

Signed in accordance with s351 of the Corporations Act 2001



Fazeel Arain
Managing Director

Dated 19 October 2018

Offer Information Statement

Barakah Properties Limited
ACN 127 976 658

This is an important document which should be read in its entirety. You may wish to consult your professional advisor about its contents.

Important Information

This Offer Information Statement (**Information Statement**) is NOT A PROSPECTUS and has a lower level of disclosure requirements than a prospectus. This Information Statement is an offer information statement under s 709(4) of the Corporations Act. A copy of this Information Statement dated 19 October 2018 was lodged with the Australian Securities and Investments Commission (**ASIC**) on 19 October 2018. The Expiry Date of this Information Statement is 16 November 2019. ASIC takes no responsibility for the contents of this Information Statement.

No person is authorised to give any information or to make any representations in connection with the Offer that is not contained in this Information Statement. Any information or representation not contained in this Information Statement may not be relied upon as having been authorised in connection with the Offer made under this Information Statement.

Prospective Applicants for Shares in Barakah Properties should:

- (a) read the full text of this Information Statement carefully as the information contained in individual sections of this Information Statement is not intended to, and does not, provide a comprehensive review of the business and the financial affairs of Barakah Properties or the Offer;
- (b) consider the risk factors that could affect the financial and operating performance of Barakah Properties Limited ACN 127 976 658 (**Barakah Properties**);
- (c) obtain independent financial, legal, accounting and/or tax advice as to the suitability of the Shares and being a shareholder of Barakah Properties to your particular immediate and long term financial needs, circumstances and objectives; and
- (d) obtain professional investment advice before accepting the Offer.

The distribution of this Information Statement in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Information Statement should seek advice on and observe the requirements of these laws. Non-observance by such persons may violate securities laws.

Any recipient of this Information Statement residing outside Australia should consult their professional legal advisers before acquiring shares in Barakah. This Information Statement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Information Statement will be generally available during the Exposure Period on request to members of the public who contact Barakah Properties.

The Exposure Period is the seven day period from the date of this Information Statement and may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable the Information Statement to be examined by Prospective Applicants prior to raising funds. This Information Statement will be made generally available during the Exposure Period by being posted on Barakah Properties website (barakah.com.au). In addition, copies of the Information Statement will be available on request from Barakah Properties by emailing info@barakah.com.au during the Exposure Period. Copies requested will be sent by way of paper copy, facsimile or email as determined by Barakah Properties.

Applications for Shares received during the Exposure Period will not be accepted until the Exposure Period has expired and no preference will be given to persons who lodge their Application Forms during the Exposure Period. The Board of Barakah Properties reserves the right to close the offer early, or extend the offer, without prior notice, up to the date of expiry of this Information Statement. No shares in Barakah Properties will be issued on the basis of this Information Statement later than 13 months after the date of this Information Statement.

Certain words and terms used in this Information Statement have defined meanings, which are described in the Glossary of this Information Statement. The financial amounts in this Information Statement are expressed either in Australian dollars (denoted as \$AUD). All references in this Information Statement to time refer to Australian Eastern Standard Time, unless stated otherwise.

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Section 1 – Offer Overview

1 Summary only

The information set out in this Section 1 is a summary only. It is not intended to be comprehensive and therefore should be read in conjunction with the information contained in the remainder of this Information Statement before any decision is made to apply to acquire Shares in Barakah Properties.

2 Offer Summary

Important details	
Type of shares being offered	Fully paid Class B shares in Barakah Properties.
Issue Price	\$AUD1.50 per Share.
Minimum Application	5 Shares
Maximum amount of money to be raised	\$AUD9,294,128 – Barakah Properties has raised \$705,872 from 24 th October, 2016 using offer information statements
Maximum number of Shares being offered	6,196,085 Shares.
Shares on issue (at the close of business 16 October, 2018)	16,565,312 Shares (all classes)
Shares on issue (if maximum subscription is reached)	22,761,397 Shares
Closing Date	Expiry Date (16 November 2019, or any earlier date determined by Barakah Properties in its absolute discretion)

3 The Offer

3.1 Terms of the Offer

Barakah Properties Limited ACN 127 976 658 (**Barakah Properties**) is providing an offer to apply for Class B Shares in Barakah Properties Issue Price (i.e. \$AUD 1.50 per Share) to raise up to \$AUD 9,294,128 (**Offer**).

Prospective applicants should note that:

- (a) Class B shares are classed as non-voting shares (as defined in the Corporations Act s9);
- (b) are entitled to receive dividends if declared by Barakah Properties.

Information about the rights of Members attaching to the Shares is set out in Section 5.

3.2 Minimum and maximum application amounts

The Minimum Application for Prospective Applicants is 5 Shares and there is no Maximum Application that has been set for Prospective Applicants.

There is no minimum subscription amount for the Offer.

The Offer will remain open until the Closing Date, which is the Expiry Date or any earlier date determined by Barakah Properties in its absolute discretion.

4 Company background

Barakah Properties is currently a public company limited by shares that operates on in Australia. Prior to its conversion to a public company on 26th May, 2016, Barakah Properties was incorporated in 2007 as a proprietary company under the *Corporations Act 2001*.

Information about the business activities of Barakah Properties is set out in Section 6.

5 Purpose of the Offer and application of funds raised by the Offer

The purpose of the Offer is to allow:

- (a) Prospective Members to become Members of Barakah Properties; and
- (b) Existing Members to acquire more Shares in Barakah Properties,

in a manner that complies with the Corporations Act.

The purpose of the issue of Shares in Barakah Properties is to provide funding for the improvement and expansion of building works on the Property. The Funds Raised under this Information Statement will be applied to the capital requirements of Barakah Properties.

Information about the purpose of the Offer and the application of Funds Raised is also set out in Section 2.

6 Financial overview of Barakah Properties

Information about the financial position of Barakah Properties is set out in Section 7.

7 Members rights and privileges

The rights attaching to the Shares and the potential benefits of being a Member of Barakah Properties are set out in Section 5.

8 Risk factors

Prospective Applicants should be aware that applying for Shares in Barakah Properties involves a number of general and specific risks. Some of these risks are set out in Section 3. Prospective Applicants should consider these risks carefully before deciding to apply for Shares in Barakah Properties under this Information Statement.

Section 2 – Details of the Offer

1 Description of the Offer

Barakah Properties invites:

- (a) Prospective Members (using the application form set out in the Annexure to this Information Statement) to apply for Shares at the Issue Price (i.e. \$AUD1.50 per Share); and
- (b) Existing Members (using the application form set out in the Annexure to this Information Statement, as applicable) to apply for Shares at the Issue Price (i.e. \$AUD1.50 per Share),

to raise up to \$AUD9,294,128 (the **Offer**).

