Barakah Properties Ltd

ACN: 127 976 658

Financial Statements

For the Year Ended 30 June 2015

Barakah Properties Ltd

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Contents

For the Year Ended 30 June 2015

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Directors' Report

30 June 2015

Directors present their report on Barakah Properties Ltd for the financial year ended 30 June 2015.

1. General information

Directors

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

Names	Position
Fazeel Arain	Managing Director
Musa Omer	Director
Naeem Ahmad Mohammed	Director
Baqar Hussain	Treasurer/Director
Ashar Arain	Director
Osman Deniz	Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

Fazeel Arain

Qualifications	Master of Commerce (Information Systems) from University of New South Wales, Certified Practising Accountant, Australian Society of CPAs, Bachelor of Business from the University of Technology, Sydney (Accounting major)
Experience	Fazeel comes from a varied background that has seen him work in a multitude of roles across the accounting, technology and educational sectors. His valuable experience in these roles combined with a strong interest in ensuring that the Islamic Community makes a positive contribution to Australia and the society at large has seen him initiate a large scale project to develop educational centres and facilities to serve the needs of the community. Fazeel is the co-founder of Barakah Properties and Al Siraat College.

Musa Omer

Qualifications	Second year Bachelor of Business Supply Chain Management from RMIT university, Diploma of Information Technology (Software Development) from Chisholm Institute of Technology
Experience	Musa comes from a background that has seen him work in a multitude of leadership roles with Coca Cola Amatil for over 10 years. He is now running his own cleaning business providing services to the educational sector. Musa is also the Chairman of an active not-for-profit organisation and has a strong interest in serving the community.

1. **General information continued**

Information on directors continued

Naeem Ahmad Mohammed

Qualifications	Bachelor of Engineering (Electrical and Computer Systems) from Monash University, Graduate Diploma (Applied Finance and Investment) from FINSIA, Certificate III and IV in Fitness and Personal Training from Fitness Institute of Australia, Level 2 Cricket Coach from Cricket Australia
Experience	Naeem has been an IT professional for 30 years. Away from work he has keen interests in pursuing Investments suitable for the Islamic Community, as well as helping and encouraging people of all ages to actively participate in Sport.

Baqar Hussain

Qualifications	Bachelor of Arts from the University of Karachi, Pakistan, Various professional qualifications in computer systems / programming
Experience	Mr Baqar Hussain is regarded as an elder of the Islamic Community. His position of trust and respect within the community has provided him constant offers of serving on boards for community based organisations and schools, particularly in the capacity of Treasurer.

Ashar Arain

Qualifications	Diploma of Electronic Engineering
Experience	Ashar has been employed by NEC Australia for almost 30 years in the area of delivering technical and communication solutions. He is actively involved in community projects and is a long standing executive in the Islamic Society of NSW, which is one of Australia's most established Islamic organisations.

Osman Deniz

Qualifications	Certificate IV in Information Services (Library)
Experience	Osman has a strong interest in developing educational infrastructure for the community. He is a librarian and has been working in a school for almost 20 years. Prior to a career change focusing on education, Osman worked as a technician for Telstra and other telecommunication organisations for 17 years.

Principal activities

The principal activity of Barakah Properties Ltd during the financial year was land holding, development and lease of real property.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to $ 139,499 (2014: $ 150,994).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show during the 2015 financial year, Barakah Properties continued in its principal activities and worked with Council to approve a major amendment to the planning permit for the Al Siraat College site. The amendment approved the construction of a major Science and Technology wing valued at $4m. Significant progress payments were made in relation to securing 65 Harvest Home Road. The Company also entered into an in-principle agreement to purchase the southern section of 75 Harvest Home Road, providing for significant site expansion.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial year:

Barakah Properties Ltd has entered into an Enforceable Undertaking (EU) with ASIC arising from concerns ASIC had in relation to how the Company raised money and its compliance with particular sections of the *Corporations Act*. As part of the EU, the Company made certain undertakings to ASIC in how it would operate its activities.

On 26 May 2016 the Company changed its company type from an Australian Proprietary Company Limited by Shares to an Australian Public Company Limited by Shares. Barakah Properties Ltd is an unlisted public company.

Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company 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 Company.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Company secretary

The following person held the position of Company Secretary at the end of the financial year:

Directors' Report

30 June 2015

Company secretary continued

Fazeel Arain has been the Company Secretary since 2007. Information on Mr Arain is shown above.

Meetings of directors

During the financial year, 1 meeting of directors was held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Fazeel Arain	1	1
Musa Omer	1	-
Naeem Ahmad Mohammed	1	1
Baqar Hussain	1	1
Ashar Arain	1	-
Osman Deniz	1	-

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Barakah Properties Ltd.

Proceedings on behalf of company

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

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2015 has been received and can be found on page 5 of the financial report.

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

Director: ....

Fazeel Arain

Director: Mussa ....

Musa Omer

Dated this 21st day of June 2016

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Barakah Properties Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

LOWE LIPPMANN
CHARTERED ACCOUNTANTS
Level 7, 616 St Kilda Road
Melbourne Victoria 3004

TONY TASSONE
Partner

Signed at Melbourne on 21 June 2016

Liability limited by a scheme approved under Professional Standards Legislation

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Income			
Rent		**650,000**	570,000
Total Income		**650,000**	570,000
Expenses			
Building Expenses		**(66,825)**	(7,164)
Depreciation		**(213,808)**	(213,807)
General Expenses		**(30,832)**	(45,526)
Insurance		**(15,153)**	(16,857)
Professional Services		**(28,015)**	(69,702)
Site Expenses		**(96,083)**	(1,238)
Total Expenses		**(450,716)**	(354,294)
Profit before income tax		**199,284**	215,706
Income tax expense	2	**(59,785)**	(64,712)
Profit for the year		**139,499**	150,994
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment, net of tax		**498,152**	4,313
Items that will be reclassified to profit or loss when specific conditions are met		**-**	-
Other comprehensive income for the year, net of tax		**498,152**	4,313
Total comprehensive income for the year		**637,651**	155,307

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Statement of Financial Position

30 June 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**236,533**	151,891
Trade and other receivables	4	**256,099**	415,838
Other assets	6	**1,760,500**	340,909
TOTAL CURRENT ASSETS		**2,253,132**	908,638
NON-CURRENT ASSETS			
Property, plant and equipment	5	**11,792,000**	11,120,433
Deferred tax assets	8	**-**	38,736
TOTAL NON-CURRENT ASSETS		**11,792,000**	11,159,169
TOTAL ASSETS		**14,045,132**	12,067,807
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**146,361**	-
Current tax liabilities	8	**21,049**	-
TOTAL CURRENT LIABILITIES		**167,410**	-
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	**615,102**	401,609
TOTAL NON-CURRENT LIABILITIES		**615,102**	401,609
TOTAL LIABILITIES		**782,512**	401,609
NET ASSETS		**13,262,620**	11,666,198
EQUITY			
Issued capital	9	**11,434,460**	10,475,689
Reserves	18	**1,435,239**	937,087
Retained earnings		**392,921**	253,422
TOTAL EQUITY		**13,262,620**	11,666,198

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	A Class Shares	B Class Shares	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2014	**8**	**10,475,681**	**253,422**	**937,087**	**11,666,198**
Profit or loss attributable to members	**-**	**-**	**139,499**	**-**	**139,499**
Shares issued during the year	**-**	**2,883,331**	**-**	**-**	**2,883,331**
Shares bought back during the year	**-**	**(1,924,560)**	**-**	**-**	**(1,924,560)**
Revaluation increment to land & buildings	**-**	**-**	**-**	**498,152**	**498,152**
Balance at 30 June 2015	**8**	**11,434,452**	**392,921**	**1,435,239**	**13,262,620**

2014

	A Class Shares	B Class Shares	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2013	8	8,698,291	102,428	932,774	9,733,501
Profit or loss attributable to members	-	-	150,994	-	150,994
Shares issued during the year	-	2,351,081	-	-	2,351,081
Shares bought back during the year	-	(573,691)	-	-	(573,691)
Revaluation increment to land & buildings	-	-	-	4,313	4,313
Balance at 30 June 2014	8	10,475,681	253,422	937,087	11,666,198

