

Annual Report 2014



Invest in Your Ummah



THINK BIG
DREAM
BIGGER

Re Direct Your Superannuation and Savings into Your Community

OUR VISION

CONNECT AND DEVELOP
COMMUNITIES

Create a hub for our community to connect, learn and flourish. We endeavour to educate the ummah on how their resources can help benefit, both themselves and the community through building schools, masjids and other facilities .

We offer the opportunity to invest in the building of quality infrastructure for the ummah whilst providing investment returns.

- ✓ Securing investment for our project (Al Siraat College)
- ✓ Site development & construction

WHAT DO WE DO

PROVIDE OPPORUNTIES
FOR YOU TO INVEST
IN OUR UMMAH

Investments are made in Barakah Properties through simple share purchases. The funds received through this equity based model are used for acquiring land and undertaking building projects. Our current project is the site which is being leased to Al Siraat College located in Epping. Investment returns (which are shariah compliant) are achieved through our leasing operation and an increase in the value of the land asset.

AL SIRAAT PROJECT

DEVELOP THE SITE OF
AL SIRAAT COLLEGE

- ✓ The site has been leased to the College for 40 years with a further 40 year option.
- ✓ The rental income received from the College is the source of revenue for Barakah Properties.
- ✓ A significant building program has been completed with the opening of the primary learning neighbourhood. This project cost \$2.8 million and provides state of the art learning facilities that foster a vibrant learning environment in which students feel valued by having the opportunity to extend their knowledge and prosper.

OPPORTUNITY

USE YOUR SUPERANNUATION
AND SAVINGS TO BENEFIT
YOUR COMMUNITY

- ✓ Invest Your money to benefit YOUR UMMAH .
- ✓ We all want to contribute towards the benefit of the ummah but not everyone has the capacity to donate. This model provides an opportunity to contribute through investment. This model serves the same purpose of providing much needed funds for building critical infrastructure required for the well being of our future generations. These seeds that we sow today will InshaAllah bear the fruits for our children tomorrow.

SECURITY

FULLY ASSET BACKED
DEBT FREE

- ✓ We get an independent valuation completed every year to ensure that the share price of the company reflects the true value of the property and asset.
- ✓ Barakah Properties has no debt and does not borrow funds, significantly reducing the financial risk.

Invest in Your Ummah...

VISION

It all started with a vision for an Islamic school. A place where children can connect, learn and develop according to Islamic principles. We want to create a hub for the community with a masjid forming the basis for a new Muslim community in the northern suburbs of Melbourne. All enabled and built based on a sustainable financial model that is not dependent on overseas investors or commercial organisations, but on the support of everyday people. People that buy into the vision of using their super and savings to benefit their community are helping towards building a greater future for our kids.

2014 MILESTONE

By the Grace of Allah, I think it would be fair to say that we have delivered on what we promised. The investment in the site of Al Siraat College now stands at \$12 million, with a vibrant school community of about 500 students and over 70 staff in 2015. About half of this investment has been utilised for land purchases, with the other half being used for building constructions.

The Junior Learning Neighbourhood (constructed at a cost of \$4.2 million) has been nominated for architectural awards with CEFPI (Council of Educational Facility Planners International). This building is based on innovative architecture that connects functional classrooms with open and spacious central community areas. The use of colours and wooden elements merges the building into the rural heritage landscape whilst providing aesthetic appeal as a key signature building along the frontage of the College site. The College is absolutely delighted with the developed spaces. The feedback has been extremely positive, especially in relation to the sense of space, community and the acoustic qualities of the building.



NEW AQUISITION

Purchase of 65 Harvest Home Road

Barakah Properties has purchased 65 Harvest Home Road (directly adjacent to the current site) for \$2.8 million. This land purchase will provide an additional 5 acres allowing more functional facilities to be planned and built. InshaAllah, by 20th January 2015, \$1.9 million in progress payments will have been made, leaving a final payment of \$900,000 payable by 31st July 2015. The masjid is planned to be built on this site.

NEXT PHASE

Science / Technology Centre

The next building to be constructed as part of the rollout of the Master Plan is the Science and Technology Centre. This building will provide science labs, a canteen and spaces for ceramics, textiles, specialised art, graphics and visual communications. This building will also provide flexible collaboration areas that support the education model of the College. This project is scheduled to commence in March 2015 with a construction cost of \$3.5 million.

FUTURE

We have covered a lot of ground in a short amount of time so people naturally ask, what are your plans for the future?

Master Plan

Given the additional land purchase of 65 Harvest Home Road, the Master Plan for the site has been revised and is expected to be endorsed by Council (City Of Whittlesea) in due course. The Master Plan includes a large double story masjid (including a ladies section), gymnasium, swimming pool, Islamic Centre, library and classrooms. With the support of Barakah shareholders, we are confident of delivering on all construction projects contained within this Master Plan within 12 years inshaAllah.