There is no minimum subscription amount for the Offer.

The Minimum Application for Prospective Members is 5 Shares and there is no Maximum Application amount for Prospective Members. The Minimum Application for Existing Members is 5 Shares and there is no Maximum Application for Existing Members.

2 Capital structure

The capital structure of Barakah Properties following completion of the Offer may be as follows:

	Number of shares in Barakah Properties	
Total number of shares on issue in Barakah Properties prior to the Offer at close of business on 16 October, 2018	(a)	8 Class A shares;
	(b)	16,565,312 Class B shares
Shares offered under this Information Statement (there is no maximum subscription amount)		6,196,085 Class B Shares
Total number of shares in Barakah Properties if the Offer is fully subscribed based on share holdings at close of business on 16 November, 2018.	(a)	8 Class A shares;
	(b)	22,761,397 Class B shares.

Information about the classes of shares in Barakah Properties is set out in Section 4.

3 Key dates

Applications for Shares under this Information Statement close on the Closing Date (on 16 November, 2019), unless the Offer is closed earlier by Barakah Properties, which it may do in its absolute discretion).

4 How to apply for Shares in Barakah Properties

4.1 Existing Members

Applications for Shares in Barakah Properties by Existing Members can be made on the Share Application Form, included in, or accompanying, this Information Statement. Applications should be completed in accordance with the instructions that are set out in the Share Application Form and the guide to completing the correct application form.

Existing Members must apply for an amount of Shares between the Minimum Application for Existing Members and the Maximum Application for Existing Members (inclusive).

4.2 Prospective Members

Applications for Shares in Barakah Properties by Prospective Members can be made on the Share Application Form, included in, or accompanying, this Information Statement. Applications should be completed in accordance with the instructions that are set out in the Share Application Form and the guide to completing the correct application form.

Prospective Members must apply for an amount of Shares between the Minimum Application for Prospective Members and the Maximum Application for Prospective Members (inclusive).

4.3 Closing Date and payment

Completed Share Application Forms must be received by Barakah Properties by no later than **5.00pm Australian Eastern Standard Time on the Closing Date**. Barakah Properties reserves the right to close the Offer prior to the Expiry Date.

Share Application Forms should be either:

- (a) Posted to: Barakah Properties Limited
45 Harvest Home Road
Epping VIC 3076
- (b) Emailed to a Barakah Properties representative.
- (c) Handed to a Barakah Properties representative.

Payment for the shares is required at time of share application. Payments can be made by:

- i. Direct Deposit (Westpac Account)
Account: Barakah Properties
BSB: 033166
Account Number: 101275
- ii. Cheque made payable to 'Barakah Properties Ltd'.

5 Allocation of Shares

Barakah Properties reserves the right to:

- (a) reject any Application (including where an Application has not been completed correctly);
- (b) allocate to any Applicant fewer Shares than the number of Shares that the Applicant applied for; and
- (c) subject to the Corporations Act, vary the dates and times of the Offer, which it may do in its absolute discretion (including the Closing Date), without prior notice.

6 Applicants outside Australia

6.1 Applicants outside Australia

This Information Statement does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Information Statement. It is the responsibility of any applicant outside Australia to ensure compliance with all laws of any country relevant to their Application.

No action has been taken to register or qualify the Share or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

7 Dividend policy

Dividends are only payable out of the profits of Barakah Properties and may be declared only by the Board.

The profits of Barakah Properties which the Directors from time to time determine by way of dividend are divisible amongst the members in proportion to the amounts paid up on the shares held by them.

It is not the Directors' intention that dividends, if declared, will be paid to the holders of A Class shares.

8 Purpose of the Offer and application of funds raised by the Offer

As a result of Barakah Properties' conversion to a public company, it must comply with the requirements of the Corporations Act for issuing Shares in Barakah Properties. Accordingly, the purpose of the Offer is to allow:

- (a) Prospective Members to become Members of Barakah Properties; and
- (b) Existing Members to acquire more Shares in Barakah Properties,

in a manner that complies with the Corporations Act.

The purpose of the issue of the offer of Shares in Barakah Properties is to provide funding for the expansion of building works on the Property. The Funds Raised under this Information Statement will be applied to the capital requirements of Barakah Properties.

9 Important notice

Prospective Applicants should read the full text of this Information Statement carefully as the information contained in individual sections of this Information Statement is not intended to, and does not, provide a comprehensive review of the business and the financial affairs of Barakah Properties or the Offer.

10 Enquiries regarding the Offer

This Information Statement provides information for Prospective Applicants of Barakah Properties and should be read in full. If you have any questions regarding the content of this Information Statement, or how to complete the Application Form, please contact your accountant, lawyer or independent financial adviser.

Section 3 – Risk factors

1 Overview

This section states the nature of the risks involved with acquiring Shares in Barakah Properties pursuant to this Information Statement.

2 General risks

There are numerous widespread general risks associated with membership in any company or business, including the risks set out below.

2.1 Changes in economic conditions

Changes to domestic and international economic conditions may affect the financial performance of Barakah Properties.

2.2 Acts of terrorism or outbreak of international hostilities

An act of terrorism or an outbreak of international hostilities may occur, which may adversely affect consumer spending and confidence. Any such event may affect the financial performance of Barakah Properties.

2.3 Financial risks

Deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Barakah Properties' operating and financial performance..

The financial position of Barakah Properties is set out in Section 7.

2.4 Regulatory risks

As set out in Section 6, Barakah Properties operates in Australia.

Changes in government legislation, policies and taxation regimes in Australia may affect the compliance costs and financial performance of Barakah Properties.

Barakah Properties has established a 'Audit and Risk Committee' that is responsible for ensuring appropriate risk and management processes exist within Barakah Properties, which amongst other things, have the following objectives:

- (a) effective and efficient use of Barakah Properties' resources;
- (b) compliance with all applicable laws and regulations; and
- (c) preparation of reliable published financial information.

3 Specific risks

3.1 Dividend policy

The ability of Barakah Properties to pay dividends in the future is dependent upon many factors, including:

- (a) the ability of Barakah Properties to generate profits; and
- (b) the prevailing cash requirements of Barakah Properties at the relevant time

Generally, there will be factors that affect the ability of Barakah Properties to pay dividends, and the timing of paying any dividends, that will be outside the control of Barakah Properties and its Directors.