Barakah Properties Ltd

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Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**865,000**	343,813
Payments to suppliers and employees		**(142,946)**	(459,707)
Net cash provided by/(used in) operating activities	14	**722,054**	(115,894)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(1,596,183)**	(1,537,040)
Net cash provided by/(used in) investing activities		**(1,596,183)**	(1,537,040)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**2,883,331**	2,351,081
Share buy-back payment		**(1,924,560)**	(573,692)
Net cash provided by/(used in) financing activities		**958,771**	1,777,389
Net increase/(decrease) in cash and cash equivalents held		**84,642**	124,455
Cash and cash equivalents at beginning of year		**151,891**	27,436
Cash and cash equivalents at end of financial year	3	**236,533**	151,891

Notes to the Financial Statements

For the Year Ended 30 June 2015

Barakah Properties Ltd is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with *Corporations Act 2001* and Australian Accounting Standards and interpretations of the Australian Accounting Standards Board.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). This is the Company's first financial statements prepared in accordance with IFRS. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded off to the nearest dollar unless stated otherwise.

1 Summary of Significant Accounting Policies

(a) Income Tax

The income tax expense (income) for the year comprises of current income tax expense (income) and deferred tax expense (income)

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items outside profit or loss.

No deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

1 Summary of Significant Accounting Policies continued

(a) Income Tax continued

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Subject to specific references made to the fair value measurement of particular assets such as Land & Buildings, the Company applies the following.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

1 Summary of Significant Accounting Policies continued

(c) Property, plant and equipment

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

Land and buildings

Land and buildings are measured using the revaluation model, (being the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve/surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

In the prior year, buildings and improvements were measured on the cost basis.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are Portable Buildings and Improvements 10%, Buildings 2.5% and Site Improvements 5%.

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 the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

1 Summary of Significant Accounting Policies continued

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively, where applicable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Where applicable, after initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

1 Summary of Significant Accounting Policies continued

(d) Financial instruments continued

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. The company does not use derivative financial instruments.

Where applicable, the Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(e) Impairment of non-financial assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) 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 the amounts required to settle the obligation at the end of the reporting period.

1 Summary of Significant Accounting Policies continued

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term highly liquid investments.

(h) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable.

Rental revenue is recognised when the right to receive the rent has been established.

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

(i) 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.

Where applicable, trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(k) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, appropriate disclosure is made of the change.

(l) Critical Accounting Estimates and Judgements

The directors evaluate 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 Company.

1 Summary of Significant Accounting Policies continued

Key Estimates

(i) Impairment-general

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

(m) New Accounting Standards and Interpretations

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;

- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and

- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
2 Income Tax Expense			
(a) The major components of tax expense (income) comprise:			
Current tax expense			
income tax expense		**59,785**	64,712
Total income tax expense		**59,785**	64,712
(b) Reconciliation of income tax to accounting profit:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2014: 30%)		**59,785**	64,712
Income tax expense		**59,785**	64,712
Weighted average effective tax rate		**30 %**	30 %
3 Cash and Cash Equivalents			
Cash at bank	16	**236,533**	151,891
4 Trade and Other Receivables			
CURRENT			
Trade receivables		**250,000**	400,000
GST receivable		**6,099**	15,838
		256,099	415,838

(a) Impairment of receivables

No receivables have been impaired at year-end.

(b) Credit risk

The full amount of Trade Receivables is from Al Siraat College Inc., an entity related to the Company.

The following table details the Company's Trade Receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

Notes to the Financial Statements
For the Year Ended 30 June 2015

		2015	2014
		$	$
(c) Aged analysis			
The ageing analysis of receivables is as follows:			
Past due and impaired		**-**	-
< 30 days (past due but not impaired)		**-**	-
31-60 days (past due but not impaired)		**-**	-
61-90 days past due but not impaired)		**-**	-
91+ days (past due but not impaired)		**-**	-
Not past due		**250,000**	400,000
		250,000	400,000
(d) Financial assets classified as loans and receivables			
Trade and other receivables			
- total current		**256,099**	415,838
- total non-current		**-**	-
		256,099	415,838
Less: GST receivable		**(6,099)**	(15,838)
Financial assets	16	**250,000**	400,000

(e) Collateral held
No collateral is held over Trade Receivables.

