21 July 2015</b>		-	-	-
Profit for the period		-	192	192
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		-	192	192
Issue of shares net of transaction costs	15	1,000	-	1,000
Dividends paid or provided for	17	-	-	-
<b>Balance at 30 June 2016</b>		1,000	192	1,192
<b>Balance at 1 July 2016</b>		1,000	192	1,192
Profit for the year		-	110	110
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	110	110
Issue of shares net of transaction costs	15	-	-	-
Dividends paid or provided for	17	-	-	-
<b>Balance at 30 June 2017</b>		1,000	302	1,302

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

	Notes	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
<b>Cash flows from operating activities</b>					
Receipts from customers		24,735,796	11,894,143	-	-
Payments to suppliers and employees		(14,509,280)	(7,046,655)	(179)	(70)
Interest received		78,933	28,372	320	345
Other receipts		459,507	282,318	-	-
Income tax paid		(1,934,470)	-	(83)	-
<b>Net cash inflows from operating activities</b>	18(a)	8,830,486	5,158,178	58	275
<b>Cash flows from investing activities</b>					
Payment for investment in subsidiaries		-	-	-	(5,203,100)
Payment for plant and equipment		(68,477)	(86,646)	-	-
Loans to related parties		(7,646,223)	(1,362,500)	(7,646,223)	-
Repayment of related party loans		-	425,000	-	-
<b>Net cash outflows from investing activities</b>		(7,714,700)	(1,024,146)	(7,646,223)	(5,203,100)
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		-	1,000	-	1,000
Proceeds from borrowings		-	5,231,200	8,956,629	5,254,964
Repayment of borrowings		(1,385,623)	(3,845,577)	(1,359,623)	-
Dividends paid		-	-	-	-
<b>Net cash inflows from financing activities</b>		(1,385,623)	1,386,623	7,597,006	5,255,964
<b>Net increase in cash and cash equivalents</b>		(269,837)	5,520,655	(49,159)	53,139
<b>Cash at the beginning of the financial year</b>		5,520,655	-	53,139	-
<b>Cash at the end of the financial year</b>	5	5,250,818	5,520,655	3,980	53,139

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Basis of preparation

### a) Statement of compliance

Aventus Property Group Pty Limited ("the Company") is a proprietary company incorporated in Australia. The financial statements comprise the consolidated financial statement of the Company and its subsidiaries ("the Group").

The parent entity of the Company is BBRC International Pte Ltd ATF The BB Family International Trust.

The Group is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are dependent on general purpose financial reports. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The financial statements have been prepared in accordance with the Corporations Act 2001, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', and AASB 1054 'Australian Additional Disclosures'.

The Group is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on 29 September 2017.

### b) Comparative information

The Company was incorporated on 21 July 2015. Comparative balances disclosed in the financial statements are for the period 21 July 2015 to 30 June 2016.

Where necessary, comparative information has been adjusted to conform with changes in presentation in the current year.

### c) Historical cost convention

The financial statements have been prepared on a historical cost basis.

### d) Functional and presentation currency

All amounts presented in the consolidated financial statements are expressed in Australian dollars which is the functional and presentation currency of the Group.

### e) New and amended accounting standards and interpretations adopted by the Group

The Group has adopted all of the new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operation and effective for the financial reporting period beginning 1 July 2016.

The adoption of these new or revised standards and interpretations did not have a significant impact on the current or prior financial years and is not likely to affect future financial periods.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation (continued)

#### f) New and amended accounting standards and interpretations issued but not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 30 June 2017 and have not been early adopted by the Group. The directors' assessment of the impact of these new standards and interpretations is set out below.

Title	Key requirements and impacts	Effective date
AASB 9 Financial Instruments	<p>AASB 9 "Financial Instruments" addresses the classification, measurement and de-recognition of financial assets and financial liabilities. It has also introduced new rules for hedge accounting and impairment of financial assets.</p> <p>The directors do not expect the new standard to have a significant impact on the recognition or measurement of the Group's financial instruments.</p> <p>The standard is not applicable until 1 January 2018 but is available for early adoption. At the date of this report the directors have not early adopted AASB 9.</p>	1 January 2018
AASB 15 Revenue from Contracts with Customers	<p>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 "Construction Contracts" which covers construction contracts.</p> <p>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.</p> <p>As the Group's main source of revenue is management fees the adoption of the new revenue recognition rules will not impact on the Group's accounting policies or the amounts recognised in the financial statements.</p> <p>The standard is not applicable until 1 January 2018 but is available for early adoption. At the date of this report the directors have not early adopted AASB 15.</p>	1 January 2018