3.2 **No liquid market**

Shares in Barakah Properties should not be considered liquid because:

- (a) there is currently no active secondary market for shares in Barakah Properties; and
- (b) Barakah Properties' Constitution currently prohibits Barakah Properties' shares being quoted on the Australian Stock Exchange.

Assistance for Members wishing to sell shares

Barakah Properties will assist Members wishing to sell their Class B shares by maintaining a contact list of parties who have expressed an interest in buying or selling Class B shares.

Al Siraat College has indicated that they will normally be able to purchase Class B shares from Members wishing to sell their Class B shares; however, Barakah Properties does not guarantee that a buyer will be available or the price a buyer may offer the Member for the Class B shares.

Section 4 – Shares

1 Offeror

The offeror of Shares pursuant to this Information Statement is Barakah Properties Limited ACN 127 976 658.

2 Nature of the Shares

- 2.1 The Shares are fully paid Class B shares in the share capital of Barakah.
- 2.2 Barakah Properties currently has two classes of shares on issue:
 - (a) Class A shares (ordinary shares); and
 - (b) Class B shares,
- 2.3 The Shares that will be issued pursuant to this Information Statement will rank equally with all Class B shares currently on issue to Members.
- 2.4 Information about the rights of Members attaching to the Shares is set out in Section 5.

Section 5 – Member rights and privileges

1 Rights attaching to the Shares

1.1 Voting rights

Holders of the Shares have no right to receive notice of nor to attend nor vote at any meeting of the Barakah Properties except where the Barakah Properties is to consider and vote upon a resolution which varies, directly or indirectly, the rights attaching to the Shares.

The Shares are classed as non-voting shares (as defined in the Corporations Act s9).

Proxy

Members are entitled to vote in person or by proxy.

Representatives

A Member that is a body corporate may appoint an individual as a representative. A Member may not be represented by more than one authorised representative in respect of a vote.

1.2 Notice of meetings

Holders of the Shares are entitled to:

- (a) notice of every general meeting of Barakah Properties where the Barakah Properties is to consider and vote upon a resolution which varies, directly or indirectly, the rights attaching to the Shares; and
- (b) receive all notices, reports, accounts and other documents required to be sent by Barakah Properties to its Members under Barakah Properties' Constitution or the Corporations Act.

1.3 Right to dividends

The Shares are entitled to participate in dividends paid by Barakah Properties.

Dividends are only payable out of the profits of Barakah Properties and may be declared only by the Board. All dividends on shares in Barakah Properties in the same class must be declared and paid in accordance with the terms and conditions on which the shares were issued or deemed to be issued.

It is not the Directors' intention that dividends, if declared, will be paid to the holders of A Class shares.

1.4 Rights upon winding-up of Barakah Properties

Any distributions on shares in the event of the winding-up of Barakah Properties must take place in accordance with any terms and conditions on which the shares were issued or deemed to be issued.

If Barakah Properties is wound up, the liquidator may, with special resolution approval, do any or all of the following:

- (a) divide amongst the Members in kind, the whole or any of the property of Barakah Properties. For this purpose, the liquidator may:
 - (i) set a value which he considered fair on any property to be so divided; and

- (ii) may determine how the division is to be carried out as between the Members or different class of Members; and/or
- (b) vest the whole or any part of that property in trustees on those trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member may be compelled to accept any shares or other securities in respect of which there is any liability.

1.5 Potential benefits of being a Member

In addition to the rights attaching to the Shares under Barakah Properties' Constitution set out in this Section 5, Members of Barakah Properties may be eligible to other membership benefits, some of which are set out below in this Section 5.

2 Potential benefits of being a Member of Barakah Properties

2.1 Dividends

The rights of Members to dividends are set out in this Section 5. Barakah Properties' dividend policy is set out in Section 2.

2.2 Fee reduction

Al Siraat College currently provides College Fee discounts for Members of Barakah Properties. The College has indicated that it will continue these fee discounts, however, Barakah cannot guarantee the duration and extent of these discounts. Further information on fee discounts offered by the College can be obtained from College Fee Schedule. This can be found on the College website (alsiraat.vic.edu.au) in the "Enrolments" section.

Section 6 – Barakah Properties business overview

1 Overview

- 1.1 Barakah Properties is currently a public company limited by shares registered in Victoria.
- 1.2 Barakah Properties' offers the opportunity to invest in the building of quality infrastructure for the Islamic community in Melbourne whilst providing investment returns. The only site that Barakah is currently developing is the site of Al Siraat College, located in Epping. This site is being leased to the College and has multiple stages of development remaining.

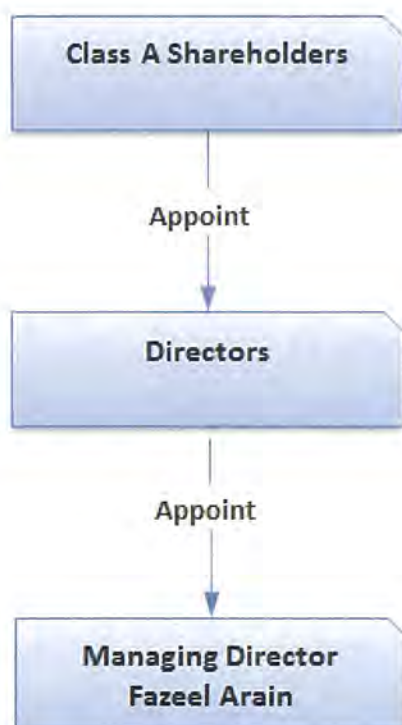
Historical background

- 1.3 Prior to its conversion to a public company on 22 August 2016, Barakah Properties was previously registered as a Pty Limited company.

2 Business structure

2.1 Barakah Properties

Barakah Properties has the following Governance structure:



Section 7 – Financial information

Section 715(2) of the Corporations Act requires this Information Statement to include a copy of an audited financial report of Barakah Properties covering a period of 12 months and having a balance date that occurs within the last six months before the date of this Information Statement. Accordingly, Barakah Properties have presented the audited accounts for the 12 month period ending on 30 June, 2018. The financial report also includes the comparative figures for the financial year ending on 30 June 2017 as this Information Statement is required to include comparative financial information for Barakah Properties' last financial year that ended prior to the 12 month period being reported on (i.e. the 12 month period from 1st July, 2017 to 30 June, 2018).

Please refer to the next page of this Information Statement.