5 Property, plant and equipment

	2015	2014
LAND AND BUILDINGS		
Freehold land		
At independent valuation	**6,710,000**	6,441,000
Total Land	**6,710,000**	6,441,000
Buildings and site improvements		
At independent valuation	**5,082,000**	-
At cost	**-**	5,349,421
Accumulated depreciation	**-**	(669,988)
Total buildings	**5,082,000**	4,679,433
Total land and buildings	**11,792,000**	11,120,433
	11,792,000	11,120,433

The Company's land and buildings were revalued at 30 June 2015 by independent valuers. The fair value of the land and buildings was determined to be $11,792,000. The fair value of land and buildings increased by $654,587.

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	$	$

The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity. Refer to Note 17 for further information.

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land	Buildings and site improvements	Total
	$	$	$
Year ended 30 June 2015			
Balance at the beginning of year	**6,441,000**	**4,679,433**	**11,120,433**
Additions	**176,592**	**-**	**176,592**
Depreciation expense	**-**	**(213,807)**	**(213,807)**
Revaluation increase recognised in equity	**92,408**	**616,374**	**708,782**
Balance at the end of the year	**6,710,000**	**5,082,000**	**11,792,000**

	Land	Buildings	Total
	$	$	$
Year ended 30 June 2014			
Balance at the beginning of year	6,136,000	3,942,534	10,078,534
Additions	245,425	950,706	1,196,131
Depreciation expense	-	(213,807)	(213,807)
Revaluation increase recognised in equity	59,575	-	59,575
Balance at the end of the year	6,441,000	4,679,433	11,120,433

Notes to the Financial Statements

For the Year Ended 30 June 2015

		2015 $	2014 $
6	**Other Assets**		
	CURRENT		
	Deposits paid	**1,704,545**	340,909
	Building development costs	**55,955**	-
		1,760,500	340,909

Deposits paid relate to a Contract of Sale to purchase the property at 65 Harvest Home Road Epping 3076. The contract was entered into on 15 November 2013, for a purchase price of $2,375,000 plus GST. At 30 June 2015 installments of $1,875,000 (including GST) have been paid (2014: $375,000). The balance of $875,000 plus GST was paid in the 2016 financial year with settlement then taking place.

			2015 $	2014 $
7	**Trade and Other Payables**			
	CURRENT			
	Unsecured liabilities			
	Sundry payables and accrued expenses		**146,361**	-
			146,361	-

(a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2015 $	2014 $
Trade and other payables:			
- total current		**146,361**	-
- total non-current		**-**	-
		146,361	-
Financial liabilities as trade and other payables	16	**146,361**	-

8 Tax Balances

	2015 $	2014 $
Current Tax Liability		
Income tax payable	**21,049**	-
Recognised deferred tax assets		
Deferred tax assets	**-**	38,736
Recognised deferred tax liabilities		
Deferred tax liabilities	**615,102**	401,609

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	$	$

Deferred Tax Assets

	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Exchange Differences	Closing Balance
	$	$	$	$	$	$
Deferred tax assets						
Deferred tax assets attributable to prior years	103,448	(64,712)	-	-	-	38,736
Balance at 30 June 2014	103,448	(64,712)	-	-	-	38,736
Deferred tax assets attributable to prior years	**38,736**	**(38,736)**	**-**	**-**	**-**	**-**
Balance at 30 June 2015	**38,736**	**(38,736)**	**-**	**-**	**-**	**-**

Deferred Tax Liability

	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Exchange Differences	Closing Balance
	$	$	$	$	$	$
Deferred tax liability						
Revaluation, net of related depreciation	-	-	(401,609)	-	-	(401,609)
Balance at 30 June 2014	-	-	(401,609)	-	-	(401,609)
Revaluation, net of related depreciation	**(401,609)**	**-**	**(213,493)**	**-**	**-**	**(615,102)**
Balance at 30 June 2015	**(401,609)**	**-**	**(213,493)**	**-**	**-**	**(615,102)**

This is the company's first financial statements prepared in accordance with IFRS. As a result of the application of AASB 112: Income Taxes, a Deferred Tax Liability has been raised in relation to the revaluation of land and buildings. The Asset Revaluation Reserve has been reduced by a corresponding amount, and applied retrospectively in the comparative figures.

