BBRC MILE END FUND

ABN 31 454 298 201

AUDITED FINANCIAL STATEMENTS
For the year ended 30 June 2015

Contents

Trustee's report 2

Statement of profit or loss and other comprehensive income 4

Statement of financial position 5

Statement of changes in equity 6

Statement of cash flows 7

Notes to the financial statements 8

Trustee's declaration 15

Independent auditor's report 16

Trustee's report

The Trustee presents its report on the Trust for the year ended 30 June 2015.

TRUSTEE
The Trustee in office at any time during or since the end of the year is Mile End Homemaker Centre Pty Ltd.

PRINCIPAL ACTIVITIES
The Trust is an open-ended unlisted Trust which was established to invest in homemaker centres. The principal activity of the Trust is investment in commercial real estate, for the purpose of earning revenue in the form of rent. The Trust seeks to offer a stable income stream coupled with potential for capital growth over the longer term.

DISTRIBUTIONS PAID OR PAYABLE TO UNITHOLDERS
Distributions paid or payable to unitholders by the Trust in respect of the year ended 30 June 2015 was $2,498,230 (2014: $2,267,264).

REVIEW OF OPERATIONS
The profit of the Trust for the year ended 30 June 2015 (pre distribution to unitholders) amounted to $6,154,711 (2014: $9,698,684).

Under Accounting Standards, movements in the valuation of investment property are recorded in the statement of comprehensive income. However, while these items may cause fluctuation in the accounting profit, they do not impact on the operating cash flow of the Trust.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS
There have been no other significant changes to the state of affairs of the Trust during the year.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD
Subsequent to year end, on 31 August 2015 the legacy investors elected for the Trust to be included as part of Aventus Retail Property Fund which is intended for Initial Public Offering (IPO). The IPO is expected to be completed by 14 October 2015, subject to successful capital raisings and regulatory approvals. There are no other matters or circumstances that have arisen since the end of the year under review which significantly affected or may significantly affect the operations of the Trust, the result of those operations, or the state of affairs of the Trust for future years.

NET CURRENT LIABILITIES POSITION
The Trust is in a net current liability position of $25,655,085 as at 30 June 2015 due to an interest bearing loan which has been classified as current. The Directors of the Trustee company have negotiated with financiers for the refinancing of debt facilities held by the Trust in conjunction with the intended IPO of Aventus Retail Property Fund which the legacy investors have elected to include the Trust. Therefore, the Trust's financial statements have been prepared on a going concern basis as the Directors of the Trustee Company consider that the Trust will be able to discharge its obligations as they fall due and payable.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS
Likely developments in the operations of the Trust and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Trust.

ENVIRONMENTAL REGULATION
The Trust's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Trustee's report (continued)

PROCEEDINGS ON BEHALF OF THE TRUST

No person has applied for leave of Court to bring proceedings on behalf of the Trust or intervene in any proceedings to which the Trust is a party for the purpose of taking responsibility on behalf of the Trust for all or any part of those proceedings. The Trust was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Trustee:

Darren Holland
Director
Mile End Homemaker Centre Pty Limited
in its capacity as Trustee of the BBRC Mile End Fund

Dated: 30 September 2015

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Notes	2015 $	2014 $
Rent received		**5,004,122**	5,123,503
Recoverable expenses		**1,051,969**	1,000,753
Interest income		**20,980**	19,799
Other income		**165,705**	17,111
Total income		**6,242,776**	6,161,166
Administration expenses		**(239,498)**	(161,408)
Direct property expenses		**(1,544,140)**	(1,492,764)
Finance costs		**(1,408,939)**	(1,409,035)
Management fees		**(399,206)**	(352,430)
Total expenses	2	**(3,591,783)**	(3,415,637)
Fair value adjustment - investment properties		**3,503,718**	6,953,155
Net profit for the year		**6,154,711**	9,698,684
Other comprehensive income		**-**	-
Total comprehensive profit for the year		**6,154,711**	9,698,684

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2015

	Notes	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	3	**1,076,188**	1,428,047
Trade and other receivables	4	**228,462**	228,880
Total current assets		**1,304,650**	1,656,927
Non-current assets			
Investment properties	5	**55,964,925**	51,500,000
Total non-current assets		**55,964,925**	51,500,000
Total assets		**57,269,575**	53,156,927
Liabilities			
Current liabilities			
Trade and other payables	6	**743,395**	310,106
Interest-bearing liabilities	7	**26,216,340**	-
Total current liabilities		**26,959,735**	310,106
Non-current liabilities			
Interest-bearing liabilities	7	**-**	26,193,462
Total non-current liabilities		**-**	26,193,462
Total liabilities		**26,959,735**	26,503,568
Net assets		**30,309,840**	26,653,359
Net assets attributable to unitholders			
Units in issue	8	**21,612,709**	21,612,709
Retained earnings		**8,697,131**	5,040,650
Total equity		**30,309,840**	26,653,359