Barakah Properties Ltd

ACN: 127 976 658

Financial Statements

For the Year Ended 30 June 2018

Barakah Properties Ltd

ACN: 127 976 658

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For the Year Ended 30 June 2018

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Barakah Properties Ltd

ACN: 127 976 658

Directors' Report 30 June 2018

Directors present their report on Barakah Properties Ltd for the financial year ended 30 June 2018.

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

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	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.

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.

Barakah Properties Ltd

ACN: 127 976 658

Directors' Report

30 June 2018

1. General information

Information on directors

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.

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 \$ 9,976 (2017: \$ 125,503).

Review of operations

During the 2018 financial year, Barakah Properties continued with the development of the Al Siraat College site. A significant milestone was reached with the delivery of the Science and Technology building being completed in October 2017. Another large construction, known as the Junior Learning Neighbourhood commenced construction. This building will be built over 3 phases, with the East Wing of the building scheduled for completion in July 2019. Barakah Properties also attracted additional shareholding throughout the current Share Offer (as per the Offer Information Statement dated September 2016).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the company during the year.

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.

Barakah Properties Ltd

ACN: 127 976 658

Directors' Report

30 June 2018

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:

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

Meetings of directors

During the financial year, 2 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Fazeel Arain	2	2
Musa Omer	2	2
Naeem Ahmad Mohammed	2	2
Baqar Hussain	2	2

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.

Barakah Properties Ltd

ACN: 127 976 658

Directors' Report

30 June 2018

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 2018 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:

Baqar Hussain



Dated this 5th day of October 2018

Barakah Properties Ltd


ACN: 127 976 658

**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 2018, 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 FASSONE
Partner

Signed at Melbourne on 5 October 2018

Liability limited by a scheme approved under Professional Standards Legislation

Barakah Properties Ltd

ACN: 127 976 658

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Income			
Rent		900,000	900,000
Total Income		<u>900,000</u>	<u>900,000</u>
Expenses			
Building Expenses		(199,174)	(268,559)
Depreciation		(279,664)	(204,150)
General Expenses		(181,056)	(43,724)
Insurance		(31,710)	(27,554)
Management Charge		(50,000)	(190,918)
Professional Services		(5,489)	(29,574)
Site Expenses		(138,655)	(109,698)
Total Expenses		<u>(885,748)</u>	<u>(874,177)</u>
Profit before income tax		14,252	25,823
Income tax benefit/(expense)	2	(4,276)	99,680
Profit for the year		<u>9,976</u>	<u>125,503</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment, net of tax		-	142,905
Items that will be reclassified to profit or loss when specific conditions are met		<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>142,905</u>
Total comprehensive income for the year		<u>9,976</u>	<u>268,408</u>

The accompanying notes form part of these financial statements.

Barakah Properties Ltd

ACN: 127 976 658

Statement of Financial Position**As At 30 June 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	927,699	492,951
Trade and other receivables	4	996,242	1,075,490
TOTAL CURRENT ASSETS		1,923,941	1,568,441
NON-CURRENT ASSETS			
Property, plant and equipment	5	19,455,432	14,557,000
Deferred tax assets	8	68,920	73,196
Other assets	6	1,636,291	4,464,357
TOTAL NON-CURRENT ASSETS		21,160,643	19,094,553
TOTAL ASSETS		23,084,584	20,662,994
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	366,145	7,719
Other financial liabilities	9	802,061	-
TOTAL CURRENT LIABILITIES		1,168,206	7,719
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8	745,137	745,137
TOTAL NON-CURRENT LIABILITIES		745,137	745,137
TOTAL LIABILITIES		1,913,343	752,856
NET ASSETS		21,171,241	19,910,138
EQUITY			
Issued capital	10	18,891,503	17,640,376
Reserves	20	1,738,654	1,738,654
Retained earnings		541,084	531,108
TOTAL EQUITY		21,171,241	19,910,138

The accompanying notes form part of these financial statements.

Barakah Properties Ltd

ACN: 127 976 658

Statement of Changes in Equity For the Year Ended 30 June 2018

2018

	A Class Shares	B Class Shares	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2017	8	17,640,368	531,108	1,738,654	19,910,138
Profit or loss attributable to members	-	-	9,976	-	9,976
Shares issued during the year	-	1,251,127	-	-	1,251,127
Balance at 30 June 2018	8	18,891,495	541,084	1,738,654	21,171,241

2017

	A Class Shares	B Class Shares	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2016	8	13,081,142	405,605	1,595,749	15,082,504
Profit or loss attributable to members	-	-	125,503	-	125,503
Shares issued during the year	-	4,589,226	-	-	4,589,226
Shares bought back during the year	-	(30,000)	-	-	(30,000)
Revaluation increment to land & buildings	-	-	-	142,905	142,905
Balance at 30 June 2017	8	17,640,368	531,108	1,738,654	19,910,138

The accompanying notes form part of these financial statements.

Barakah Properties Ltd

ACN: 127 976 658

Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	983,400	-
Payments to suppliers	(251,810)	(826,042)
Net cash provided by/(used in) operating activities	16 <u>731,590</u>	<u>(826,042)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of building development costs	<u>(2,350,030)</u>	<u>(3,705,804)</u>
Net cash provided by/(used in) investing activities	<u>(2,350,030)</u>	<u>(3,705,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	1,251,127	3,316,938
Proceeds from shares not yet issued	802,061	-
Refund of monies for shares not yet issued	-	(30,000)
Net cash provided by/(used in) financing activities	<u>2,053,188</u>	<u>3,286,938</u>
Net increase/(decrease) in cash and cash equivalents held	434,748	(1,244,908)
Cash and cash equivalents at beginning of year	<u>492,951</u>	<u>1,737,859</u>
Cash and cash equivalents at end of financial year	3 <u><u>927,699</u></u>	<u><u>492,951</u></u>

The accompanying notes form part of these financial statements.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements

For the Year Ended 30 June 2018

Barakah Properties Ltd is a for-profit unlisted public 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). 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(a) Income Tax

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(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.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(d) Financial instruments

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.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

(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.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Summary of Significant Accounting Policies

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**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

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

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 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.

Barakah Properties Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
2 Income Tax Expense		
(a) The major components of tax expense (income) comprise:		
Current tax expense		
Current tax	4,276	7,747
Deferred tax	8 -	(80,943)
Income tax provision	8 -	(26,484)
Total income tax expense	4,276	(99,680)
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2017: 30%)	4,276	7,747
- Recoupment of prior year tax losses not previously brought to account	-	80,943
- Reversal of income tax provision	-	26,484
Income tax expense/(benefit)	4,276	(99,680)
3 Cash and Cash Equivalents		
Cash at bank	18 927,699	492,951
4 Trade and Other Receivables		
CURRENT		
Trade receivables	906,600	900,000
GST receivable	89,642	175,490
	996,242	1,075,490

(a) Impairment of receivables

No receivables have been impaired at year-end.

