Barakah Properties Ltd

ACN 127 976 658

Annual Report - 30 June 2021

Barakah Properties Ltd
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2021.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The profit for the company after providing for income tax amounted to $26,043 (30 June 2020: $27,437).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation
The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Fazeel Arain
Title:	Managing Director
Qualifications:	Master Of Commerce (Information Systems) from University Of New South Wales; Certified Practising Accountant, Australian Society of CPAs and Bachelor Of Business from the University Of Technology, Sydney (Accounting major)
Experience and expertise:	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.
Name:	Musa Omer
Title:	Director
Qualifications:	Second year Bachelor Of Business Supply Chain Management from RMIT university, and Diploma of Information Technology (Software Development) from Chisholm Institute of Technology
Experience and expertise:	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.
Name:	Baqar Hussain
Title:	Treasurer/Director
Qualifications:	Bachelor of Arts from the University of Karachi, Pakistan and Various professional qualifications in computer systems / programming
Experience and expertise:	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.

Name:	Naeem Ahmad
Title:	Director
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 and Level 2 Cricket Coach from Cricket Australia
Experience and expertise:	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.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Fazeel Arain Musa Omer	4	4
Musa Omer	4	4
Naeem Ahmad	4	4
Baqar Hussain	4	4

Held: represents the number of meetings held during the time the director held office.

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Lowe Lippmann continues in office in accordance with section 327 of the Corporations Act 2001.

Barakah Properties Ltd
Directors' report
30 June 2021

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Fazeel Arain	Musa Omer

14 September 2021

Lowe Lippmann

AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2021

As lead auditor for the audit of Barakah Properties Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Barakah Properties Ltd.

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

LOREN DATT
Partner

Dated: 14 September 2021

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General information

The financial statements cover Barakah Properties Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Barakah Properties Ltd's functional and presentation currency.

Barakah Properties Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Barakah Properties Ltd
45 Harvest Home Road Epping VIC 3076
Epping VIC 3076

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 September 2021. The directors have the power to amend and reissue the financial statements.

Barakah Properties Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 $	2020 $
Revenue	4	1,200,000	1,200,000
Expenses			
Building expenses		(335,386)	(371,643)
Depreciation		(539,850)	(376,055)
General expenses		(156,889)	(149,294)
Insurance		(46,429)	(27,926)
Management charge		(50,000)	(50,000)
Professional services		(29,821)	(17,095)
Site expenses		(5,703)	(157,581)
Profit before income tax expense		35,922	50,406
Income tax expense	5	(9,879)	(22,969)
Profit after income tax expense for the year attributable to the owners of Barakah Properties Ltd		26,043	27,437
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of land and buildings, net of tax		2,083,610	729,647
Other comprehensive income for the year, net of tax		2,083,610	729,647
Total comprehensive income for the year attributable to the owners of Barakah Properties Ltd		2,109,653	757,084

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Barakah Properties Ltd
Statement of financial position
As at 30 June 2021

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	6	981,554	283,077
Trade and other receivables	7	30,821	85,339
Other	8	16,539	-
Total current assets		1,028,914	368,416
Non-current assets			
Property, plant and equipment	9	30,839,000	28,246,001
Other	10	4,416,132	1,110,312
Total non-current assets		35,255,132	29,356,313
Total assets		36,284,046	29,724,729
Liabilities			
Current liabilities			
Other	11	-	563,008
Total current liabilities		-	563,008
Non-current liabilities			
Deferred tax	12	2,054,159	1,253,947
Total non-current liabilities		2,054,159	1,253,947
Total liabilities		2,054,159	1,816,955
Net assets		34,229,887	27,907,774
Equity			
Issued capital	13	28,112,475	23,900,015
Reserves	14	5,617,058	3,533,448
Retained profits		500,354	474,311
Total equity		34,229,887	27,907,774

The above statement of financial position should be read in conjunction with the accompanying notes

Barakah Properties Ltd
Statement of changes in equity
For the year ended 30 June 2021

	A Class shares $	B Class shares $	Revaluation surplus reserve $	Retained profits $	Total equity $
Balance at 1 July 2019	8	22,090,144	2,803,801	446,874	25,340,827
Profit after income tax expense for the year	-	-	-	27,437	27,437
Other comprehensive income for the year, net of tax	-	-	729,647	-	729,647
Total comprehensive income for the year	-	-	729,647	27,437	757,084
Transactions with owners in their capacity as owners:					
Shares issued during the year	-	1,809,863	-	-	1,809,863
Balance at 30 June 2020	8	23,900,007	3,533,448	474,311	27,907,774

	A Class shares $	B Class shares $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2020	8	23,900,007	3,533,448	474,311	27,907,774
Profit after income tax expense for the year	-	-	-	26,043	26,043
Other comprehensive income for the year, net of tax	-	-	2,083,610	-	2,083,610
Total comprehensive income for the year	-	-	2,083,610	26,043	2,109,653
Transactions with owners in their capacity as owners:					
Shares issued during the year	-	4,212,460	-	-	4,212,460
Balance at 30 June 2021	8	28,112,467	5,617,058	500,354	34,229,887

The above statement of changes in equity should be read in conjunction with the accompanying notes

Barakah Properties Ltd
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,200,000	1,277,354
Payments to suppliers (inclusive of GST)		(586,249)	(942,365)
Net cash from operating activities	25	613,751	334,989
Cash flows from investing activities			
Payments for building developments costs		(3,564,726)	(3,846,618)
Net cash used in investing activities		(3,564,726)	(3,846,618)
Cash flows from financing activities			
Proceeds from issue of shares	13	3,649,452	2,372,870
Net cash from financing activities		3,649,452	2,372,870
Net increase/(decrease) in cash and cash equivalents		698,477	(1,138,759)
Cash and cash equivalents at the beginning of the financial year		283,077	1,421,836
Cash and cash equivalents at the end of the financial year	6	981,554	283,077

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rental income
Revenue from rent is recognised is recognised over time as the services are rendered.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Portable buildings and improvements	10 years
Site improvements	20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2021. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Property held at fair value
An independent valuation of property (land and buildings) carried at fair value was obtained on 30 June 2021. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Fair value measurement hierarchy
The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax
The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 3. Impact of COVID 19 pandemic

The impact of COVID-19 in 2021 on the operations of Barakah Properties has caused a delay to the construction program of the North Wing, resulting in an increase in professional fees (contract administration) and an increase in project management costs due to an increase in the elapsed time of the project.

Note 4. Revenue

	2021 $	2020 $
Sales - rent	1,200,000	1,200,000

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2021 $	2020 $
Geographical regions		
Australia	1,200,000	1,200,000
Timing of revenue recognition		
Services transferred over time	1,200,000	1,200,000

Note 5. Income tax expense

	2021 $	2020 $
Income tax expense		
Deferred tax	9,879	22,969
Aggregate income tax expense	9,879	22,969
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	35,922	50,406
Tax at the statutory tax rate of 27.5%	9,879	13,862
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Change in tax rate	-	9,107
Income tax expense	9,879	22,969

Note 6. Current assets - cash and cash equivalents

	2021 $	2020 $
Cash at bank	981,554	283,077

Note 7. Current assets - trade and other receivables

	2021 $	2020 $
BAS receivable	30,821	85,339

Note 8. Current assets - other

	2021 $	2020 $
Prepayments	16,539	-

Note 9. Non-current assets - property, plant and equipment

	2021 $	2020 $
Land - at fair value	12,050,000	11,450,000
Buildings and site improvements - at fair vaue	18,789,000	16,796,001
	30,839,000	28,246,001

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land $	Buildings and site improvements $	Total $
Balance at 1 July 2019	10,870,000	10,683,000	21,553,000
Revaluation increments	580,000	288,292	868,292
Reclassification from other assets	-	6,200,764	6,200,764
Depreciation expense	-	(376,055)	(376,055)
Balance at 30 June 2020	11,450,000	16,796,001	28,246,001
Revaluation increments	600,000	2,273,944	2,873,944
Transfers from building development costs	-	258,905	258,905
Depreciation expense	-	(539,850)	(539,850)
Balance at 30 June 2021	12,050,000	18,789,000	30,839,000

Valuations of land and buildings
The Company's land and buildings were revalued at 30 June 2021 by Bertacco Ferrier property consultants and certified practising valuers. The valuation approach adopted was cost basis upon the school complex as there is no active and liquid market. The fair value of the land and buildings was determined to be $30,839,000 (2020: $28,246,001) and the directors have adopted the fair value.

The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity.

Refer to note 17 for further information on fair value measurement.

Note 10. Non-current assets - other

	2021 $	2020 $
Building development costs	4,416,132	1,110,312

Building development costs paid at 30 June 2021 relate to building and development costs on the North Wing.

Note 11. Current liabilities - other

	2021 $	2020 $
Proceeds for shares not yet issued	-	563,008

Note 12. Non-current liabilities - deferred tax

	2021 $	2020 $
Deferred tax liability	2,054,159	1,253,947
Movements:		
Opening balance	1,253,947	1,092,333
Utilisation of tax losses during the year:	9,879	13,862
Change in tax rate:	-	(91,028)
Revaluation, net of depreciation	790,333	238,780
Closing balance	2,054,159	1,253,947

Note 13. Equity - issued capital

	2021 Shares	2020 Shares	2021 $	2020 $
A Class shares - fully paid	8	8	8	8
B Class shares - fully paid	22,801,334	20,049,183	28,112,467	23,900,007
	22,801,342	20,049,191	28,112,475	23,900,015

A class shares
A class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held, with priority over ordinary shareholders.