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2015

	Unitholders funds $
Balance at 1 July 2014	**26,653,359**
Comprehensive income	
Profit attributable to unitholders	**6,154,711**
Other comprehensive income for the year	**-**
Total comprehensive income for the year attributable to unitholders	**6,154,711**
Transactions with unitholders	
Distributions to unitholders	**(2,498,230)**
Total transactions with unitholders	**(2,498,230)**
Balance as at 30 June 2015	**30,309,840**
Balance at 1 July 2013	19,221,939
Comprehensive income	
Profit attributable to unitholders	9,698,684
Other comprehensive income for the year	-
Total comprehensive income for the year attributable to unitholders	9,698,684
Transactions with unitholders	
Distributions to unitholders	(2,267,264)
Total transactions with unitholders	(2,267,264)
Balance as at 30 June 2014	26,653,359

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Proceeds from customers		**6,235,160**	6,181,111
Payments to suppliers and employees		**(1,954,673)**	(1,828,018)
Interest received		**20,980**	19,799
Interest paid		**(1,386,061)**	(1,385,479)
Net cash flows from operating activities	10	**2,915,406**	2,987,413
Cash flows from investing activities			
Payments for investment properties		**(961,207)**	(246,845)
Net cash flows used in investing activities		**(961,207)**	(246,845)
Cash flows from financing activities			
Distributions paid		**(2,306,058)**	(2,267,264)
Net cash flows used in financing activities		**(2,306,058)**	(2,267,264)
Net (decrease)/increase in cash held		**(351,859)**	473,304
Cash at the beginning of the year		**1,428,047**	954,743
Cash at the end of the year	3	**1,076,188**	1,428,047

The accompanying notes form part of these financial statements.

Notes to the financial statements
For the year ended 30 June 2015

1 Statement of significant accounting policies

BBRC Mile End Fund is a Trust established and domiciled in Australia.

Basis of preparation

The trustee has prepared the financial statements on the basis that the Trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Trust Deed. The Trust is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the significant accounting policies disclosed below, which the trustee has determined is appropriate to meet the needs of unitholders. The financial statements also comply with the disclosure requirements of:

- AASB 101: Presentation of Financial Statements
- AASB 107: Statement of Cash Flows
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on September 2015 by the trustee of the Trust.

The Trust is in a net current liability position of $25,655,085 as at 30 June 2015 due to an interest bearing loan which has been classified as current. The Directors of the Trustee company have negotiated with financiers for the refinancing of debt facilities held by the Trust in conjunction with the intended IPO of Aventus Retail Property Fund which the legacy investors have elected to include the Trust. Therefore, the Trust's financial statements have been prepared on a going concern basis as the Directors of the Trustee Company consider that the Trust will be able to discharge its obligations as they fall due and payable.

Accounting policies

(a) Investment properties

Investment property is property which is held to earn rental income, or for capital appreciation, or for both.

Initially, investment properties are measured at cost including transaction costs.

Subsequent to initial recognition, investment properties are carried at fair value. Fair value is based on active market prices, adjusted for any difference in the nature, location or condition of the specific asset or where this is not available, an appropriate valuation method which may include discounted cashflow projections and the capitalisation method. The fair value reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. It also reflects any cash outflows (excluding those relating to future capital expenditure) that could be expected in respect of the property.

Land and buildings (including integral plant and equipment) that comprise the investment property are not depreciated.

Notes to the financial statements (continued)
For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(a) Investment properties (continued)

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on derecognition of an investment property are recognised in the statement of profit or loss and other comprehensive income in the year of derecognition.

Investment properties which are held for sale in the next 12 months from the reporting date are classified as current assets, others are classified as non-current assets.

(b) 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 Trust to lessees are included in the carrying value of investment property. These amounts are amortised over the lease periods within rental income.

Interest income is recognised in the statement of profit or loss and other comprehensive income on a time basis using the effective interest rate method.

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).

(c) Cash and cash equivalents

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

(d) 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 ATO. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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 with other receivables or payables in the statement of financial position.

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 included in receipts from customers or payments to suppliers.

Notes to the financial statements (continued)
For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(e) Financial instruments

Derivative financial instruments such as interest rate swaps are designated as financial instruments at fair value through profit and loss. The entity does not designate any financial instruments as hedges in a hedging relationship.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

(f) Borrowings

Borrowings are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest rate basis. Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability to at least 12 months after the balance sheet date.

Borrowing costs are recognised as expenses using the effective interest rate method unless incurred for the construction of a qualifying asset where during the time of construction the borrowing costs are capitalised.

(g) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Critical accounting estimates and judgements

The trustee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust.

Key judgements

Valuation of investment property

As described in note 1(a) above, the Trust uses valuation techniques to estimate the fair value of investment property. Detailed information about the key assumptions used in the determination of the fair value of investment property is included in note 1(a).

The trustee believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of investment property.