9 Issued Capital

	2015	2014
	$	$
8 (2014: 8) A Class shares	**8**	8
10,819,558 (2014: 10,361,765) B Class shares	**11,434,452**	10,475,681
Total	**11,434,460**	10,475,689

	2015	2014
	$	$

(a) A Class shares

	2015	2014
	No.	No.
At the beginning of the reporting period	**8**	8
At the end of the reporting period	**8**	8

An A Class Share confers on the Holder the following rights and privileges:
(a) to appoint and remove one or more persons to act as a Director of the Company;
(b) to receive notice of and to attend and vote at all meetings of the Company and on a show of hands to one vote and on every poll to one vote for every Share held;
(c) no right to receive dividends and other forms of distributions (of any) declared out of the profits or reserves of the Company;
(d) in a winding up of the Company or upon a reduction in the capital of the Company to receive a repayment of the capital paid upon each Share, behind any redeemable preference shares but to rank equally with all other Holders similarly entitled;
(e) in a winding up of the Company or upon a reduction in the capital of the Company no right to participate in the division of surplus assets or profits of the Company.

(b) B Class shares

	2015	2014
	No.	No.
At the beginning of the reporting period	**10,036,176**	8,504,182
Shares issued during the year	**2,372,125**	2,023,679
Shares bought back during the year	**(1,588,743)**	(491,685)
At the end of the reporting period	**10,819,558**	10,036,176

A B Class Share confers on the Holder the following rights and privileges:
(a) no right to receive notice of nor to attend nor vote at any meeting of the Company except where the Company is to consider and vote upon a resolution which varies, directly or indirectly, the rights attaching to the B Class Shares;
(b) to receive any dividends and other forms of distributions (if any) declared out of the profits or reserves of the Company;
(c) in a winding up of the Company or upon a reduction in the capital of the Company to receive a repayment of the capital paid upon each Share and in this regard to rank behind any redeemable but to rank equally with all other Holders similarly entitled;
(d) in a winding up of the Company or upon a reduction in the capital of the Company to participate in the division of surplus assets or profits of the Company and in this regard to rank equally with all other Holders similarly entitled.

(c) Capital Management

Capital of the Company is managed in order to fund its operations and continue as a going concern.

The Company's capital comprises of Class A and Class B share capital and financial liabilities, supported by financial assets. The Company does not finance its operations through debt capital. Accordingly, the company's only material financial liabilities at the end of the reporting period are trade and other payables.

There are no externally imposed capital requirements.

Barakah Properties Ltd monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (if any) less cash and cash equivalents. Total capital is defined as equity per the statement of financial position plus net debt.

The gearing ratio for the year ended 30 June 2015 and 30 June 2014 are as follows:

	Note	2015 $	2014 $
Total borrowings		**-**	-
Less Cash and cash equivalents	3	**(236,533)**	(151,891)
Net debt		**(236,533)**	(151,891)
Equity		**13,262,620**	11,666,198
Total capital		**13,026,087**	11,514,307
Gearing ratio		**Nil**	Nil

10 Auditors' Remuneration

	2015 $	2014 $
Remuneration of the auditor of the company, for:		
- auditing the financial statements	**7,500**	-

11 Lessor Commitments

Operating lease commitments receivable - Company as lessor

Barakah Properties Ltd leases out its investment property (45 Harvest Home Road Epping Victoria 3076) under a commercial lease to Al Siraat College Inc., a related entity. This non-cancelable lease has a terms of 40 years from 1 July 2009. The lease allows Barakah Properties Ltd to increase rent to current market rental on an annual basis.

The future minimum lease payments under non-cancelable leases (based on 2015 rental) are:

	2015 $	2014 $
- no later than 1 year	**650,000**	570,000
- between 1 year and 5 years	**2,600,000**	2,280,000
Total minimum lease payments	**3,250,000**	2,850,000

Lease payments beyond 5 years have not been disclosed as it is not readily and reliably determinable.