(b) Credit risk

In the 2018 financial year, 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 and other 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.

Barakah Properties Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

2018	2017
\$	\$

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

(c) **Aged analysis**

The ageing analysis of trade and other 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	906,600	900,000
	<u>906,600</u>	<u>900,000</u>

(d) **Financial assets classified as loans and receivables**

Trade and other receivables

- total current	996,242	1,075,490
- total non-current	-	-
	<u>996,242</u>	<u>1,075,490</u>
Less: GST receivable	(89,642)	(175,490)

Financial assets

18 906,600 900,000

(e) **Collateral held**

No collateral is held over Trade Receivables.

5 **Property, plant and equipment**

LAND AND BUILDINGS

Freehold land

At directors valuation	9,410,000	9,410,000
Total Land	<u>9,410,000</u>	<u>9,410,000</u>

Buildings and site improvements

At directors valuation	10,325,096	5,147,000
Accumulated depreciation	(279,664)	-

Total buildings	<u>10,045,432</u>	<u>5,147,000</u>
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Total land and buildings	<u>19,455,432</u>	<u>14,557,000</u>
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The company's land and buildings were revalued at 30 June 2016 as a school by independent valuers. The fair value of the land and buildings was determined to be \$14,557,000. The directors have adopted that value together with the new Science and Technological wing completed during the year, at directors' value at 30 June 2018 as they believe this to reflect the fair value of the property functioning as a school.

Barakah Properties Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

2018	2017
\$	\$

The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity. Refer to Note 19 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 2018			
Balance at the beginning of year	9,410,000	5,147,000	14,557,000
Additions	-	5,178,096	5,178,096
Depreciation expense	-	(279,664)	(279,664)
Balance at the end of the year	<u>9,410,000</u>	<u>10,045,432</u>	<u>19,455,432</u>

	Land	Buildings and site improvements	Total
	\$	\$	\$
Year ended 30 June 2017			
Balance at the beginning of year	9,410,000	5,147,000	14,557,000
Depreciation expense	-	(204,150)	(204,150)
Revaluation increase/(decrease) recognised in equity	-	204,150	204,150
Balance at the end of the year	<u>9,410,000</u>	<u>5,147,000</u>	<u>14,557,000</u>

Barakah Properties Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

	2018	2017				
	\$	\$				
6 Other Assets						
NON-CURRENT						
Building development costs	1,636,291	4,464,357				
Building development costs paid at 30 June 2018 relate to the building development costs on the East and North Wing, Electrical Kiosk and Deposit payment on the acquisition of 75 Harvest Home Road, Epping.						
7 Trade and Other Payables						
CURRENT						
Unsecured liabilities						
Sundry payables and accrued expenses	366,145	7,719				
(a) Financial liabilities at amortised cost classified as trade and other payables						
Trade and other payables:						
- total current	366,145	7,719				
- total non-current	-	-				
Financial liabilities as trade and other payables	18 366,145	7,719				
8 Tax Balances						
Current Tax Liability						
Recognised deferred tax assets						
Deferred tax assets	68,920	73,196				
Recognised deferred tax liabilities						
Deferred tax liabilities	745,137	745,137				
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 recognition of carried forward losses	80,943	(7,747)	-	-	-	73,196
Balance at 30 June 2018	80,943	(7,747)	-	-	-	73,196
Deferred tax assets attributable to recognition of carried forward losses	73,196	(4,276)	-	-	-	68,920
Balance at 30 June 2018	73,196	(4,276)	-	-	-	68,920

Barakah Properties Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

			2018	2017		
			\$	\$		
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	(683,892)	-	(61,245)	-	-	(745,137)
Balance at 30 June 2017	(683,892)	-	(61,245)	-	-	(745,137)
Revaluation, net of related depreciation	(745,137)	-	-	-	-	(745,137)
Balance at 30 June 2018	(745,137)	-	-	-	-	(745,137)
9 Other Financial Liabilities						
CURRENT						
Proceeds for shares not yet issued			18	802,061	-	
10 Issued Capital						
8 (2017: 8) A Class shares				8		8
16,565,312 (2017: 15,636,860) B Class shares				18,891,495		17,640,368
Total				18,891,503		17,640,376
(a) A Class shares						
			2018	2017		
			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.

Barakah Properties Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

	2018 \$	2017 \$
(b) B Class shares		
	2018 No.	2017 No.
At the beginning of the reporting period	15,636,860	12,135,232
Shares issued during the year	928,452	3,501,628
At the end of the reporting period	<u>16,565,312</u>	<u>15,636,860</u>

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 2018 and 30 June 2017 are as follows:

Total borrowings		-	-
Less Cash and cash equivalents	3	(927,699)	(492,951)
Net debt (in funds)		(927,699)	(492,951)
Equity		21,171,241	19,910,138
Total capital		<u>20,243,542</u>	<u>19,417,187</u>
Gearing ratio		Nil	Nil

11 Auditors' Remuneration

Remuneration of the auditor of the company, for:

- auditing the financial statements	<u>5,489</u>	<u>7,575</u>
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Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements

For the Year Ended 30 June 2018

2018	2017
\$	\$

12 Capital Commitments

Construction is currently underway of the East Wing of the Junior Learning Neighbourhood. This facility includes general purpose learning areas, creative investigation spaces, art rooms, support spaces and amenities. The project is estimated at a cost \$5.7 million, of which \$1,125,652 has been expended.

The project is funded through existing cash and share issues.

13 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 2018 rental) are:

- no later than 1 year	900,000	900,000
- between 1 year and 5 years	3,600,000	3,600,000
Total minimum lease payments	<u>4,500,000</u>	<u>4,500,000</u>

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

14 Contingent Liabilities and Contingent Assets

Contingent Liabilities

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

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.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
At 30 June 2018 and 30 June 2017 the contingent liability is:		
Contingent liability 2009 Grant - BER Building	510,000	680,000
Contingent Liability 2009 Grant - CGP	521,530	521,530
Contingent Liability 2010 Grant - CGP	662,358	662,358
Contingent Liability 2016 Grant - CGP	1,750,000	-
Total Contingent Liability recognised at year-end	<u>3,443,888</u>	<u>1,863,888</u>

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.