Masjid Project

With the settlement of 65 Harvest Home Road scheduled for 31st July 2015, the planning for the masjid is expected to start in early 2016. A generous area of 60 metres by 30 metres has been allocated for the masjid building. The masjid is planned to be a double story building, providing facilities for both men and ladies. The construction of the masjid will be a major milestone for Barakah and a further realisation of our mission to build for the benefit of the ummah.

The Barakah journey is transpiring into a great story – and in quietly working away I would be the first to admit that we do not share this story as much as we should. As a Barakah shareholder, you make a difference to the lives of many people on a daily basis. Whether it is the students that come to school, the staff or the many people that come to the Musalaah for their salaah, they are deeply indebted to you investors for enabling a vibrant community that has become a part of their daily life.

I would like to thank all our shareholders for being part of the Barakah family and investing in the ummah. If you have not been to the Al Siraat College site recently, I invite you to visit and be surprised by the significant progress that has been made on site.

Alhamdulillah, we thank Allah for bringing us this far, and look forward to working with you in the delivery of our planned projects. Please share the success to date with the community as the success of the ummah lies within all of our hands.

Fazeel Arain



DIRECTORS' REPORT

Your directors present their report on Barakah Properties Pty Ltd for the financial year ended 30 June 2014.

The names of the directors in office at any time during or since the end of the year are:

- Fazeel Arain
- Musa Omer
- Naeem Ahmed
- Baqar Hussain
- Osman Deniz

The principal activities of the company during the financial year were:

- Rental or Lease of Commercial Property

No dividends were paid during the year.

It is in the opinion of the directors that the company's operating results and liquidity are of an acceptable nature considering business conditions.

The company takes a proactive approach to risk management. The board is responsible for ensuring that risks, as well as opportunities, are identified on a timely basis and that the company's objectives and activities are aligned with the risks and opportunities identified by the board. The company believes that it is crucial for all board members to be part of this process, and as such a separate risk management committee has not been established.

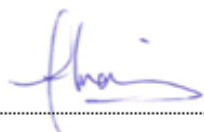
In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year.

In the opinion of the directors, in the interval between the end of the financial year and the date of this report, that there has not arisen any item, transaction or event of a material and unusual nature likely to significantly affect the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- a. indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- b. paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read 'fazeel', is written over a horizontal dotted line.

Fazeel Arain

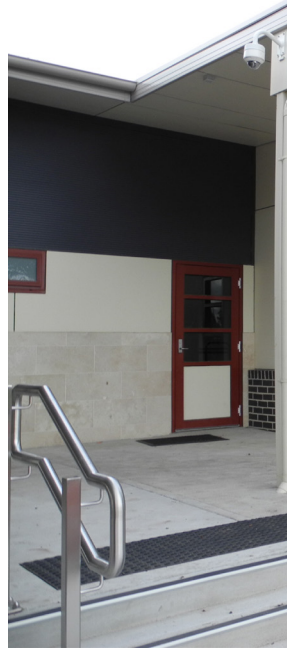
A handwritten signature in blue ink, appearing to read 'Mussa', is written over a horizontal dotted line.

Musa Omer

DATED: 18 December, 2014

2014 FINANCIAL SNAP SHOT

\$570k	Rental Income
\$248k	Trading Profit
\$24k	Net Profit
\$1.78m	Investment from Investors
\$305k	Increase inland Value
\$1.189k	Share Price as at 30 June 2014
3.74%	Return on Investment





TRADING STATEMENT

For The Period Ended 30 June, 2014

	Note	<u>2014</u> \$	<u>2013</u> \$
Rental Revenue	2	570,000	500,000
TOTAL INCOME		\$570,000	\$500,000
EXPENSES			
Professional Services		69,702	31,333
Insurance		16,857	20,920
Land Tax		0	64,239
Site Expenses		182,738	122,118
Building Expenses		7,164	28,853
General Expenses		45,526	60,424
TOTAL EXPENSES		\$321,987	\$327,887
TRADING SURPLUS FROM OPERATIONS (PRE DEPRECIATION)		\$248,013	\$172,113
Depreciation	3	213,807	140,021
Tax Break		0	0
TRADING SURPLUS / DEFICIT		\$34,205	\$32,092
Company Tax		-10,262	-9,627
PROFIT / (LOSS) AFTER TAX		\$23,944	\$22,464

