

# **CARINGBAH UNIT TRUST**

**FINANCIAL STATEMENTS**  
**For the year ended 30 June 2015**

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## Statement of profit or loss

For the year ended 30 June 2015

|                                 | Notes | 2015<br>\$         | 2014<br>\$         |
|---------------------------------|-------|--------------------|--------------------|
| Rent received                   |       | 7,209,501          | 6,878,405          |
| Recoverable expenses            |       | 1,230,920          | 1,205,770          |
| Interest income                 |       | 10,036             | 12,789             |
| Other income                    |       | 377,592            | 181,754            |
| <b>Total income</b>             |       | <b>8,828,049</b>   | <b>8,278,718</b>   |
| Administration expenses         | 2(a)  | (817,450)          | (927,223)          |
| Direct property expenses        | 2(b)  | (1,538,026)        | (1,448,792)        |
| Finance costs                   | 2(c)  | (1,469,672)        | (1,743,620)        |
| Management fees                 | 2(d)  | (332,464)          | (316,824)          |
| Depreciation                    | 2(e)  | (1,248,423)        | (1,358,906)        |
| <b>Total expenses</b>           | 2     | <b>(5,406,035)</b> | <b>(5,795,365)</b> |
| <b>Profit before income tax</b> |       | <b>3,422,014</b>   | <b>2,483,353</b>   |
| Income tax expense              |       | -                  | -                  |
| <b>Net profit for the year</b>  |       | <b>3,422,014</b>   | <b>2,483,353</b>   |

*The accompanying notes form part of these financial statements.*

## Statement of financial position

### As at 30 June 2015

|                                      | Notes | 2015<br>\$        | 2014<br>\$        |
|--------------------------------------|-------|-------------------|-------------------|
| <b>Assets</b>                        |       |                   |                   |
| <b>Current assets</b>                |       |                   |                   |
| Cash and cash equivalents            | 3     | 519,361           | 693,871           |
| Trade and other receivables          |       | 22,878            | 57,938            |
| Other current assets                 | 4     | 143,817           | 194,102           |
| <b>Total current assets</b>          |       | <b>686,056</b>    | <b>945,911</b>    |
| <b>Non-current assets</b>            |       |                   |                   |
| Property, plant and equipment        | 5     | 52,582,661        | 49,979,214        |
| <b>Total non-current assets</b>      |       | <b>52,582,661</b> | <b>49,979,214</b> |
| <b>Total assets</b>                  |       | <b>53,268,717</b> | <b>50,925,125</b> |
| <b>Liabilities</b>                   |       |                   |                   |
| <b>Current liabilities</b>           |       |                   |                   |
| Trade and other payables             |       | 427,420           | 550,159           |
| Beneficiaries' current accounts      | 8     | -                 | 5,897,550         |
| <b>Total current liabilities</b>     |       | <b>427,420</b>    | <b>6,447,709</b>  |
| <b>Non-current liabilities</b>       |       |                   |                   |
| Borrowings                           | 6     | 35,458,523        | 31,938,916        |
| <b>Total non-current liabilities</b> |       | <b>35,458,523</b> | <b>31,938,916</b> |
| <b>Total liabilities</b>             |       | <b>35,885,943</b> | <b>38,386,625</b> |
| <b>Net assets</b>                    |       | <b>17,382,774</b> | <b>12,538,500</b> |
| <b>Equity</b>                        |       |                   |                   |
| Settled sum                          |       | 17,401,546        | 12,538,500        |
| Retained earnings                    | 7     | (18,772)          | -                 |
| <b>Total equity</b>                  |       | <b>17,382,774</b> | <b>12,538,500</b> |

The accompanying notes form part of these financial statements.

# Notes to the financial statements

## For the year ended 30 June 2015

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### 1 Summary of significant accounting policies

#### **Basis of preparation**

The directors of the trustee company has prepared the financial statements of the unit trust on the basis that the unit trust is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of beneficiaries, the information needs of stakeholders and for the basis of preparation of the income tax return.

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

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

#### **Property, plant and equipment**

Property, plant and equipment including freehold land and buildings, are carried at cost unless otherwise stated. Depreciable assets are depreciated over their useful life to the unit trust.

#### **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents and are presented within current liabilities on the statement of financial position.

#### **Revenue and other income**

Sales revenue and other revenue are recognised when they are received or when the right to receive payment is established.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

#### **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST recoverable from the Australian Taxation Office. Receivables and payables in the statement of financial position are shown inclusive of GST.

## Notes to the financial statements (continued)

### For the year ended 30 June 2015

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#### 1 Summary of significant accounting policies (continued)