15 Events Occurring 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.

16 Cash Flow Information

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

Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	9,976	125,503
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	279,664	204,150
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	79,248	(1,055,049)
- (increase)/decrease in deferred tax asset	4,278	(73,198)
- increase/(decrease) in income taxes payable	-	(26,484)
- increase/(decrease) in trade and other payables	358,424	(964)
Cashflow from operations	<u>731,590</u>	<u>(826,042)</u>

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements For the Year Ended 30 June 2018

2018	2017
\$	\$

17 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 2018 and 2017.

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. Mr Arain is paid a salary by Al Siraat College. There is a management charge paid to Al Siraat College which includes his services to the company.

(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.

During the year rental income of \$900,000 (2017: 900,000) 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 2018 there was \$900,000 (2017: \$900,000) receivable from the College.

At 30 June 2018, Al Siraat College Inc. held 1 A Class share and 8,443,954 B Class shares in the Company (2017: 1 A Class and 7,828,825 B Class).

A management charge of \$325,000 (2017:\$355,000) was paid to Al Siraat College Inc. during the year ended 30 June 2018.

18 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:

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements

For the Year Ended 30 June 2018

2018	2017
\$	\$

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.

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:

Financial Assets

Cash and cash equivalents	3	927,699	492,951
Loans and receivables	4(d)	906,600	900,000
Total financial assets		1,834,299	1,392,951

Financial Liabilities

Financial liabilities at amortised cost			
- Trade and other payables	7(a)	366,145	7,719
Proceeds for shares not yet issued	9	802,061	-
Total financial liabilities		1,168,206	7,719

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.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements For the Year Ended 30 June 2018

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.

Barakah Properties Ltd

ACN: 127 976 658

Notes to the Financial Statements For the Year Ended 30 June 2018

19 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.

Barakah Properties Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2018

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

		Level 1	Level 2	Level 3	Total
30 June 2018	Note	\$	\$	\$	\$
Recurring fair value measurements					
Property, plant and equipment					
Land	5	-	9,410,000	-	9,410,000
Buildings	5	-	10,045,432	-	10,045,432

		Level 1	Level 2	Level 3	Total
30 June 2017	Note	\$	\$	\$	\$
Recurring fair value measurements					
Property, plant and equipment					
Land	5	-	9,410,000	-	9,410,000
Buildings	5	-	5,147,000	-	5,147,000

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period (2017: no transfers).

20 Reserves

Asset revaluation reserve

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

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 2018 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 compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2018 and performance for the year ended on that date 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:

Baqar Hussain



Dated this 5th day of October 2018

Barakah Properties Ltd

Independent Audit Report to the members of Barakah Properties Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Barakah Properties Ltd (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- (a) the accompanying financial report of the Company 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 2018 and of its financial performance for the year ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view 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 preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Barakah Properties Ltd

Independent Audit Report to the members of Barakah Properties Ltd

(Continued)

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Barakah Properties Ltd


Independent Audit Report to the members of Barakah Properties Ltd

(Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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



TONY TASSONE
Partner

Signed at Melbourne on 5 October 2018

Liability limited by a scheme approved under Professional Standards Legislation

Section 8 – Board of Barakah Properties

The Board of Directors is made up of the following persons:

1. Fazeel Arain (Managing Director)

Fazeel comes from a varied background that has seen him work in a multitude of roles across the cross 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.

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)

2. Musa Omer

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,

Qualifications

- Second year Bachelor Of Business Supply Chain Management from RMIT university
- Diploma of Information Technology (Software Development) from Chisholm Institute of Technology

3. Baqar Hussain

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.

Qualifications

- Bachelor of Arts from the University of Karachi, Pakistan
- Various professional qualifications in computer systems / programming

4. Naeem Ahmad

Naeem has been an IT professional for 30 years. Away from work he has keen interests in pursuing Investment Options suitable for the Islamic Community, as well as helping and encouraging people of all ages to actively participate in Sport.

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

Section 9 – Additional information

1 Barakah Properties' Constitution

1.1 Voting

Information about Members' voting rights is set out in Section 5.

1.2 Dividends

Information about Members' rights to dividends is set out in Section 4 and the Board of Barakah Properties' dividend policy is set out in Section 2.

1.3 Transfer of shares

A transfer of shares in Barakah Properties must be in writing in a usual form or in another form approved by the Board. The Directors may register the transferee as a Member and retain the transfer document.

A Member remains a Member of Barakah Properties until any transfer of shares is registered and the name of the transferee is entered on Barakah Properties' register of members that it keeps for the purposes of the Corporations Act.

Directors right to refuse a transfer

The Directors may refuse to register a transfer of shares in Barakah Properties if:

- (a) the shares being transferred are not fully paid; or
- (b) Barakah Properties has a lien on the shares and they are not required to give these reasons for doing so.

In the event that the Directors do refuse to register a transfer, the Directors must give written notice of the refusal to the person who lodged the transfer within two months of its lodgement with Barakah Properties.

1.4 Meetings and notice

Information about Members' rights to receive notice of general meetings and other documents under Barakah Properties' Constitution and the Corporations Act is set out in Section 5.

1.5 Winding-up rights

Information about Members' rights in the winding-up of Barakah Properties is set out in Section 5.

1.6 Shareholder liability

The Shares being offered under this Information Statement are fully paid. Therefore, successful Applicants will not be subject to any calls for unpaid money in connection with the allotment of Shares under this Information Statement.

1.7 Alteration of Barakah Properties' Constitution

Barakah Properties' Constitution can only be modified or repealed by the passing of a special resolution, which requires, amongst other things:

- (a) at least 21 days' notice to be given to Members; and
- (b) the resolution to be passed by at least 75% of the votes cast by Members entitled to vote on the resolution.

2 Details of all amounts payable in respect of the Shares

- 2.1 Applicants should be aware that Barakah Properties is permitted to charge the following fees to Members:
- (a) a fee to register a transfer of shares in Barakah Properties– currently \$AUD1.00;
 - (b) a fee for share certificates (and duplicate share certificates) – currently \$AUD0.50; and
 - (c) a fee for a copy of Barakah Properties' Constitution – subject to the Corporations Act, currently a fee determined from time to time by the Board.
- 2.2 However, at the date of this Information Statement, it is not the policy of Barakah Properties to charge Members fees for transfers, share certificates (and duplicate share certificates), inspecting a or for a obtaining a copy of Barakah Properties' Constitution.
- 2.3 Further information about possible amounts payable by Members (including any amounts payable by Members by way of fee, commission or charge) in connection with the business of Barakah Properties is set out in Section 5.