Notes to the financial statements (continued)
For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(j) Unitholders policy

Issued and paid up capital is recognised at the fair value received by the Fund. The units confer the unitholders an equal interest in the Fund. A unit does not confer any interest in any particular asset of the Fund. The unitholders have an interest in the income of the Fund and the residual net assets and therefore is treated as equity. Any transaction costs arising on issue of units are recognised directly as a deduction to unit proceeds.

(k) New accounting standards for application in future periods

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The entity has decided not to early adopt any of the new and amended pronouncements.

Notes to the financial statements (continued)
For the year ended 30 June 2015

2 Expenses

	2015	2014
	$	$
Direct property expenses	1,544,140	1,492,764
Administration expenses	239,498	161,408
Finance costs:		
Interest expense	1,386,061	1,385,479
Amortisation of borrowing costs	22,878	23,556
	1,408,939	1,409,035
Management fees	399,206	352,430
Total expenses	3,591,783	3,415,637

3 Cash and cash equivalents

	2015	2014
	$	$
Cash at bank	1,076,188	1,428,047

4 Trade and other receivables

	2015	2014
	$	$
Trade debtors	6,291	984
Prepayments	183,177	201,848
Accrued income	38,994	26,048
	228,462	228,880

5 Investment properties

	2015	2014
	$	$
Movements during the year		
Opening balance	51,500,000	44,300,000
Additions	961,207	246,845
Fair value adjustment - investment property	3,503,718	6,953,155
Closing balance	55,964,925	51,500,000

Notes to the financial statements (continued)
For the year ended 30 June 2015

6 Trade and other payables

	2015	2014
	$	$
Accruals and deferred income	**274,152**	299,222
Other payables	**277,071**	10,884
Distributions payable	**192,172**	-
	743,395	310,106

7 Interest-bearing liabilities

	2015	2014
	$	$
Current		
Commercial Bills - Secured	**26,216,340**	-
Non-current		
Commercial Bills - Secured	-	26,193,462

The commercial bills have a fixed interest rate of 3.50% with a maturity date of 10 December 2015.

They are secured by a first registered mortgage with the property at Mile End Homemaker Centre (121-150 Railway Terrace, Mile End South, SA 5031) and have additional general security over all present and after acquired property.

8 Units on issue

	2015	2014	2015	2014
	No.	No.	$	$
Units on issue at 1 July	**21,653,133**	21,653,133	**21,612,709**	21,612,709
Applications	-	-	-	-
Fund establishment cost	-	-	-	-
Units on issue at 30 June	**21,653,133**	21,653,133	**21,612,709**	21,612,709

9 Events after the reporting date

Subsequent to year end, on 31 August 2015 the legacy investors elected for the Trust to be included as part of Aventus Retail Property Fund which is intended for Initial Public Offering (IPO). The IPO is expected to be completed by 14 October 2015, subject to successful capital raisings and regulatory approvals. There are no other matters or circumstances that have arisen since the end of the year under review which significantly affected or may significantly affect the operations of the Trust, the result of those operations, or the state of affairs of the Trust for future years.

Notes to the financial statements (continued)
For the year ended 30 June 2015

10 Cash flow information

	2015	2014
	$	$
Reconciliation of cash flow operating profit or loss for the year		
Profit attributable to unitholders	**6,154,711**	9,698,684
Non-cash flows items included in profit or loss:		
- Fair value adjustment - investment property	**(3,503,718)**	(6,953,155)
- Amortisation of borrowing costs classified as financing activities	**22,878**	23,556
Change in assets and liabilities:		
- Increase in trade and other receivables	**418**	142,116
- Decrease in trade and other payables	**241,117**	76,212
	2,915,406	2,987,413

11 Trust details

The principal place of business and registered office of the Trust is Level 14, 71 Macquarie Street, SYDNEY, NSW 2000.

Trustee's declaration

The directors of Mile End Homemaker Centre Pty Limited, the trustee company of BBRC Mile End Fund, state that:

In the opinion of the directors:

(a) the Trust is not a reporting entity as defined in the Australian Accounting Standards;

(b) the financial statements and notes of the Trust:

(i) present fairly the Trust's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) comply with Australian Accounting Standards to the extent described in Note 1 to the financial statements;

(c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

On behalf of the Trustee

Darren Holland
Director
Mile End Homemaker Centre Pty Limited
in its capacity as Trustee of the BBRC Mile End Fund

Dated: 30 September 2015

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Building a better working world

Independent auditor's report to the unitholders of BBRC Mile End Fund

We have audited the accompanying special purpose financial report of BBRC Mile End Fund (the "Trust"), which comprises the statement of financial position as at 30 June 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, and the trustee's declaration.

Directors' responsibility for the Financial Report

The directors of Mile End Homemaker Centre Pty Limited (the "Trustee") are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Trust constitution and is appropriate to meet the needs of the unitholders. The directors are also responsible for such controls as they determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of the Trust as of 30 June 2015 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

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Basis of accounting and Restriction of Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Trust to meet the requirements of the Trust Constitution. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Trustee and unitholders of the Trust and should not be distributed to parties other than the unitholders of the Trust and its Trustee.

Ernst & Young
Sydney
30 September 2015

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