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation (continued)

- f) New and amended accounting standards and interpretations issued but not yet adopted by the Group (continued)

Title	Key requirements and impacts	Effective date
AASB 16 <i>Leases</i>	<p>AASB 16 supersedes AASB 117 "Leases" and associated interpretations. Key features of AASB 16 include:</p> <ul style="list-style-type: none"> <li>&gt; AASB 16 provides a comprehensive model for the identification of leasing arrangements and their treatment in the financial statements of both lessees and lessors.</li> <li>&gt; Lessees will be required to recognise all leases on the balance sheet, except for short-term leases and leases of low value assets.</li> </ul> <p>The directors anticipate the application of AASB 16 will have a material impact on amounts reported and disclosed in the Group's financial statements relating to non-cancellable operating leases.</p> <p>The Group has not yet determined to what extent these operating leases will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.</p> <p>Some commitments relating to operating leases maybe covered by the exception for short term and low value leases.</p> <p>The new standard will be effective for annual reporting periods commencing 1 January 2019 but is available for early adoption.</p> <p>At the date of this report AASB 16 had not yet been adopted by the AASB.</p>	1 January 2019

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all years presented unless otherwise stated.

The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

#### a) Principles of consolidation

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

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to consolidate for an investment because of a loss of control any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Revenue for the Group's business activities is recognised on the following basis:

##### **Revenue from services**

Revenue from the provision of property investment, management, development and leasing services are recognised in accordance with underlying agreements and in the period in which the services are rendered. Fees are recognised net of rebates.

##### **Interest income**

Interest income is recognised on an accruals basis using the effective interest method.

##### **Dividends**

Dividends received from subsidiaries are recognised in the Company's profit or loss when its right to receive the dividend is established.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of significant accounting policies (continued)

#### c) Expenses

Expenses are recorded on an accruals basis.

#### d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### e) Goods and service tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

#### f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of significant accounting policies (continued)

#### g) Trade and other receivables

Trade and other receivables are initially recognised at the amounts due to the Group less any provision for doubtful debts. Rent and outgoings receivable are usually settled within 30 days of recognition. Receivables are presented as current assets unless collection is not expected for greater than 12 months after reporting date.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in the year in which they are identified. A provision for doubtful debts is raised where there is objective evidence that the Group will not collect all amounts due. The amount of the provision is the difference between the carrying amount and estimated future cash flows. Cash flows relating to current receivables are not discounted.

#### h) Other financial assets

Investments in subsidiaries are recorded at cost.

#### i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the asset, net of any residual amount, over its estimated useful life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

#### j) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of significant accounting policies (continued)

#### k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured at the present value of the estimate future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### Superannuation contributions

Superannuation contributions are recognised as employee benefit expenses when employees have rendered service entitling them to the contributions.

#### Employee incentive scheme

Senior employees of the Group are entitled to participate in a remuneration incentive scheme.

Selected employees are issued with a financial instrument which enables them to acquire units in the Aventus Retail Property Fund ("AVN"). The Group prepays employee remuneration to allow the employee to acquire the units in AVN. The Group holds security over the units in AVN until individual employee service and/or performance conditions are satisfied.

The financial instruments are measured at fair value and are disclosed in note 6 to the financial statements as prepaid employee benefits. The portion of the prepaid employee remuneration that relates to satisfied service and /or performance conditions as well as movements in fair value are recognised in the statement comprehensive income as employee benefits expense.

#### m) Dividends payable

A payable is recognised for the amount of any dividend declared and appropriately authorised on or before the end of the reporting period but not distributed at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Summary of significant accounting policies (continued)

#### n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### o) Contributed equity

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Company. Transaction costs directly attributable to the issue of new ordinary shares are recognised directly in equity as a deduction from the proceeds received.

### 3. Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that may have a financial impact on the Group and are believed to be reasonable under the circumstances.

#### a) Critical accounting estimates and assumptions

The Group is required in certain circumstances to make estimates and assumptions concerning the future. The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### ***Accrued performance fee revenue***

The Group is entitled to a performance fee calculated in accordance with the terms and conditions of the Management Services Agreement between Aventus Funds Management Pty Limited and the Aventus Retail Property Fund.