3 Consents to be named and consent to the inclusion of information in this Information Statement

The following persons have given, and have not at the date of this Information Statement withdrawn their written consent to:

- (a) be named in this Information Statement and any electronic version of it in the form and context in which they are named; and
- (b) the inclusion of the following information in the form and context in which it is included, in this Information Statement (as applicable). Except as stated below, none of the persons referred to below have caused or authorised the issue of this Information Statement, or have in any way been involved in the making of the Offer.

Lowe Lippman has consented to be named in this Information Statement as 'Company Auditors', and to the inclusion of the Company Auditor's Report in the form and context in which that document is included and to any express references to that document in this Information Statement in the form and context in which those references are included. In its capacity as 'Company Auditors', Lowe Lippman does not make any other statement in this Information Statement nor is any other statement in this Information Statement based upon a statement by Lowe Lippman.

Thomson Geer has consented to be named in this Information Statement as 'Lawyers to the Offer'. In its capacity as 'Lawyers to the Offer', Thomson Geer does not make any statement in this Information Statement nor is any other statement in this Information Statement based upon a statement by Thomson Geer.

4 Inspection of documents

Copies of the following documents will be made available for inspection during normal business hours at the registered office of Barakah Properties until the Closing Date:

- (a) Barakah Properties' Constitution;
- (b) the consents referred to in this Section 9;
- (c) this Information Statement; and

- (d) any other documents referred to in this Information Statement.

5 Annexures form part of the Information Statement

The annexure to the Information Statement form part of the Information Statement.

6 Privacy notification

By filling out an Application Form, you are providing personal information to Barakah Properties. This personal information is required to process your Application and if your Application is successful, to allocate your shareholding within Barakah Properties. The Privacy Act regulates the collection, holding, use, correction, disclosure or transfer of personal information.

All personal information gathered through Applications for Shares is authorised to be collected by Barakah Properties to be used in the processing of Applications or the allotment of Shares by the Privacy Act.

Barakah Properties must ensure that any personal information gathered through applications for shares is protected against loss, unauthorised access, use, modification, disclosure or other misuse. Your personal information may be given to the Barakah Properties' agents, service providers or third parties in order to process your Application or to allot you Shares.

Barakah Properties must not:

- (a) use your personal information for any purpose other than processing Applications or allotment of Shares, unless the other purpose is provided for under the Privacy Act; and
- (b) disclose your personal information to a person, body or agency, unless the disclosure is provided for under the Privacy Act.

You have the right to access your personal information held by Barakah Properties except when certain exceptions provided by the law apply. You may be charged by Barakah Properties for accessing your personal information. Requests for access to personal information should be mailed to:

Barakah Properties Limited
 Attention: The Company Secretary
 45 Harvest Home Road,
 Epping VIC 3076

7 Authorisation by Directors

This Information Statement is issued by Barakah Properties and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgment of this Information Statement with the ASIC in the form and context in which it is issued.



Fazeel Arain
Managing Director

Section 10 – Glossary

Unless the context requires otherwise, the following definitions throughout this Information Statement:

Applicants means persons who submit a valid Application Form pursuant to this Information Statement;

Application means a valid application for a specified number of Shares pursuant to this Information Statement;

Application Form means (as the context requires) the 'Share Application Form'; for applying for Shares pursuant to the Offer that accompanies this Information Statement;

ASIC means the Australian Securities and Investments Commission;

Board means the board of Directors of Barakah Properties;

Barakah Properties means Barakah Properties Limited ACN 008 347 313;

Barakah Properties' Constitution means the Constitution of Barakah Properties, as amended from time to time;

Closing Date means the Expiry Date (or any earlier date determined by Barakah Properties in its absolute discretion);

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time;

Directors means the directors of Barakah Properties;

Existing Members means persons who are Members at the date of an Application;

Expiry Date means 13 months after the date of this information statement;

Exposure Period means the seven day period from the date this Information Statement was lodged with ASIC which may be extended by ASIC by up to a further seven days;

Funds Raised means all money received by Barakah Properties from successful Applicants in connection with the Offer;

Information Statement means this Offer Information Statement that was lodged with ASIC on 17 October 2018;

Issue means the issue of Shares pursuant to this Information Statement;

Issue Price means \$AUD 1.50 per Share;

Maximum Application for Existing Members means there is no maximum application limit;

Maximum Application for Prospective Members means there is no maximum application limit;

Member means a shareholder in Barakah Properties;

Minimum Application for Existing Members means 5 Shares;

Minimum Application for Prospective Members means 5 Shares;

Offer means the invitation made in this Information Statement to apply for Shares;

Person has the same meaning as that term under the Corporation Act;

Privacy Act means the *Privacy Act 1988* (Cth) as amended from time to time;

Property means the property located at 45A HARVEST HOME ROAD, EPPING, VIC. 3076;

Prospective Applicants means Prospective Members and Existing Members considering applying for more Shares in Barakah Properties pursuant to this Information Statement;

Prospective Members means persons that are considering applying to become Members of Barakah Properties pursuant to this Information Statement;

Shares means fully paid Class B shares of Barakah Properties;

Special Resolution means a resolution:

- (a) of which notice as set out in s 249L(c) of the Corporations Act has been given; and
- (b) that has been passed by at least 75% of the votes cast by Members entitled to vote on the resolution.

Section 11 – Corporate directory

DIRECTORS

Fazeel Arain (Managing Director)

Musa Omer

Baqar Hussain

Naeem Ahmad

SECRETARY

Fazeel Arain

REGISTERED OFFICE

45 Harvest Home Road,

Epping, VIC. 3076

LAWYERS TO THE OFFER

Thomson Geer

Level 25 1 O'Connell St

Sydney NSW 2000

COMPANY AUDITORS

Low Lippmann

Chartered Accountants

Level 7, 616 St Kilda Rd

Melbourne VIC 3004

Guide to completing the correct Application Form

1 Important Information

The securities to which the Share Application Form relates are fully paid Class B shares of Barakah Properties Limited. Further information about the Shares is contained in the Information Statement dated 29 2016. No Shares will be issued on the basis of the Information Statement later than 13 months after the date of the Information Statement. During the offer period, a paper copy of the Information Statement, any supplementary disclosure document and the Share Application Form will be provided to you, at no charge, upon request from Barakah Properties.

Before completing the Application Form, Applicants should read the Information Statement in its entirety. By submitting an Application, Applicants agree that their Application is on the terms set out in the Information Statement and they agree to take any number of Shares allocated to them pursuant to the Information Statement.

Applicants declare that all details and statement made in the Application Forms are true and correct.