A class shares do have voting rights.

B class shares
B class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held, with priority over ordinary shareholders.

B class shares do not have any voting rights, 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.

Capital risk management
The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 13. Equity - issued capital (continued)

The capital risk management policy remains unchanged from the 2020 Annual Report.

Note 14. Equity - reserves

	2021 $	**2020 $**
Revaluation surplus reserve	5,617,058	3,533,448

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Revaluation surplus $	Total $
Balance at 1 July 2019	2,803,801	2,803,801
Revaluations	729,647	729,647
Balance at 30 June 2020	3,533,448	3,533,448
Revaluations	2,083,610	2,083,610
Balance at 30 June 2021	5,617,058	5,617,058

Note 15. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 16. Financial instruments

Financial risk management objectives
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.

Market risk

The company is not exposed to significant market risk in relation to foreign currency, prices or interest rates.

Credit risk
The company is not exposed to significant credit risk.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

Note 16. Financial instruments (continued)

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 17. Fair value measurement

Fair value hierarchy
The following tables detail the company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) 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

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land	-	12,050,000	-	12,050,000
Buildings and site improvements	-	18,789,000	-	18,789,000
Total assets	-	30,839,000	-	30,839,000

2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Land	-	11,450,000	-	11,450,000
Buildings and site improvements	-	16,796,001	-	16,796,001
Total assets	-	28,246,001	-	28,246,001

There were no transfers between levels during the financial year.

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Lowe Lippmann, the auditor of the company:

	2021 **$**	**2020** **$**
Audit services - Lowe Lippmann		
Audit or review of the financial statements	8,200	8,000

Note 19. Capital commitments

Stage 2 construction (North Wing) is currently underway. This facility includes general purpose learning areas, flexible learning spaces, collaboration spaces, support offices and amenities. The project is estimated at a cost $5.58 million, of which $4.26 million has been expended, therefore the current commitment is $1.32 million. This project is due to be completed at the end of September 2021.

The project is funded through existing cash and share issues.

Note 20. Lessor commitments

Operating lease commitments receivable - Company as lessor

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

	2021 $	2020 $
The future minimum lease payments under non-cancellable leases (based on 2020 rental) are:		
- no later than 1 year	1,200,000	1,200,000
- between 1 year and 5 years	3,600,000	4,800,000
Total minimum lease payments	4,800,000	6,000,000

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

Note 21. Contingent liabilities

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. The contingent liability is summarised below:-

	2021 $	2020 $
Contingent liability 2009 Grant - BER Building	-	170,000
Contingent Liability 2009 Grant - CGP	208,612	312,918
Contingent Liability 2010 Grant - CGP	264,943	397,415
Contingent Liability 2016 Grant - CGP	1,750,000	1,750,000
Contingent Liability 2017 Grant - CGP	1,500,000	1,500,000
	3,723,555	4,130,333

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.

Note 22. Related party transactions

Parent entity
Barakah Properties Ltd is the parent entity.

Note 22. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	2021 $	2020 $
Sale of goods and services:		
Rental income received from Al Siraat College Inc *	1,200,000	1,200,000

* 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.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 23. Economic dependency

The company receives all of its rental income from Al Siraat College Inc and is therefore economically dependent on the college.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 25. Reconciliation of profit after income tax to net cash from operating activities

	2021 $	2020 $
Profit after income tax expense for the year	26,043	27,437
Adjustments for:		
Depreciation and amortisation	539,850	376,055
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	54,518	(85,339)
Increase in other operating assets	(16,539)	-
Decrease in trade and other payables	-	(6,133)
Increase in deferred tax liabilities	9,879	22,969
Net cash from operating activities	613,751	334,989

Barakah Properties Ltd
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Mussa

Fazeel Arain

Musa Omer

14 September 2021

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
BARAKAH PROPERTIES LTD

Opinion

We have audited the financial report of Barakah Properties Ltd (the Company), which comprises the statement of financial position as at 30 June 2021 the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report of Barakah Properties Ltd, is in all material aspects, in accordance with *Corporations Act 2001,* including:

a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's AP*ES 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 responsibilities in accordance with 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.

Emphasis of Matter - Effects of COVID-19

We draw attention to Note 3 Impact of COVID-19 Pandemic to the financial statements, which describes the uncertainties and possible effects on the entity arising from its management of the on-going issues related to COVID. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

Directors are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Lowe Lippmann
Chartered Accountants
& Business Advisors

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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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

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

LOREN DATT
Partner

Dated: 14 September 2021