At 30 June 2017 the Group has recognised accrued performance fee revenue of \$6,269,219 on the basis it is probable a performance fee will be derived at the end of the inaugural performance period ending 30 June 2018. The accrued revenue has been calculated as the best estimate of revenue derived from the Aventus Retail Property Fund if the performance fee was settled at the end of the financial year.

The actual performance fee derived (if any) may differ as key inputs into the calculation are dependent upon future events.

Accrued performance fee revenue is disclosed as part of 'revenue from services' in the statement of comprehensive income.

#### b) Critical judgements in applying the group's accounting policies

There were no significant judgements, apart from those involving estimations, in the process of applying the Group's accounting policies that had a significant effect on the amounts recognised in the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Employee benefits expense

	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
Superannuation expenses	647,328	359,235	-	-
Other employee benefits	7,807,418	5,588,269	-	-
Total	8,454,746	5,947,504	-	-

### 5. Cash and cash equivalents

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
Cash at bank and in hand	2,750,818	3,020,655	3,980	53,139
Deposits at call	2,500,000	2,500,000	-	-
Total	5,250,818	5,520,655	3,980	53,139

### 6. Trade and other receivables

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Current</b>				
Trade receivable and accrued revenue	2,171,929	1,932,923	-	-
Prepaid employee benefits	250,000	250,000	-	-
Loans to shareholders	7,646,223	-	7,646,223	-
Other receivables	-	204,271	-	-
Total	10,068,152	2,387,194	7,646,223	-
<b>Non-current</b>				
Accrued performance fees	6,269,219	-	-	-
Security deposits	-	69,896	-	-
Prepaid employee benefits	-	250,000	-	-
Total	6,269,219	319,896	-	-

### 7. Other assets

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Current</b>				
Prepayments	187,542	110,890	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Other financial assets

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
Investment in subsidiaries	-	-	5,203,100	5,203,100

### 9. Plant and equipment

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Non-current</b>				
Plant and equipment – at cost	152,747	86,646	-	-
Accumulated depreciation	(63,361)	(21,926)	-	-
<b>Total</b>	<b>89,386</b>	<b>64,720</b>	<b>-</b>	<b>-</b>

### 10. Deferred taxes

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Non-current</b>				
Deferred tax assets – temporary differences	736,482	563,738	-	-
Deferred tax assets – carried forward tax losses	95,820	-	-	-
<b>Total</b>	<b>832,302</b>	<b>563,738</b>	<b>-</b>	<b>-</b>
Deferred tax liabilities – temporary differences	(1,826,772)	(953)	-	-

### 11. Trade and other payables

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Current</b>				
Trade creditors and accruals	1,310,314	1,193,867	-	-
GST payable	510,241	497,254	(16)	-
Other payables	72,911	4,069	4,069	4,069
<b>Total</b>	<b>1,893,466</b>	<b>1,695,190</b>	<b>4,053</b>	<b>4,069</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. Borrowings

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Current</b>				
Loans from shareholders	-	1,359,623	-	1,359,623
Loans from other related parties	-	26,000	-	-
<b>Total</b>	-	1,385,623	-	1,359,623
<b>Non-current</b>				
Loans from subsidiaries	-	-	12,847,901	3,891,272

### 13. Current tax liabilities

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Current</b>				
Provision for income tax	3,319,922	1,890,989	47	83

### 14. Provision for employee benefits

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
<b>Current</b>				
Provision for employee benefits	592,618	573,435	-	-
<b>Non-current</b>				
Provision for employee benefits	176,198	112,860	-	-

### 15. Contributed equity

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
1,000 fully paid ordinary shares (2016: 1,000)	1,000	1,000	1,000	1,000

Ordinary shares entitle the holder to participate in dividends and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.