You must not complete an Application Form unless:

- (a) it was included in a complete paper or electronic version of the Information Statement dated 29 September 2016 when you received it; and
- (b) no supplementary or replacement Information Statement has been issued.

2 Time for Applications and payment

Applications must be received by Barakah Properties by no later than **5.00pm Eastern Standard Time on the Closing Date**. Barakah Properties reserves the right to close the Offer prior to the Expiry Date.

3 Privacy Notice

Before completing the Share Application Form, please refer to the 'Privacy Notification' on page 51 of this Information Statement. The 'Privacy Notification' explains how personal information provided by you in the Application Forms may be handled by Barakah Properties in accordance with the Privacy Act. By completing the Share Application Form, you are agreeing to the use of your personal information in accordance with the terms of the 'Privacy Notification'.

APPLICATION TO PURCHASE SHARES

To meet the requirements of the *Corporations Act 2001* (Cth), this Share Application form must not be handed on unless attached to the Information Statement

IMPORTANT: Before signing the Share Application Form, Applicants should carefully read the whole Information Statement. Please refer to the instructions for filling out this application form on the next two pages.

PLEASE RETURN COMPLETED APPLICATION FORM TO

SHAREHOLDERS DETAILS

Shareholder number: _____

Date of application: _____

Please select appropriate trading legal entity:

A SINGLE PERSON ☐

Full name & surname: _____

TFN _____

B MORE THAN ONE PERSON ☐

1 Person 1: _____

Full name & surname: _____

TFN _____

2 Person 2: _____

Full name & surname: _____

TFN _____

3 Person 3: _____

Full name & surname: _____

TFN _____

4 Person 4: _____

Full name & surname: _____

TFN _____

C COMPANY ☐

Company Name: _____

TFN _____

ABN or ACN _____

D The Share Applicant to complete the following:

Contact person's name: _____

Telephone number – office hours _____

Email _____

Postal address for the shareholder: _____

Town/Suburb _____

State _____

Postcode _____

Are Shares to be held in a trust: Yes/No* (Delete one) _____

If shares are to be held in trust the name of the shareholder/s in A, B or C should be the trustee.

E IF SHARES ARE TO BE HELD BY A TRUST/SMSF

Name of Trust/SMSF

TFN

ABN

F APPLICATION NUMBERS

I/ we apply for _____ Class B shares in Barakah Properties Ltd
A.C.N 127 976 658 at AUD\$1.50per Share.

I/We lodge full application moneys by:

Cheque \$ _____

Cash deposit \$ _____

By submitting this Share application Form, I/We acknowledge that I/we have read the Information Statement and declare that this Application is completed and lodged according to the Information Statement and the declarations/ statements on the next two pages and declare that all details and information provided and made by me/ us are complete and accurate. I/ we agree to be bound by the constitution of Barakah Properties Ltd.

SINGLE PERSON:

Signature of Applicant

MORE THAN ONE PERSON (insert additional signatures if required)

Signature of Partner 1

Signature of Partner 2

Signature of Partner 3

Signature of Partner 4

COMPANY

Executed by _____ Name of company: _____

Signature of director

Signature of director/ company secretary (please delete as applicable)

The Offer closes at 5pm Australian Eastern Standard Time on 16 November 2019, unless closed earlier by Barakah Properties. The Information Statement is dated 19 October 2018. The Information Statement has been lodged with the Australian Securities and Investment Commission on 19 October 2018. No Shares will be issued pursuant to this Information Statement later than 13 months from the date of this Information Statement.

HOW TO COMPLETE THE SHARE APPLICATION FORM

Please complete all relevant sections of the Share Application Form using BLOCK LETTERS

If you are an Existing Member please quote your **shareholder number**

- The application must be **dated**.

If you are a **SINGLE PERSON** complete section **A**

- Enter the **FULL NAME** and **TITLE** of the applicant. Refer to the **Name Standards** below for guidance on valid registration.
- Enter the **tax file number** and **ABN** of the applicant

If you are **MORE THAN ONE PERSON** complete section **B**

- Enter the **FULL NAME(S)** and **TITLE(S)** of each applicant). Refer to the **Name Standards** below for guidance on valid registration.
- Enter the **tax file number** and **ABN** of the applicant

If you are a **COMPANY** complete section **C**

- Enter the **FULL NAME(S)** of the company. Refer to the **Name Standards** below for guidance on valid registration.
- Enter the **tax file number** and **ABN** or **A.C.N** of the applicant.
- Complete the **contact person's details**.

All applicants are to complete the section **D** starting with the heading '**The Share Applicant to complete the following**':

- Enter **telephone numbers** of the contact person the Barakah Properties can speak to if they have any queries regarding this application.
- Enter the **POSTAL ADDRESS** for all communications from the company.
- Enter the **EMAIL ADDRESS**.
- Confirm whether the Shares are being held in a **TRUST**.

Applicants who are a trust/smsf complete section **E**.

- Enter the name of the trust/smsf.
- Enter the **tax file number** and **ABN** of the trust smsf.

Application for shares section **F**:

- Enter the **NUMBER OF SHARES** you wish to apply for.
Applications must be for the minimum of 5 Shares with no maximum number of Shares.

Enter the **TOTAL AMOUNT** of application money payable.

Payment for the shares is required at time of share application. Payments can be made by:

- i. Direct Deposit (Westpac Account)
Account: Barakah Properties
BSB: 033166
Account Number: 101275

- ii. Cheque made payable to 'Barakah Properties Ltd'.

Before completing the Share Application Form, the applicant(s) read the Information Statement to which the Application relates. The applicant(s) agree(s) that this Application is for Shares in Barakah Properties Limited upon and subject to the terms of the Information Statement, agree(s) to take any number of Shares equal to or less than the number of Shares indicated that may be issued to the applicants pursuant to the Information Statement and declare(s) that all details and statements made are complete and accurate.

Forward your completed and signed Application together with the application money to:

Barakah Properties Limited

OR

A representative of Barakah Properties Limited by hand or email.

Applications must be received by no later than 5.00pm Australian Eastern Standard time on the Closing Date or such earlier date determined by Barakah Properties in its absolute discretion.

Name Standards

- Only legal entities may be registered as the holders of securities.
- The full and correct name of each entity must be shown.
- Salutations such as MR, MRS & MS should be included.
- Securities should not be registered in the name of a trust and no trust can be implied.
- Securities should not be registered in the name of a minor or a deceased person.
- An account designation can be included. If shown, it must be contained within one line and with the "<>" symbols. The last work of the designation must be ACCOUNT or A/C.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Superannuation Funds Use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund