

**91 Phillip Street Fund**

**ARSN 604 881 656**

Interim financial report for the reporting period 1 July 2018 to 31 December 2018

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**Directors' Report**

The directors of One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of 91 Phillip Street Fund ARSN 604 881 656 (the "Fund"), present the interim financial report of the Fund for the period from 1 July 2018 to 31 December 2018 (the "reporting period"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**Responsible Entity**

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

**Information about the Directors and Senior Management**

The names of the directors and company secretaries of the Responsible Entity were:

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned 26 October 2018)
Sarah Wiesener	Executive Director (appointed 26 October 2018) and Company Secretary

**Principal Activities**

The Fund is an unlisted registered managed investment scheme, incorporated and domiciled in Australia.

Until the sale of 91 Phillip Street, Parramatta (the "Property") on 1 November 2018, the principal activity of the Fund was to manage the Property to generate rental income in accordance with its investment objectives and guidelines as set out in the Product Disclosure Statement and in accordance with the provisions of the Constitution.

The Fund did not have any employees during the period.

**Review of Operations****Results**

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income of these interim financial statements. The income attributable to unitholders for the reporting period ended 31 December 2018 was \$6,624,760 (31 December 2017: \$679,960).

**Distributions**

Distributions paid during the reporting period totalled 145.0164 cents per unit, representing 2.0164 cents per unit paid on 29 October 2018; 100.0000 cents per unit paid on 23 November 2018 and 43.0000 cents per unit paid on 17 December 2018.

In respect of the reporting period ended 31 December 2018, no distribution was payable to unitholders (31 December 2017: \$330,521).

**Value of Assets and Units Issued**

The total value of the Fund's assets at 31 December 2018 was \$13,418,387 (30 June 2018: \$48,248,791). The total number of units on issue as at 31 December 2018 is 16,391,300 (30 June 2018: 16,391,300).

***Significant Changes in State of Affairs***

At the conclusion of a successful expression of interest campaign, the Property was sold on 1 November 2018. As a result, the Responsible Entity considers that the objective of the Fund has been accomplished and has issued a notice to unitholders under section 601NC of the *Corporations Act 2001* (Cth) proposing the winding up of the Fund.

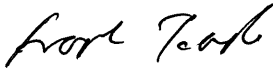
During the financial period there were no other significant changes in the state of affairs of the Fund.

**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 on page 3.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle

Director

14 March 2019



**AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF 91 PHILLIP STREET FUND**

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of 91 Phillip Street Fund for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Dated at Sydney the 14<sup>th</sup> of March 2019

A stylized signature of the firm, consisting of the letters 'ESV' followed by a checkmark-like flourish.

ESV Accounting and Business Advisors

A handwritten signature in black ink, appearing to read 'Tim Valtwies'.

Tim Valtwies  
Partner



## INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF 91 PHILLIP STREET FUND

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of 91 Phillip Street Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### ***Responsibilities of the directors for the Half-Year financial report***

The directors of the One Managed Investment Funds Limited ("the Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibilities for the audit of the financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year ended financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF 91 PHILLIP STREET FUND

**Opinion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of 91 Phillip Street Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Dated at Sydney on the 14<sup>th</sup> of March 2019

A handwritten signature in black ink, appearing to read 'ESV' with a checkmark-like flourish.

ESV Accounting and Business Advisors

A handwritten signature in black ink, appearing to read 'Tim Valtwies' in a cursive script.

Tim Valtwies  
Partner

## Directors' Declaration

The directors of the Responsible Entity declare that:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2018 and of its performance for the reporting period ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 303(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle

Director

14 March 2019



**Statement of Profit or Loss and Other Comprehensive Income for the reporting period 1 July 2018 to 31 December 2018**

		Period from 1 July 2018 to 31 December 2018 \$	Period from 1 July 2017 to 31 December 2017 \$
	Note		
<b>Income</b>			
Rent and other property income		379,360	1,610,655
Interest income		59,685	12,031
Unrealised fair value gain on investment property		-	47,714
Realised gain on sale of investment property		9,426,708	-
Total income		<b>9,865,753</b>	<b>1,670,400</b>
<b>Expenses</b>			
Finance costs		262,974	360,690
Rental property expenses		341,565	417,650
Leasing fees		128,740	10,709
Administration fees	4	167,289	169,493
Audit fees		4,000	5,903
Professional fees		28,403	15,415
Insurance expenses		10,370	10,580
Disposal costs		2,297,652	-
Total expenses		<b>3,240,993</b>	<b>990,440</b>
<b>Net income attributable to unitholders</b>		<b>6,624,760</b>	<b>679,960</b>
<b>Net income for the period</b>		<b>6,624,760</b>	<b>679,960</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>6,624,760</b>	<b>679,960</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

## Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		12,022,021	1,129,884
Trade and other receivables	6	1,396,366	32,457
Prepayments		-	86,450
Asset held for sale	7	-	47,000,000
<b>Total current assets</b>		<b>13,418,387</b>	<b>48,248,791</b>
<b>Total assets</b>		<b>13,418,387</b>	<b>48,248,791</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	8	49,217	538,021
Liabilities associated with asset held for sale	9	3,910,229	2,956,511
Interest bearing liabilities		-	18,150,000
<b>Total current liabilities</b>		<b>3,959,446</b>	<b>21,644,532</b>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>3,959,446</b>	<b>21,644,532</b>
<b>Net assets attributable to unitholders</b>	11	<b>9,458,941</b>	<b>26,604,259</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

**Statement of Changes in Net Assets Attributable to Unitholders for the reporting period 1 July 2018 to 31 December 2018**

		For the period 1 July 2018 to 31 December 2018 \$	For the period 1 July 2017 to 31 December 2017 \$
	Note		
Beginning balance		26,604,259	21,838,524
Total comprehensive income		6,624,760	679,960
Distributions - Return of capital for the period	11	(16,391,300)	-
Distributions - Income for the period	11	(7,378,778)	(661,042)
<b>Closing balance</b>	<b>11</b>	<b>9,458,941</b>	<b>21,857,442</b>

The accompanying notes to the financial statements should be read in conjunction with this statement.

## Statement of Cash Flows for the reporting period 1 July 2018 to 31 December 2018

	Period from 1 July 2018 to 31 December 2018 \$	Period from 1 July 2017 to 31 December 2017 \$
Note		
<b>Cash flows from operating activities</b>		
Rent received	1,081,790	1,797,205
Lease incentive paid	(796,470)	-
Interest received	59,684	12,031
Finance costs paid	(319,776)	(324,622)
Disposal costs paid	(1,435,551)	-
Payments to suppliers	(723,188)	(775,052)
Net cash (used in)/provided by operating activities	<u>(2,133,511)</u>	<u>709,562</u>
<b>Cash flows from investing activities</b>		
Payments for capital improvements	(224,745)	-
Proceeds from sale of investment property	55,497,400	-
Net cash provided by investing activities	<u>55,272,656</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Proceeds from loan	800,000	-
Repayment of loan	(18,950,000)	-
Distributions - return of capital paid to unitholders	(16,391,300)	-
Distributions - income paid to unitholders	(7,705,708)	(657,449)
Net cash used in financing activities	<u>(42,247,008)</u>	<u>(657,449)</u>
Net increase in cash and cash equivalents	10,892,137	52,113
Cash and cash equivalents at the beginning of the period	1,129,884	1,619,305
<b>Cash and cash equivalents at the end of the period</b>	<u>12,022,021</u>	<u>1,671,418</u>

The accompanying notes to the financial statements should be read in conjunction with this statement.

## **Notes to the Financial Statements**

### **1. General Information**

This interim financial report covers 91 Phillip Street Fund (ARSN 604 881 656) (the "Fund") which is an unlisted registered managed investment scheme.

The responsible entity of the Fund is One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The Responsible Entity's registered office and principal place of business is Level 11, 20 Hunter Street, Sydney NSW 2000.

The investment manager of the Fund is Capital Property Funds Pty Limited (ACN 162 323 506) (the "Manager").

The interim financial report covers the period 1 July 2018 to 31 December 2018 (the "reporting period"). The comparative information encompasses the period 1 July 2017 to 31 December 2017.

The interim financial statements were authorised for issue by the directors on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and re-issue the financial report.

### **2. Adoption of New and Revised Accounting Standards and Interpretations**

There were no new accounting standards adopted during the period which had a significant impact on the reported position and performance of the Fund.

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

### **3. Significant Accounting Policies**

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

#### **(a) Statement of Compliance**

These general purpose financial statements for the interim reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements.

#### **(b) Basis of Preparation**

This general purpose interim financial report is presented in Australian dollars and has been prepared using historical cost convention except for the investment property, which is measured at fair value and discussed in (l) below.

#### **(c) Going Concern Basis**

During the reporting period, the Responsible Entity entered into a sale agreement to sell 91 Phillip Street, Parramatta with settlement occurring on 1 November 2018. Following the expiration of the retention period, on 8 February 2019 the Responsible Entity issued a notice to unitholders under section 601NC of the *Corporations Act 2001* (Cth) proposing the winding up of the Fund. If no meeting is called by the unitholders by 11 March 2019, the Responsible Entity will commence winding up the Fund. Accordingly, this general purpose financial report has been prepared on a liquidation basis. As the only significant assets of the Fund are its cash balances and receivables, the liquidation value of the Fund's assets is equivalent to their fair values.

#### **(d) Revenue and Income Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

## Notes to the Financial Statements

### 3. Significant Accounting Policies (continued)

#### **(d) Revenue and Income Recognition (continued)**

Rental income is brought to account on a straight-line basis over the lease term for leases with fixed rent review increases. In all other circumstances, rental income is brought to account on an accrual basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Fund provides lease incentives to tenants, the costs of the incentives are recognised over the lease term, on a straight-line basis, as a reduction in rental income.

Interest income is recognised as the interest accrues using the effective interest rate method.

Other income is recognised when the right to receive the revenue has been established.

All income is stated net of goods and services tax ("GST").

#### **(e) Expenses**

All expenses, including the Responsible Entity's fees and custodian fees, are recognised in profit or loss on an accrual basis.

#### **(f) 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. For the Statement of Cash Flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the Statement of Financial Position.

#### **(g) Taxation**

Under the current tax legislation, the Fund is not subject to income tax provided that the Fund entirely distributes its taxable income to unitholders who are presently entitled to the income of the Fund.

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

#### **(h) Distributions**

The Fund distributes its distributable income to unitholders who are presently entitled to the income calculated in accordance with the Fund's Constitution, product disclosure statement (the "PDS") and applicable tax legislation. In accordance with the PDS, distributions will only be paid from the Fund's cash from operations and reserves. Refer to operating income presented in the Directors' Report.

#### **(i) Payables**

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

#### **(j) Receivables**

Trade receivables that have less than 90-day terms are recognised and carried at original cost less an allowance (provision for impairment of trade receivables) for any uncollectible amounts.

## Notes to the Financial Statements

### 3. Significant Accounting Policies (continued)

#### (j) *Receivables (continued)*

An assessment of recoverability of trade and other receivables is performed by the Manager on an ongoing basis. The Manager considers various factors to determine the recoverability of receivables including factors such as existence of bank guarantees, deposits held, recent payment patterns and correspondence with tenants.

The movements in allowance accounts are recognised in the Statement of Profit or Loss and Other Comprehensive Income, either as gain or loss. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent year, it is written off against the allowance account.

#### (k) *Interest Bearing Borrowings*

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received. After the initial recognition, the interest bearing borrowings are measured at cost using the effective interest method.

Borrowings are classified as current liabilities unless the Fund has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing expenses including interest, issue and other transaction costs are expensed in the Statement of Profit or Loss and Other Comprehensive Income as incurred unless they relate to qualifying assets.

#### (l) *Investment Property*

The investment property consists of freehold land and building held for long-term rental and capital appreciation that is not occupied by the Fund. The investment property is initially recognised at cost, including transaction costs, and is subsequently re-measured at fair value.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

As the property was sold during the reporting period, the gains arising from the change in the fair value of the investment property are included in the Statement of Profit or Loss and Other Comprehensive Income in these financial statements.

#### (m) *Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is recognised as a receivable or payable on the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis.

The GST component of cash flows arising from financing activities which is recoverable from or payable to the taxation authority is classified as operating cash flow.

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

GST is not payable in respect of the acquisition, disposal or withdrawal of units, nor in respect of any distributions paid by the Fund.

The ultimate GST treatment of the subsequent disposal of the property may differ from the treatment at acquisition and may depend upon the relevant circumstances at the time.

## Notes to the Financial Statements

### 3. Significant Accounting Policies (continued)

#### *(n) Use of Significant Accounting Estimates and Judgments*

The directors of the Responsible Entity evaluate estimates and judgments 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 Fund.

#### *Key estimate – fair value of investment property*

The Fund carries its investment property at fair value with changes in the fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.