## NOTES TO THE FINANCIAL STATEMENTS

### 15. Contributed equity (continued)

A reconciliation of the movement in ordinary shares during the financial year is as follows:

	2017 Shares	2017 \$	2016 Shares	2016 \$
Balance at the beginning of the financial year	1,000	1,000	-	-
Issue of shares	-	-	1,000	1,000
Balance at the end of the financial year	1,000	1,000	1,000	1,000

### 16. Retained earnings

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$	Company 30 June 2017 \$	Company 30 June 2016 \$
Retained earnings	14,887,443	3,307,043	302	192

A reconciliation of the movement in retained earnings during the financial year is as follows:

	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
Balance at the beginning of the financial year	3,307,043	-	192	-
Net profit for the year	11,580,400	3,307,043	110	192
Dividends paid or payable	-	-	-	-
Balance at the end of the financial year	14,887,443	3,307,043	302	192

### 17. Dividends

	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
<b>Ordinary shares</b>				
Dividends for the year per fully paid ordinary share	-	-	-	-

The directors have not declared a dividend subsequent to the end of the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### 17. Dividends (continued)

#### Franked dividends

	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
Franking credits available for subsequent reporting periods based on a tax rate of 30%	5,254,392	1,890,989	130	83

The above amounts are calculated from the balance of the franking account as at the end of the financial year, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the financial year.

### 18. Statement of cash flow information

#### a) Reconciliation of profit to net cash flows from operating activities

	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
Profit for the year	11,580,400	3,307,043	110	192
Employee benefits expense	250,000	437,500	-	-
Depreciation	42,868	21,926	-	-
Loss on disposal of plant and equipment	943	-	-	-
Change in operating assets and liabilities:				
(Increase) in trade and other receivables	(6,234,058)	(2,207,089)	-	-
(Increase) in other assets	(76,652)	(110,890)	-	-
(Increase)/decrease in deferred tax	1,557,255	(562,785)	-	-
Increase/(decrease) in trade and other payables	198,275	1,695,190	(16)	-
Increase/(decrease) in provision for income tax	1,428,933	1,890,989	(36)	83
Increase in provision for employee entitlements	82,522	686,294	-	-
Net cash inflow from operating activities	8,830,486	5,158,178	58	275

#### b) Non-cash investing and financing activities

There were no non-cash investment or financing activities during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### 19. Acquisition of subsidiaries

On 21 July 2015 the Group acquired Aventus Capital Limited from BBRC Funds Management Pty Limited. Aventus Capital Limited was dormant at the date of acquisition.

The purchase consideration comprised cash of \$100. Net identifiable assets acquired at the date of acquisition comprised cash and cash equivalents of \$100. As the net assets of Aventus Capital Limited were acquired at fair value no goodwill arose as a result of the transaction.

### 20. Events occurring after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 21. Contingent assets and liabilities

During the financial year the Group entered into a bank guarantee facility with the Commonwealth Bank of Australia. Drawn bank guarantees represent contingent liabilities of the Group and do not form part of borrowings disclosed in the balance sheet.

At 30 June 2017 the Group had given a \$478,465 bank guarantee in conjunction with entering into a new lease for office premises. The facility was fully drawn at 30 June 2017 and expires on 30 April 2023.

### 22. Remuneration of auditors

	Consolidated 2017 \$	Consolidated 2016 \$	Company 2017 \$	Company 2016 \$
<b>Ernst &amp; Young</b>				
Audit of financial statements	30,600	30,000	-	-
Audit of Australian financial services licence	6,120	6,000	-	-
Tax compliance services	20,000	14,000	-	-
	56,720	50,000	-	-

### 23. Registered office and principal place of business

The registered office and principal place of business of the Company is Level 33, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW, 2000.



## DIRECTORS' DECLARATION

As detailed in note 1 to the financial statements, the Group is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are dependent on general purpose financial reports. Accordingly, this special purpose financial report has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

In the directors' opinion:

- a) the financial statements and 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 consolidated entity's and Company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and
- b) there are reasonable grounds to believe that Aventus Property Group Pty Limited 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 directors made pursuant to s295(5) of the Corporations Act 2001.



Darren Holland  
Executive Director

Sydney  
29 September 2017

## Independent Auditor's Report to the Members of Aventus Property Group Pty Limited

### Opinion

We have audited the financial report, being a special purpose financial report, of Aventus Property Group Pty Limited (the Company) and its subsidiaries (collectively the Group), which comprises:

- the Group consolidated and Company balance sheets as at 30 June 2017;
- the Group consolidated and Company statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- notes to the financial statements, including a summary of significant accounting policies; and
- the directors' declaration.

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

- a) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2017 and of their financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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 Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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



Ernst & Young



Mark Conroy  
Partner  
Sydney  
29 September 2017