STATEMENT OF FINANCIAL POSITION

For The Period Ended 30 June, 2014

	Note	<u>2014</u> \$	<u>2013</u> \$
CURRENT ASSETS			
Cash and Equivalents		151,891	27,436
Trade and Other Receivables	4	415,838	45,084
TOTAL CURRENT ASSETS		567,729	72,520
NON-CURRENT ASSETS			
Land and Buildings	5	12,165,421	10,534,715
Less: Accumulated Depreciation	5	-669,988	-456,181
Deferred Tax Assets	6	93,187	103,448
TOTAL NON-CURRENT ASSETS		11,588,619	10,181,982
TOTAL ASSETS		12,156,348	10,254,502
CURRENT LIABILITIES			
Provisions	7	0	291,000
TOTAL CURRENT LIABILITIES		0	291,000
NON-CURRENT LIABILITIES			
Provisions	7	0	230,000
TOTAL NON-CURRENT LIABILITIES		0	230,000
TOTAL LIABILITIES		0	521,000
NET ASSETS		\$12,156,348	\$9,733,502
EQUITY			
Contributed Equity	8	10,475,689	8,698,300
Revaluation Reserves	9	1,554,287	932,774
Retained Earnings		126,372	102,428
TOTAL RETAINED EARNINGS		\$12,156,348	\$9,733,502

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended 30 June, 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Director's have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Corporations Act 2001.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of:

- AASB 101: Presentation of Financial Statements;
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 1031: Materiality;
- AASB 1048: Interpretation and Application of Standards;
- AASB 1054: Australian Additional Disclosures.

Barakah Properties Pty Ltd is a Company limited by shares, incorporated and domiciled in Australia. Barakah Properties Pty Ltd is a for-profit entity for the purpose of preparing financial statements.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates and may materially affect financial results or the financial position reported in future periods.

Significant Accounting Policies

a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). It is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax assets are ascertained where amounts have been fully expensed but future tax deductions are available. Deferred tax assets are calculated at the tax rates that are expected to apply to the period when the asset is realised, based on tax rates that have been enacted by the balance sheet date.

b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Freehold land is shown at the fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). Valuations are performed annually and whenever the directors believe there has been a material movement in the value of the assets.

Increases in the carrying amount arising on revaluation of land is credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity.

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Company include the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

c) Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

- Portable Buildings and Improvements	10%
- Buildings	2.5%
- Site Improvements	5%

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

d) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

e) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Revenue

Revenue is measured at the fair value of the consideration received or receivable.
All revenue is stated net of the amount of goods and services tax (GST).

g) Goods and Services Tax

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Period Ended 30 June, 2014

	2014	2013
	\$	\$
2. RENTAL REVENUE		
Rent from lease of commercial properties	570,000	500,000
3. DEPRECIATION		
Depreciation claimed on completed projects:		
Buildings and Portable Classrooms	203,384	129,598
Building Improvements	5,490	5,490
Site Improvements	4,933	4,933
Total Depreciation	\$213,807	\$140,021
4. RECEIVABLES		
Accounts Receivable	400,000	5,490
Refund of GST Credits from ATO	15,838	4,933
Total Receivables	\$415,838	\$10,423
5. PROPERTY, PLANT & EQUIPMENT		
Land - as per the valuation on the independent valuers report	6,441,000	6,136,000
Building and Improvements	5,625,759	4,300,053
Site Improvements	98,662	98,662
Less Accumulated Depreciation	-669,988	-456,181
Total Property, Plant and Equipment	\$11,495,433	\$10,078,534
6. DEFERRED TAX ASSETS		
Represents the accumulated taxable value of utilising current year losses to offset tax on future profits.	93,187	103,448
7. PROVISIONS		
Additional costs due on land contract and development:		
- Stamp Duty and Development Contributions	0	521,000
8. CONTRIBUTED EQUITY		
Represents the value of investor monies invested in Barakah Shares	10,475,689	8,698,300
9. RESERVES		
Increase in asset valuations as per independent valuers report	1,554,287	932,774
10. EVENTS AFTER THE REPORTING DATE		
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.		
11. COMPANY DETAILS		
The registered office and principal place of business of the Company is: 45 Harvest Home Road, Epping VIC 3076.		

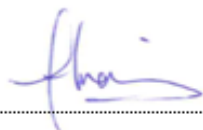
DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes in these financial statements are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Company in accordance with the accounting policies described in Note 1 to the financial statements; and
2. There are reasonable grounds to believe that the Company 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 Board of Directors.



Fazeel Arain



Musa Omer

DATED: 18 December, 2014



COMPILATION REPORT TO BARAKAH PROPERTIES PTY LTD

On the basis of information provided by the directors of Barakah Properties Pty Ltd, we have compiled in accordance with APES 315: Compilation Of Financial Information, the special purpose financial statements of Barakah Properties Pty Ltd for the year ended 30 June 2014.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1. The extent to which Australian Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial statements is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the accounting policies used are consistent with the financial reporting requirements of Barakah Properties Pty Ltd and are appropriate to meet the needs of the directors of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into financial statements. Our procedures do not include verification or validation procedures. No other audit or review has been performed and accordingly no other assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors of Barakah Properties Pty Ltd and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

CHARTAC ACCOUNTING & TAX SERVICES

126 Cumberland Rd

Auburn NSW 2144

Shambeel Farooqi CA

3rd December 2014

Invest in Your Ummah...

there is no fine print



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