## Notes to the Financial Statements

## 4. Administration Expenses

	Period from 1 July 2018 to 31 December 2018	Period from 1 July 2017 to 31 December 2017
	\$	\$
Management fees	104,855	108,211
Responsible entity fees	34,744	34,030
Registry fees	7,600	6,703
Accounting and tax fees	12,167	12,750
Custody fees	7,923	7,799
<b>Balance for the period</b>	<b>167,289</b>	<b>169,493</b>

## 5. Operating Income

	Period from 1 July 2018 to 31 December 2018	Period from 1 July 2017 to 31 December 2017
	\$	\$
Rental income	400,813	1,608,640
Interest income	59,685	12,031
Administration fees	(167,289)	(169,493)
Professional fees	(28,403)	(15,415)
Audit fees	(5,903)	(5,903)
Insurance expenses	(10,370)	(10,580)
Rental property expenses	(341,565)	(417,650)
<b>Operating income before interest</b>	<b>(93,032)</b>	<b>1,001,630</b>
Interest on loan facility	(262,974)	(360,690)
<b>Operating income after interest</b>	<b>(356,006)</b>	<b>640,940</b>

## 6. Trade and other receivables

	31 December 2018	30 June 2018
	\$	\$
Trade receivables	145,456	32,457
Funds in escrow	1,132,600	-
GST receivable	118,310	-
<b>Closing balance</b>	<b>1,396,366</b>	<b>32,457</b>

## Notes to the Financial Statements

## 7. Asset Held For Sale

	31 December 2018 \$	30 June 2018 \$
Opening balance	47,000,000	39,300,000
Unrealised fair value gain of asset held for sale	-	7,600,583
Capital improvements	224,745	215,568
Fitout incentives	-	(98,648)
Deferred lease asset	(21,453)	(17,503)
Sale of asset	(56,630,000)	-
Realised gain on sale of asset	9,426,708	-
<b>Closing balance</b>	<b>-</b>	<b>47,000,000</b>

The investment property was valued at \$47,000,000 by a registered independent valuer, effective as at 30 June 2018.

On 4 October 2018, a contract for the sale and purchase of the property was exchanged between the vendor for a total consideration of \$56,630,000 and adjusted by other net assets and liabilities. The settlement was completed on 1 November 2018.

## 8. Payables

	31 December 2018 \$	30 June 2018 \$
Distributions payable	-	326,928
Accrued charges	49,217	77,626
GST and WHT payable	-	32,697
Lease incentives	-	100,770
<b>Closing balance</b>	<b>49,217</b>	<b>538,021</b>

## 9. Liabilities Associated with Asset Held for Sale

	31 December 2018 \$	30 June 2018 \$
Disposal fee	-	470,000
Performance fee	3,855,229	1,871,136
Commission	-	470,000
Debt break fee	-	45,375
Other transactions costs	55,000	100,000
<b>Closing balance</b>	<b>3,910,229</b>	<b>2,956,511</b>

**Notes to the Financial Statements**
**10. Distributions Paid and Payable**

Each unit represents a right to an individual share in the Fund per the Constitution. There are no separate classes of units and each unit has the same rights attaching to it as all other units in the Fund.

	31 December 2018		31 December 2017	
	Cents per unit	\$	Cents per unit	\$
Distributions paid during the period	145.0164	23,770,078	2.0164	330,521
Distributions payable	-	-	2.0164	330,521
<b>Closing balance</b>	<b>145.0164</b>	<b>23,770,078</b>	<b>4.0328</b>	<b>661,042</b>

**11. Net Assets Attributable to Unitholders**

The following table shows the changes in net assets attributable to unitholders for the reporting period ended 31 December 2018 and 31 December 2017.

	31 December 2018		31 December 2017	
	No of Units	\$	No of Units	\$
Opening balance	16,391,300	26,604,259	16,391,300	21,838,524
Distributions - Return of capital for the period	-	(16,391,300)	-	-
Distributions - Income for the period	-	(7,378,778)	-	(661,042)
Total comprehensive income	-	6,624,760	-	679,960
<b>Closing balance</b>	<b>16,391,300</b>	<b>9,458,941</b>	<b>16,391,300</b>	<b>21,857,442</b>

The Net Tangible Assets (NTA) per unit as at 31 December 2018 is \$0.5771 (31 December 2017: \$1.3335).

**12. Related Party Transactions**

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

**(a) Transactions with Responsible Entity and its associated entities**

The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042).

The key management personnel of the Responsible Entity for the reporting period ended 31 December 2018 were:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned 26 October 2018)
Sarah Wiesener	Executive Director (appointed 26 October 2018) and Company Secretary

## Notes to the Financial Statements

## 12. Related Party Transactions (continued)

*(a) Transactions with Responsible Entity and its associated entities (continued)*

Holding of units by the Responsible Entity's key management personnel and its associated entities as at 31 December 2018 and 31 December 2017 and the interest held is as follows:

31 December 2018			
	Unit class	Units held	% of the class
Frank Tearle	Ordinary	30,000	0.18%
31 December 2017			
	Unit class	Units held	% of the class
Frank Tearle	Ordinary	30,000	0.18%

No fees or remuneration was paid directly to the key management personnel from the Fund during the reporting period.

*Responsible entity fees*

Responsible entity fees of \$34,744 plus GST were incurred for the reporting period ended 31 December 2018 (31 December 2017: \$34,030), of which \$5,791 plus GST was payable to One Managed Investment Funds Limited at the end of the period (31 December 2017: \$5,672). Refer to Note 4.

*Registry fees*

Registry fees of \$7,600 plus GST were incurred for the reporting period ended 31 December 2018 (31 December 2017: \$6,703), of which \$1,858 plus GST was payable to One Registry Services Pty Limited, a wholly owned subsidiary of One Investment Group at the end of the period (31 December 2017: \$1,832). Refer to Note 4.

*Custody fees*

Custody fees of \$7,923 plus GST were incurred for the reporting period ended 31 December 2018 (31 December 2017: \$7,799), of which \$1,316 plus GST was payable to One Managed Investment Funds Limited, the responsible entity of the Fund, at the end of the period (31 December 2017: \$1,289). Refer to Note 4.

*Accounting and administration fees*

Accounting and administration fees of \$11,000 plus GST were incurred for the reporting period ended 31 December 2018 (31 December 2017: \$11,583 - *restated*), of which \$14,333 plus GST was payable to Unity Fund Services Pty Limited, an associated entity of the Responsible Entity at the end of the period (31 December 2017: \$14,333).

There were no other fees paid / payable to the Responsible Entity for the reporting period ended 31 December 2018.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

## Notes to the Financial Statements

## 12. Related Party Transactions (continued)

*(b) Transactions with Fund Manager and its associated entities*

The key management personnel of the Manager for the reporting period ended 31 December 2018 are:

Name	Title
Julia Novella	Head of Funds Management
Andrew Kerr	Executive Director
Joe Christie	Executive Director
John Coombs	Financial Controller and Company Secretary

Holding of units by the Fund Manager's key management personnel and its associated entities as at 31 December 2018 and 31 December 2017 and the interest held is as follows:

## 31 December 2018

	Unit class	Units held	% of the class
Andrew Kerr	Ordinary	20,000	0.12%
Joe Christie	Ordinary	20,000	0.12%
		<b>40,000</b>	<b>0.24%</b>

## 31 December 2017

	Unit class	Units held	% of the class
Andrew Kerr	Ordinary	20,000	0.12%
Joe Christie	Ordinary	20,000	0.12%
		<b>40,000</b>	<b>0.24%</b>

No fees or remuneration was paid directly to the key management personnel from the Fund during the reporting period ended 31 December 2018 (2017: \$nil).

*Investment management fees*

Investment management fees of \$104,855 plus GST were incurred for the reporting period ended 31 December 2018 (31 December 2017: \$108,211), of which \$21,919 plus GST (31 December 2017: \$18,013) was payable to the Manager, at the end of the period. Refer to note 4.

*Performance fee*

Performance fee of \$3,855,229 was incurred and payable to the Manager for the reporting period ended 31 December 2018.

There were no other fees paid / payable to the Manager for the reporting period ended 31 December 2018.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at the end of the reporting period.

## **Notes to the Financial Statements**

### **13. Subsequent Events**

With the sale of the Property on 1 November 2018, the Responsible Entity considers that the objective of the Fund has been accomplished and has issued a notice to unitholders under section 601NC of the *Corporations Act 2001* (Cth) proposing the winding up of the Fund. If there are no calls for a meeting made by the unitholders, the Responsible Entity will commence winding up the Fund in an orderly manner.

### **14. Commitments and Contingencies**

There were no other contingent assets and liabilities or commitments as at 31 December 2018.