12 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Barakah Properties Ltd had the following contingent liabilities at the end of the reporting period:

Enforceable Undertaking

Barakah Properties Ltd has entered into an Enforceable Undertaking (EU) with ASIC arising from concerns ASIC had in relation to how the Company raised money and its compliance with particular sections of the *Corporations Act*. As part of the EU, the Company made certain undertakings to ASIC in how it would operate its activities.

As at the date of signing this report, the directors believe that the conditions and requirements of the EU will be met and satisfied as and when applicable.

Commonwealth Government - Capital Grant

Where Al Siraat College Inc., a related entity and sole tenant, received Commonwealth Government Funding for construction or refurbishment of a facility on land that is owned by the Company and leased to the College, the lease agreement provides the following. Should the Company sell or otherwise dispose of any facilities on the land, or should the facilities cease to be used for the purpose for which the government funding has been approved up to 20 years of the date of completion of each project, then the amount repayable to the Commonwealth Government is calculated in accordance with the provisions of the Schools Assistance Act 2004 (C'th) and shall be born to the full extent by the Company.

In accordance with the grant agreements and relevant legislation, the contingent liability reduces over a designated timeframe.

	2015 $	2014 $
At 30 June 2015 and 30 June 2014 the contingent liability is:		
Contingent liability 2009 Grant - BER Building	**850,000**	850,000
Contingent Liability 2009 Grant - CGP	**521,530**	521,530
Contingent Liability 2010 Grant - CGP	**662,358**	662,358
Total Contingent Liability recognised at year-end	**2,033,888**	2,033,888

The board believes the above grants will be used for the full duration of the use period in the appropriate manner and purpose for which the funds were granted. At the date of signing this report, no circumstances have arisen requiring there to be a repayment of grant funds, and it is not expected that any repayment to the Commonwealth Government will need to be made.

13 Events Occurring After the Reporting Date

Subsequent to year-end, the Company entered into arrangements for the construction of the new Science and Technology wing which is estimated to cost $4 million. The description of the project is as follows:
Construction of a specialist facility to include two science rooms and preparation space, food technology room with dining space, visual arts room, textiles room, ceramics room, graphics room, visual communications room, school canteen, support spaces and amenities. Installation of lift.
The project will be funded through existing cash and share issues.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2015

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2015 $	2014 $
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	**139,499**	150,994
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**213,807**	213,807
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**159,739**	(370,754)
- (increase)/decrease in deferred tax receivable	**38,736**	64,712
- increase/(decrease) in income taxes payable	**21,049**	-
- increase/(decrease) in deferred taxes payable	**213,493**	401,609
- increase/(decrease) in trade and other payables	**(64,269)**	(576,262)
Cashflow from operations	**722,054**	(115,894)

15 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

No remuneration has been paid to KMP in 2015 and 2014.

There were no other transactions with KMP and their related entities.

Fazeel Arain, as Managing Director of the Company, performs key management functions. Mr Arain is also College Director of Al Siraat College.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2015	2014
	$	$

During the year rental income of $650,000 (2014: 570,000) was received by the company from Al Siraat College Inc. A lease has been entered into for a term of 40 years from 1 July 2009. The lease allows the Company to increase rent to the current market value on an annual basis. As at 30 June 2015 there was $250,000 (2014: $400,000) receivable from the College.

At 30 June 2015, Al Siraat College Inc. held 1 A Class share and 5,016,856 B Class shares in the Company (2014: 1 A Class and 4,200,317 B Class).

16 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Company does not speculate in financial assets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

The Board's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

The directors meet on a regular basis or as required to analyse financial risk exposure in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance.

Specific information regarding the mitigation of each financial risk to which the Company is exposed is provided below.

Notes to the Financial Statements

For the Year Ended 30 June 2015

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 $	2014 $
Financial Assets			
Cash and cash equivalents	3	**236,533**	151,891
Loans and receivables	4(d)	**250,000**	400,000
Total financial assets		**486,533**	551,891
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	7(a)	**146,361**	-
Total financial liabilities		**146,361**	-

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash to meet its liquidity requirements for up to 30-day periods.

The Company manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands according to expected needs for the shorter and longer term.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances without any significant changes to its funding strategy.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is considered and if applicable regularly monitored by management. Customers who subsequently fail to meet their credit terms are required to make purchases on an alternative agreed basis until creditworthiness can be re-established.

Trade receivables consists of one debtor, being Al Siraat College Inc, a related entity.

Management considers that all the financial assets that are not impaired and are of good quality.

Where applicable, the credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

(i) Foreign currency sensitivity

The Company does not have any foreign currency exposure.

(ii) Interest rate risk

The Company is not exposed to interest rate risk.

(iii) Other price risk

The Company is not exposed to equity securities price risk.

The Company is not exposed to commodity price risk.

17 Fair Value Measurement

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Property, plant and equipment

The Company is exposed to the risk that the fair value of its Land and Buildings may significantly decrease due largely to market and other external forces.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

Notes to the Financial Statements

For the Year Ended 30 June 2015

The table below shows the assigned level for each asset and liability held at fair value by the Company:

30 June 2015	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Property, plant and equipment					
Land	5	**-**	**6,710,000**	**-**	**6,710,000**
Buildings	5	**-**	**5,082,000**	**-**	**5,082,000**

30 June 2014	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Property, plant and equipment					
Land	5	-	6,441,000	-	6,441,000
Buildings	5	-	5,148,000	-	5,148,000

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers).

Valuation techniques and inputs to measure Level 2 fair values

Asset / liability category	Carrying amount (at fair value)	Valuation technique(s)	Inputs used
Land	6,710,000	Market approach, considering current use and existing permits	Price per square metre
Buildings	5,082,000	Depreciated replacement cost	Cost, depreciation rates

18 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

19 Change in Company Type

On 26 May 2016 the company changed its company type from an Australian Proprietary Company Limited by Shares to an Australian Public Company Limited by Shares. Barakah Properties Ltd is an unlisted public company, regulated by the Australian Securities and Investments Commission (ASIC).

Barakah Properties Ltd

ACN: 127 976 658

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2015 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

2. In the directors' opinion, 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.

Director: ....
Fazeel Arain

Director: Mussa ....
Musa Omer

Dated this 21st day of June 2016

LOWE
LIPPMANN
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Barakah Properties Ltd

ACN: 127 976 658

Independent Audit Report to the members of Barakah Properties Ltd

Report on the Financial Report

We have audited the accompanying financial report of Barakah Properties Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for 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 Note 1., the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 about 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 judgement, 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 control relevant to the company’s preparation of the financial report that gives a true and fair view 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 internal control. 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 qualified audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Barakah Properties Ltd, would be in the same terms if given to the directors as at the time of this auditor’s report.

LOWE LIPPMANN
Chartered Accountants & Business Advisors

Barakah Properties Ltd

ACN: 127 976 658

Independent Audit Report to the members of Barakah Properties Ltd

(Continued)

Basis for Qualified Opinion

The financial statements for the year ended 30 June 2014 and prior years have not been audited. We have, for the purposes of the presentation of comparative figures, conducted sufficient audit tests in relation to the year ended 30 June 2014. We remain however, unable to provide an opinion on the opening balances at 1 July 2013, and the effect they and earlier transactions and dealings may have on the years ended 30 June 2014 and 30 June 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

(a) the financial report of Barakah Properties Ltd is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards to the extent described in Note , and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Attention to Enforcable Undertaking

Without further modification to our audit opinion we draw attention to Note 12 outlining the Enforceable Undertaking (EU) entered into by the Company with ASIC. The Company has made certain undertakings to ASIC in how it would operate its activities. As at the date of signing this report, the directors believe that the conditions and requirements of the EU will be met and satisfied as and when applicable. Given the prospective nature of these undertakings there exists inherent uncertainty as to their ultimate outcome, resolution and the effects if any on the Company and its future activities.

LOWE LIPPMANN
CHARTERED ACCOUNTANTS
Level 7, 616 St Kilda Road
Melbourne Victoria 3004

TONY TASSONE
Partner

Signed at Melbourne on 21 June 2016

Liability limited by a scheme approved under Professional Standards Legislation