##### **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.

## Notes to the financial statements (continued)

For the year ended 30 June 2015

|            |                                  |                  |                  |
|------------|----------------------------------|------------------|------------------|
| <b>2</b>   | <b>Expenses</b>                  | <b>2015</b>      | <b>2014</b>      |
|            |                                  | \$               | \$               |
| <b>(a)</b> | <b>Administration expenses</b>   |                  |                  |
|            | Administration                   | 24,818           | 23,738           |
|            | Borrowing expenses               | 27,684           | 60,266           |
|            | Directly recoverable expenses    | 56,483           | 44,625           |
|            | Non-recoverable                  | 312,355          | 341,446          |
|            | Promotion fund expenses          | 167,226          | 234,966          |
|            | Team cost                        | 228,884          | 222,182          |
|            |                                  | <b>817,450</b>   | <b>927,223</b>   |
| <b>(b)</b> | <b>Direct property expenses</b>  |                  |                  |
|            | Cleaning                         | 140,393          | 138,919          |
|            | Energy and gas                   | 163,343          | 218,058          |
|            | Insurance                        | 63,120           | 53,933           |
|            | Non-recoverable                  | 142,241          | 156,133          |
|            | Rates and taxes                  | 503,324          | 475,179          |
|            | Repairs and maintenance          | 461,022          | 337,068          |
|            | Security                         | 64,583           | 69,502           |
|            |                                  | <b>1,538,026</b> | <b>1,448,792</b> |
| <b>(c)</b> | <b>Finance costs</b>             |                  |                  |
|            | Interest expense                 | 1,469,672        | 1,743,620        |
| <b>(d)</b> | <b>Management fees</b>           | 332,464          | 316,824          |
| <b>(e)</b> | <b>Depreciation expenses</b>     | 1,248,423        | 1,358,906        |
|            | <b>Total expenses</b>            | <b>5,406,035</b> | <b>5,795,365</b> |
| <b>3</b>   | <b>Cash and cash equivalents</b> | <b>2015</b>      | <b>2014</b>      |
|            |                                  | \$               | \$               |
|            | CBA - Cheque account             | 56,656           | 63,528           |
|            | WBC - Cheque account             | 435,370          | 561,399          |
|            | WBC - Cheque account - Promo     | 26,835           | 68,444           |
|            | Cash drawer - Petty cash         | 500              | 500              |
|            |                                  | <b>519,361</b>   | <b>693,871</b>   |
| <b>4</b>   | <b>Other current assets</b>      | <b>2015</b>      | <b>2014</b>      |
|            |                                  | \$               | \$               |
|            | Prepayments                      | 143,817          | 194,102          |



## Notes to the financial statements (continued)

### For the year ended 30 June 2015

|            |  |                   |                   |
|------------|--|-------------------|-------------------|
| <b>5</b>   | <b>Property, plant and equipment</b>           | <b>2015</b>       | <b>2014</b>       |
|            |  | \$                | \$                |
|            | Land   | 26,514,121        | 26,535,624        |
|            | Buildings                                      | 33,258,934        | 29,385,561        |
|            | Accumulated depreciation                       | (7,190,394)       | (5,941,971)       |
|            |  | <u>52,582,661</u> | <u>49,979,214</u> |
| <b>6</b>   | <b>Borrowings</b>                              | <b>2015</b>       | <b>2014</b>       |
|            |  | \$                | \$                |
|            | <b>Non-current</b>                             |                   |                   |
|            | CBA commercial bills                           | <u>35,458,523</u> | <u>31,938,916</u> |
| <b>7</b>   | <b>Equity - retained earnings</b>              | <b>2015</b>       | <b>2014</b>       |
|            |  | \$                | \$                |
|            | Retained earnings at the beginning of the year | -                 | -                 |
|            | Profit for the year                            | 3,422,014         | 2,483,353         |
|            | Distributions - Blundy Family Trust            | (3,268,277)       | (2,359,185)       |
|            | Distributions - Holland Family Trust           | (69,004)          | (49,667)          |
|            | Distributions - Allofus Family Trust           | (103,505)         | (74,501)          |
|            | Retained earnings at the end of the year       | <u>(18,772)</u>   | <u>-</u>          |
| <b>8</b>   | <b>Beneficiaries' current accounts</b>         | <b>2015</b>       | <b>2014</b>       |
|            |  | \$                | \$                |
| <b>(a)</b> | <b>Blundy Family Trust</b>                     |                   |                   |
|            | Opening balance                                | 5,602,672         | 3,243,487         |
|            | Trust distribution                             | 3,268,277         | 2,359,185         |
|            | Drawings                                       | (8,870,949)       | -                 |
|            | Closing balance                                | <u>-</u>          | <u>5,602,672</u>  |
| <b>(b)</b> | <b>Holland Family Trust</b>                    |                   |                   |
|            | Opening balance                                | 117,951           | 68,284            |
|            | Trust distribution                             | 69,004            | 49,667            |
|            | Drawings                                       | (186,955)         | -                 |
|            | Closing balance                                | <u>-</u>          | <u>117,951</u>    |
| <b>(c)</b> | <b>Allofus Family Trust</b>                    |                   |                   |
|            | Opening balance                                | 176,927           | 102,426           |
|            | Trust distribution                             | 103,505           | 74,501            |
|            | Drawings                                       | (280,432)         | -                 |
|            | Closing balance                                | <u>-</u>          | <u>176,927</u>    |
|            | <b>Total unpaid trust distributions</b>        | <u>-</u>          | <u>5,897,550</u>  |



## Director's declaration

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The director of the trustee company declares that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director of the trustee company declares that:

1. The financial statements and notes, as set out on pages 2 to 7, present fairly the trust's financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the director's opinion, there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

Director: \_\_\_\_\_



**Mr Brett Blundy**

Dated this: 30 September 2015



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## Compilation Report to Caringbah Unit Trust

We have compiled the accompanying special purpose financial report of Caringbah Unit Trust, which comprises the balance sheet as at 30 June 2015, and the statement of profit or loss for the year then ended a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial report has been prepared is set out in Note 1.

### Directors' Responsibility for the Financial Report

The directors of the trustee company for Caringbah Unit Trust are solely responsible for the information contained in the special purpose financial report and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial report was prepared.

### Our Responsibility

On the basis of information provided by the directors of the trustee company we have compiled the accompanying special purpose financial report in accordance with the basis of accounting and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors of the trustee company provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial report was compiled exclusively for the benefit of the directors of the trustee company. We do not accept responsibility to any other person for the contents of the special purpose financial report. Readers are cautioned that this financial report may not be appropriate for their purposes.

Ernst & Young  
Sydney  
30 September 2015