

Ethical Property Commercial Fund

ABN 82 940 891 053

Annual report for the financial year ended 30 June 2019

Index to the Financial Statements

| | Page |
|--|-------------|
| Directors' Report | 1 |
| Auditor's Independence Declaration | 4 |
| Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019 | 5 |
| Statement of Financial Position as at 30 June 2019 | 6 |
| Statement of Changes in Net Assets Attributable to Unitholders for the year ended 30 June 2019 | 7 |
| Statement of Cash Flows for the year ended 30 June 2019 | 8 |
| Notes to the Financial Statements | |
| 1. General Information | 9 |
| 2. Adoption of New and Revised Accounting Standards and Interpretations | 9 |
| 3. Significant Accounting Policies | 10 |
| 4. Rental and Other Property Income | 14 |
| 5. Finance Costs | 14 |
| 6. Administration Expenses | 15 |
| 7. Rental Property Expenses | 15 |
| 8. Remuneration of Auditor | 15 |
| 9. Investment Property | 16 |
| 10. Fixed Assets | 16 |
| 11. Trade and Other Payables | 17 |
| 12. Net Assets Attributable to Unitholders | 18 |
| 13. Distributions Paid and Payable | 19 |
| 14. Related Party Transactions | 19 |
| 15. Financial Risk Management and Fair Value Measurement | 21 |
| 16. Cash and Cash Equivalents | 23 |
| 17. Interest Bearing Liabilities | 24 |
| 18. Subsequent Events | 24 |
| 19. Commitments and Contingencies | 24 |
| Directors' Declaration | 25 |
| Independent Auditor's Report | 26 |

Directors' Report

The directors of One Funds Management Limited (ACN 117 797 403; AFSL 300 337) ("the "Trustee"), the trustee of Ethical Property Commercial Fund (ABN 82 940 891 053) (the "Fund"), submit herewith the financial report of the Fund for the year ended 30 June 2019 (the "reporting period"). The directors report as follows:

Trustee

The registered office and principal place of business of the Trustee 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 Trustee are:

| Name | Title |
|--------------------|---|
| Frank Tearle | Executive Director and Company Secretary |
| Sarah Wiesener | Executive Director and Company Secretary (appointed as Director on 26 October 2018) |
| Michael Sutherland | Executive Director from 1 October 2019 |
| Justin Epstein | Non-Executive Director from 1 January 2019 (Executive director to 31 December 2018) |
| Elizabeth Reddy | Non-Executive Director (resigned 26 October 2018) |

Principal Activities

The Fund is an unlisted unregistered property investment trust, incorporated and domiciled in Australia.

The principal activity of the Fund is to accumulate investment properties to generate rental income.

The Fund did not have any employees during the year.

Distributions

In respect of the financial year ended 30 June 2019, a final distribution of 1 cent per unit was paid to unitholders in respect of June quarter (2018: 1.5134 cents per unit).

For details of distributions paid and payable during the year, refer to note 13 of the financial statements.

Value of Assets and Units Issued

The total value of the Fund's assets as at 30 June 2019 was \$38,355,008 (2018: \$36,058,256). The total number of units on issue as at 30 June 2019 was 19,100,100 (2018: 19,100,100).

Directors' Report (continued)

Review of Operations

Results

The performance of the Fund, as represented by the results of its operations for the year, was as follows:

| | Year ended 30 June 2019 | Year ended 30 June 2018 |
|---|----------------------------|----------------------------|
| | \$ | \$ |
| Rental and other property income | 2,019,430 | 2,247,603 |
| Operating income | 2,019,430 | 2,247,603 |
| Rental property expenses | (915,967) | (907,569) |
| Administration and other expenses | (620,623) | (211,404) |
| Operating expenses | (1,536,590) | (1,118,973) |
| Earnings before interest and tax | 2,019,382 | 2,247,603 |
| Interest income | 48 | - |
| Finance costs | (394,536) | (348,625) |
| Net interest expense | (394,488) | (348,625) |
| Operating earnings attributable to unitholders | 88,352 | 780,005 |
| Non-operating Items | | |
| Unrealised fair value gain on investment property | 1,748,666 | 1,448,762 |
| Capital allowance | (358,294) | (211,496) |
| Reimbursement from National Trust | - | 326,400 |
| Reimbursement from restoration costs | - | (326,400) |
| Total non-operating items | 1,390,372 | 1,237,266 |
| Net profit attributable to unitholders | 1,478,724 | 2,017,271 |

The inclusion of operating earnings as a measure of the Fund's profitability provides financial information that is used internally for evaluating performance, making strategic decisions and determining distributions during the year.

Fees Paid To and Interests Held in the Fund by the Trustee or its Associates

Fees paid to the Trustee and its associates during the year are disclosed in note 14 of the financial statements.

The fees were paid out of the Fund's property during the year.

The number of interests in the Fund held by the Trustee or its associates as at the end of the financial year are disclosed in note 14 of the financial statements.

Significant Changes in State of Affairs

In the opinion of the directors, other than the matters identified in this report, there were no significant changes in the state of affairs of the Fund that occurred during the financial year.

Directors' Report (continued)

Subsequent Events

There has been no matter or circumstance occurring subsequent to the year ended 30 June 2019 that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Future Developments

The Fund will be managed in accordance with the Constitution dated 18th December 2015. The Fund has no intention of winding up in the foreseeable future and will continue to acquire, develop and lease commercial property in future. These acquisitions will be made with a long-term hold in mind, for the purposes of generating rental revenue for investors.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund. The Fund has opted to report on a triple bottom line basis to ensure transparency and reporting of the Fund's environmental impact. Details of this voluntary reporting can be found on the website following year end.

Indemnification of Directors, Officers and Auditors

During the financial year ended 30 June 2019, the Trustee paid a premium in respect of a contract insuring the directors of the Trustee against a liability incurred as a director or executive officer 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.

The Trustee has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Trustee or of any related body corporate against a liability of such an officer or auditor.

On behalf of the directors of One Funds Management Limited.



Frank Tearle
Director
17 December 2019



JTP ASSURANCE

10th Floor, 446 Collins Street
Melbourne, VIC 3000
P.O. Box 627, Collins Street West
VIC 8007

T: +61 3 9602 1494
F: +61 3 9602 3606
E: audit@jtpassurance.com.au
www.jtpassurance.com.au

ETHICAL PROPERTY COMMERCIAL FUND

ABN: 82 940 891 053

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER ACCOUNTING PROFESSIONAL AND ETHICAL STANDARDS BOARD'S APES 110 CODE OF
ETHICS FOR PROFESSIONAL ACCOUNTANTS
TO THE TRUSTEES OF ETHICAL PROPERTY COMMERCIAL FUND**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

JTP Assurance

JTP ASSURANCE
Chartered Accountants

Signed at Melbourne this *19th* day of *December* 2019

SAM CLARINGBOLD
Partner

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

| | Note | Year ended 30 June 2019 \$ | Year ended 30 June 2018 \$ |
|---|------|----------------------------------|----------------------------------|
| Revenue | | | |
| Rental and other property income | 4 | 2,019,430 | 2,247,603 |
| Interest income | | 48 | - |
| Unrealised fair value gain on investment property | 9 | 1,748,666 | 1,448,762 |
| Reimbursement from National Trust | | - | 326,400 |
| Total revenue | | 3,768,144 | 4,022,765 |
| Expenses | | | |
| Finance costs | 5 | 394,536 | 348,625 |
| Administration fees | 6 | 166,428 | 142,224 |
| Audit fees | 8 | 2,000 | 4,000 |
| Professional fees | | 70,295 | - |
| Depreciation expense | | 358,294 | 211,496 |
| Insurance expense | | 62,567 | 65,180 |
| Amortisation | | 63,861 | - |
| Development and research capital expense | | 255,472 | - |
| Rental property expenses | 7 | 915,967 | 907,569 |
| Reimbursed heritage restoration costs | | - | 326,400 |
| Total expenses | | 2,289,420 | 2,005,494 |
| Net income attributable to unitholders | | 1,478,724 | 2,017,271 |
| Net income for the year | | 1,478,724 | 2,017,271 |
| Other comprehensive income | | - | - |
| Total comprehensive income attributable to unitholders | | 1,478,724 | 2,017,271 |

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

Statement of Financial Position as at 30 June 2019

| | Notes | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-------|-----------------------|-----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 16(a) | 112,365 | 100,341 |
| Trade and other receivables | | 123,215 | 211,451 |
| Prepayments | | 28,354 | 53,236 |
| Total current assets | | 263,934 | 365,028 |
| Non-current assets | | | |
| Investment properties | 9 | 37,500,000 | 35,156,790 |
| Fixed assets | 10 | 340,830 | 31,067 |
| Formation and capital raising | | 250,244 | 505,371 |
| Total non-current assets | | 38,091,074 | 35,693,228 |
| Total assets | | 38,355,008 | 36,058,256 |
| Liabilities | | | |
| Current liabilities | | | |
| Distribution payable | 13 | 191,123 | 289,055 |
| Trade and other payables | 11 | 184,279 | 408,703 |
| Total current liabilities | | 375,402 | 697,758 |
| Non-current liabilities | | | |
| Interest bearing liabilities | 17 | 15,237,342 | 13,905,835 |
| Total non-current liabilities | | 15,237,342 | 13,905,835 |
| Total liabilities (excluding net assets attributable to unitholders) | | 15,612,744 | 14,603,593 |
| Net assets attributable to unitholders | 12 | 22,742,264 | 21,454,663 |

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 year ended 30 June 2019

| | Note | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-------------|--------------------------------|--------------------------------|
| Opening balance | | 21,454,663 | 20,005,901 |
| Total comprehensive income | | 1,478,724 | 2,017,271 |
| Distributions for the year | 13 | (191,123) | (568,509) |
| Net assets attributable to unitholders | 12 | 22,742,264 | 21,454,663 |

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

Statement of Cash Flows for the year ended 30 June 2019

| | Note | Year ended 30 June 2019 \$ | Year ended 30 June 2018 \$ |
|--|-------|----------------------------------|----------------------------------|
| Cash flows from operating activities | | | |
| Rent received | | 2,068,264 | 2,048,634 |
| Finance costs paid | | (394,536) | (345,013) |
| Payments to suppliers | | (1,441,555) | (886,927) |
| Net cash provided by operating activities | 16(b) | <u>232,173</u> | <u>816,694</u> |
| Cash flows from investing activities | | | |
| Payments for the purchase of investment property | | - | (6,164,455) |
| Payment for capital improvements | | (1,262,601) | (1,097,063) |
| Net cash used in Investing activities | | <u>(1,262,601)</u> | <u>(7,261,518)</u> |
| Cash flows from financing activities | | | |
| Proceeds from loans | | 1,331,507 | 6,818,593 |
| Distributions paid to unitholders | | (289,055) | (414,816) |
| Net cash provided by financing activities | | <u>1,042,452</u> | <u>6,403,777</u> |
| Net Increase/(decrease) in cash and cash equivalents | | 12,024 | (41,047) |
| Cash and cash equivalents at the beginning of the year | | <u>100,341</u> | <u>141,388</u> |
| Cash and cash equivalents at the end of the year | 16(a) | <u>112,365</u> | <u>100,341</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 financial report covers Ethical Property Commercial Fund (ABN 82 940 891 053) (the "Fund"). The financial statements cover the period 01 July 2018 to 30 June 2019.

The Fund was constituted on 18th December 2015 and is an unlisted, wholesale investment scheme structured as a unit trust. The Fund commences on the Trustee Issuing the first units.

The trustee of the Fund is One Funds Management Limited (ACN 117 797 403; AFSL 300 337) ("Trustee"). The Trustee's registered office and principal place of business is Level 11, 20 Hunter Street, Sydney NSW 2000.

The Fund owns 3 investment properties namely:

- Donkey Wheel House - 673 Bourke Street, Melbourne
- Endeavor House - 2-10 Captain Cook Crescent, Griffith ACT
- Thistlethwaite Street - 16-20 Thistlethwaite Street Melbourne

The investment properties generate continuous and consistent rental income for the Fund in order for the Fund to meet its operational requirements.

The Fund is not, nor is it required to be, registered as a managed investment scheme under the Corporations Act 2001 as no issue of units will require the giving of a disclosure document or a product disclosure statement under the Corporations Act 2001.

The investment manager of the Fund is Ethical Property Australia Pty Ltd (ACN 163 828 617) (the "Manager").

The financial statements were authorised for issue by the directors on 17 December 2019.

2. Adoption of New and Revised Accounting Standards and Interpretations

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and are effective for the current financial reporting period ended 30 June 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Fund included:

- AASB9 'Financial Instruments', and the relevant amending standards.
- AASB15 'Revenue from Contracts with Customers', and the relevant amending standards.

The adoption of the above Standards and Interpretations did not have a material impact on the Fund.

Standards and Interpretations in issue not yet adopted

Standards and Interpretations that are not expected to have a material impact on the Fund have not been included.

At the date of authorisation of the financial statements, the following Australian Accounting Standards and Interpretations were in issue but not yet effective.

| Standard/Interpretation | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|-------------------------|--|---|
| AASB 16 'Leases' | 1 January 2019 | 30 June 2020 |

Notes to the Financial Statements

2. Adoption of New and Revised Accounting Standards and Interpretations (continued)

The Fund has not yet assessed the potential impact and applicability of the above new Standards and Interpretations.

There are no other Standards that are not yet effective or that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

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 financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standard Board and the Fund's constitution. The directors have elected to prepare the financial statements on this basis to provide the greater transparency and consistency to users and the wider public as to the operations and financial performance of the Fund.

Compliance with Australian Accounting Standards, as Issued by the AASB ensures that the financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as Issued by the International Accounting Standards Board ("IASB").

(b) Basis of Preparation

This general purpose 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 (m) below.

(c) Going Concern Basis

This general purpose financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business notwithstanding the Fund's current liabilities exceeded Fund's current assets as at 30 June 2019.

(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.

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 have historically been immaterial amounts in comparison to the value and length of the lease agreement. Given the social impact structure of the Fund a number of leases are for shorter terms than a standard commercial fund. It is therefore appropriate for indirect costs for these leases to be expensed in the period they are incurred.

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").

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(e) Expenses

All expenses, including Trustee 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 and 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 flow presentation purposes, cash and cash equivalents also include 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 unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

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 and applicable tax legislation.

(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.

An assessment of the 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 the 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 uncollectable in a subsequent period, it is written off against the allowance account.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(k) Interest Bearing Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received.

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 or new facility applications. Costs incurred in establishing a new facility are capitalised and amortised on a straight-line basis over the term of the loan or the period in which facility is expected to be retained, whichever is more applicable.

Borrowing costs directly attributed to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(l) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(m) Investment Property

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Fund. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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.

The reported fair value of investment property reflects market conditions at the reporting date. While this represents the best estimates as at the reporting date, actual sale prices achieved may be higher or lower than the most recent valuation. This is particularly relevant in years of market illiquidity or uncertainty.

(n) Property Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at fair value less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

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 Fund and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(n) Property Plant and Equipment (continued)

Depreciation

Depreciation is recognised as an expense in profit or loss using diminishing value model and according to Australia Taxation Office rate. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Trust will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

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 included in the statement of profit or loss and other comprehensive income.

(o) 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.

(p) Critical Accounting Estimates and Judgments

The directors of the Trustee 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.

(q) 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 in the period in which they arise. In accordance with the IM of the Fund, the investment property will be independently revalued at least once every three years. It will also be revalued by an independent valuer in the intervening years if it is likely that there has been a material change in the value of the Property.

Notes to the Financial Statements

3. Significant Accounting Policies (continued)

(q) Key estimate - fair value of investment property

At the end of each reporting period, the directors of the Manager update their assessment of the fair value of the property, considering the most recent independent valuations and any changes to the key presumptions that underpin that assessments. The key factors used in this determination are set out in notes 3(m) and 9. If there are any material changes in the key assumptions due to changes in economic conditions, the fair value of the investment property may differ and may need to be re-estimated.

4. Rental and Other Property Income

| | Year ended 30 June 2019 \$ | Year ended 30 June 2018 \$ |
|---------------------------|----------------------------------|----------------------------------|
| Rent received | 1,816,681 | 2,013,266 |
| Outgoings received | 202,431 | 234,337 |
| Other | 18 | - |
| Other property income | 300 | - |
| Total for the year | 2,019,430 | 2,247,603 |

5. Finance Costs

| | Year ended 30 June 2019 \$ | Year ended 30 June 2018 \$ |
|---------------------------|----------------------------------|----------------------------------|
| Interest on borrowings | 302,611 | 343,832 |
| Establishment fee | - | 4,793 |
| Facility fee | 91,925 | - |
| Total for the year | 394,536 | 348,625 |

Notes to the Financial Statements**6. Administration Expenses**

| | Year ended 30 June 2019 | Year ended 30 June 2018 |
|---------------------------|----------------------------|----------------------------|
| | \$ | \$ |
| Accounting and tax fees | 46,133 | 18,004 |
| ASIC and APIR fees | - | 1,201 |
| Asset management fees | 60,000 | 97,544 |
| Trustee fees | 60,295 | 25,475 |
| Total for the year | 166,428 | 142,224 |

7. Rental Property Expenses

| | Year ended 30 June 2019 | Year ended 30 June 2018 |
|--|----------------------------|----------------------------|
| | \$ | \$ |
| Leasing fees | 16,907 | 39,036 |
| Energy costs | 83,611 | 78,331 |
| Cleaning | 140,460 | 126,870 |
| Land tax | 19,768 | 13,533 |
| Repairs and maintenance | 99,509 | 70,144 |
| Council rates | 149,918 | 136,786 |
| Water rates and charges | 12,753 | 25,084 |
| Fire and safety | 17,897 | 31,201 |
| Lift maintenance | 13,274 | 13,988 |
| Facilities management and personnel fees | 105,562 | 227,774 |
| Security fees | 27,933 | 13,635 |
| Other property expenses | 228,375 | 131,187 |
| Total for the year | 915,967 | 907,569 |

8. Remuneration of Auditor

The auditors named below earned the following remuneration:

| | Year ended 30 June 2019 | Year ended 30 June 2018 |
|--------------------------------|----------------------------|----------------------------|
| | \$ | \$ |
| Audit services – JTP Assurance | 6,000 | - |
| Audit services – David Penman | - | 4,000 |
| Total for the year | 6,000 | 4,000 |

Notes to the Financial Statements

9. Investment Property

| Donkey Wheel House | 30 June 2019 \$ | 30 June 2018 \$ |
|--|-----------------------|-----------------------|
| Balance at beginning of year | 20,250,000 | 18,200,000 |
| Capital Improvements | 128,856 | 595,610 |
| Capital improvements provision | (104,650) | (104,650) |
| Fair value gain on Investment property | 2,425,794 | 1,559,040 |
| | 22,700,000 | 20,250,000 |

The Investment property was revalued at \$22,700,000 as at 30 June 2019 by Charter Keck Cramer, an accredited and independent valuer. The valuation was arrived using primary method of Income capitalisation and secondary method of direct sales comparison. A yield of 4.25% has been adopted in this valuation.

| Endeavour House | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-----------------------|-----------------------|
| Balance at beginning of year | 8,950,000 | 8,750,000 |
| Capital Improvements | 24,487 | 344,777 |
| Reclassification to fixed asset | (507,992) | - |
| Capital improvements provision | (34,500) | (34,500) |
| Fair value gain/(loss) on Investment property | 1,168,005 | (110,278) |
| | 9,600,000 | 8,950,000 |

The investment property was revalued at \$9,600,000 as at 30 June 2019 by JLL, an accredited and independent valuer. The valuation was arrived using capitalisation of income and discounted cashflow approach. A discount rate of 8.25% and adopted lease term of five (5) years for both prime office and prime retail to arrive at valuation as at 30 June 2019.

Notes to the Financial Statements

9. Investment Property (continued)

| Thistlethwaite Street | 30 June 2019 \$ | 30 June 2018 \$ |
|--|-----------------------|-----------------------|
| Balance at beginning of year | 5,956,790 | - |
| Purchase price | - | 5,500,000 |
| Acquisition cost | - | 319,664 |
| Capitalised interest | 289,758 | - |
| Capital improvements | 818,135 | 156,676 |
| Capital improvements provision | (19,550) | (19,550) |
| Fair value loss on Investment property | (1,845,133) | - |
| | 5,200,000 | 5,956,790 |

The investment property was revalued at \$5,200,000 as at 30 June 2019 by Charter Keck Cramer, an accredited and independent valuer. The valuation was arrived using primary method of income capitalisation and secondary method of direct sales comparison. A yield of 4.25% has been adopted in this valuation.

| | | |
|---------------------|-------------------|-------------------|
| Balance end of year | 37,500,000 | 35,156,790 |
|---------------------|-------------------|-------------------|

10. Fixed Assets

| | 30 June 2019 \$ | 30 June 2018 \$ |
|--|-----------------------|-----------------------|
| Balance at beginning of year | 31,067 | |
| Computer Equipment | - | 1,897 |
| Computer equipment – Accumulated Depreciation | (518) | (1,068) |
| Reclassification from investment property | 507,992 | - |
| Plant and equipment and fixtures and fittings | 1,365 | 38,112 |
| Plant and equipment and fixtures and fittings – Accumulated depreciation | (199,076) | (7,874) |
| Balance end of year | 340,830 | 31,067 |

Notes to the Financial Statements

11. Trade and Other Payables

| | 30 June 2019 \$ | 30 June 2018 \$ |
|---------------------|-----------------------|-----------------------|
| Accounts payable | 47,200 | 401,204 |
| Accrued charges | 26,128 | - |
| GST and WHT payable | 20,821 | - |
| Rental guarantee | - | 7,500 |
| Income in advance | 6,316 | - |
| Other creditors | 83,814 | - |
| | 184,279 | 408,703 |

12. Net Assets Attributable to Unitholders

(a) Movements in Ordinary Units

Movements in number of units and net assets attributable to unitholders during the year were as follows:

| | 30 June 2019 | | 30 June 2018 | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | No of Units | \$ | No of Units | \$ |
| Opening balance | 19,100,100 | 21,454,663 | 19,100,100 | 20,005,901 |
| Applications for units by unitholders | - | - | - | - |
| Redemptions of units by unitholders | - | - | - | - |
| Distributions paid to unitholders | - | (191,123) | - | (568,509) |
| Total comprehensive income | - | 1,478,724 | - | 2,017,271 |
| Closing balance | 19,100,100 | 22,742,264 | 19,100,100 | 21,454,663 |

The Net Tangible Assets ("NTA") per Unit as at 30 June 2019 is \$1.1907 (2018: \$1.1230), \$1.1839 (2018: \$1.0960) adjusted for estimated carrying value of amortised assets.

(b) Capital Management

The Fund aims to invest to meet its investment objectives while maintaining sufficient liquidity to meet its commitments. The Trustee regularly reviews the performance of the Fund, including asset allocation strategies, investment and operational management strategies, investment opportunities, performance review and risk management.

The Fund monitors capital through the analysis of a number of financial ratios, including the gearing ratio. The gearing ratio indicates the extent to which the Fund's assets are funded by borrowings. It gives an indication of the potential risks the Fund faces in terms of its level of borrowings due to an increase in interest rates or a reduction in asset values.

Gearing Ratio

| | 30 June 2019 \$ | 30 June 2018 \$ |
|------------------------------|-----------------------|-----------------------|
| Interest bearing liabilities | 15,237,342 | 13,905,835 |
| Total assets | 38,355,008 | 36,058,256 |
| Gearing Ratio | 39.73% | 38.56% |

Notes to the Financial Statements**13. Distributions Paid and Payable**

Each unit represents a right to an individual share in the Fund per the Amended Constitution dated 28 November 2019. During the year, there was only one class of units.

| | 30 June 2019 | | 30 June 2018 | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | Cents per unit | \$ | Cents per unit | \$ |
| Distribution paid during the year | - | - | 1.4631 | 279,454 |
| Distributions payable | 1.0006 | 191,123 | 1.5134 | 289,055 |
| Closing balance | 1.0006 | 191,123 | 2.9765 | 568,509 |

14. Related Party Transactions

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

(a) Transactions with Trustee and its Associated Entities

The trustee of the Fund is One Funds Management Limited (ACN 117 797 403; AFSL 330 337).

The key management personnel of the Trustee for the financial year ended 30 June 2019 are:

| Name | Title |
|--------------------|---|
| Frank Tearle | Executive Director and Company Secretary |
| Sarah Wiesener | Executive Director and Company Secretary (appointed as Director on 26 October 2018) |
| Michael Sutherland | Executive Director from 1 October 2019 |
| Justin Epstein | Non-Executive Director from 1 January 2019 (Executive director to 31 December 2018) |
| Elizabeth Reddy | Non-Executive Director (resigned 26 October 2018) |

No units were held by the Trustee's key management personnel and its associated entities as at 30 June 2019 and 30 June 2018.

No fees or remuneration was paid directly to the key management personnel from the Fund during the financial year ended 30 June 2019 (2018: \$nil).

Trustee fees

Trustee fees of \$60,295 plus GST were incurred for the year ended 30 June 2019 (2018: \$25,475) of which \$5,000 plus GST (2018: \$nil) was payable to One Fund Management Limited at the end of the year. Refer to note 6.

Registry fees

No registry fees were incurred for the year ended 30 June 2019.

Custody fees

No custody fees were incurred for the year ended 30 June 2019.

Accounting and administration fees

Accounting and administration fees of \$46,133 plus GST were incurred for the year ended 30 June 2019 (2018: \$18,004) of which \$5,500 (2018: \$nil) was payable to Unity Fund Services Pty Limited, at the end of the year. Refer to note 6.

There were no other fees paid / payable to the Trustee for the financial year ended 30 June 2019.

Notes to the Financial Statements**14. Related Party Transactions (continued)****(a) Transactions with Trustee and its Associated Entities (continued)**

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.

(b) Transactions with Manager and its Associated Entities

Ethical Property Australia Property Limited, the Manager, provided investment management services, facilities management, acquisition and development to the Fund for the year ended 30 June 2019.

The key management personnel of the Manager for the financial year ended 30 June 2019 are:

| Name | Title |
|----------------|---------------------------|
| Adam Trevaskus | Chief Executive Officer |
| Peter Allen | Chief Development Officer |

No units were held by the Manager's key management personnel or its associated entities as at 30 June 2019 or at 30 June 2018 and interest held is as follows:

No fees or remuneration was paid directly to the key management personnel from the Fund during the financial year ended 30 June 2019 (2018: \$nil).

The Manager charges various fees depending on the service it is providing to the Fund, these totalled \$245,188 plus personnel reimbursements of \$83,456. These are as detailed below:

Asset management fees

Asset management fees of \$60,000 plus GST were incurred for the financial year ended 30 June 2019 (2018: \$97,544), of which \$nil (2018: \$nil) was payable to the Manager at the end of the year. Refer to note 6.

Facilities management fees

Facilities management fees of \$25,059 plus GST were incurred for the financial year ended 30 June 2019 (2018: \$100,452), of which \$4,451 plus GST (2018: \$2,100) was payable to the Manager at the end of the year.

Acquisition and development fees

Acquisition fees of \$nil were incurred for the financial year ended 30 June 2019 (2018: \$55,000), of which \$nil (2018: \$55,000) was payable to the Manager at the end of the year.

Development fees of \$28,354 plus GST were incurred for the financial year ended 30 June 2019 (2018: \$242,245), of which \$28,354 plus GST (2018: \$16,846) was payable to the Manager at the end of the year.

Reimbursement charges - personnel

Reimbursements for personnel employed by the Manager to work directly in the investment properties totalled \$83,456 plus GST were incurred for the financial year ended 30 June 2019 (2018: \$127,322), of which \$6,955 plus GST (2018: \$nil) was payable to the Manager at the end of the year.

There were no other facilities management, development and acquisition fees payable to the Manager for the financial year ended 30 June 2019.

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

15. Financial Risk Management and Fair Value Measurement

The most important types of financial risk to which the Fund is exposed to are market risk, credit risk and liquidity risk. The exposure to each of these risks, as well as the Fund's policies and processes for managing these risks are described below.

(a) Market Risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and other price risk. The Fund's strategy on the management of market risk is driven by the Fund's investment objective. The Fund's market risk is managed as required by the Manager in accordance with the investment guidelines as outlined in the Fund's Information Memorandum.

Cash flow and fair value interest rate risk

The Fund's cash, cash equivalents and floating rate borrowings expose it to a risk of change in the fair value or future cash flows due to changes in interest rates.

The Fund's exposure to interest rate risk at reporting date, including its sensitivity to changes in market interest rates that were reasonably possible, is as follows:

| | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-----------------------|-----------------------|
| Financial assets | | |
| Cash and cash equivalents – floating interest rate | 112,365 | 100,341 |
| Financial liabilities | | |
| Interest bearing liabilities – floating interest rate | 15,237,342 | 13,905,835 |
| Net exposure to interest rate risk | 15,349,707 | 14,006,176 |

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss.

The Fund's maximum credit risk exposure at balance date in relation to each class of recognised financial asset is the carrying amount of those assets in the balance sheet. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at reporting date.

| | 30 June 2019 \$ | 30 June 2018 \$ |
|--|-----------------------|-----------------------|
| Trade and other receivables | 123,215 | 211,451 |
| Cash at bank | 112,365 | 100,341 |
| Maximum exposure to credit risk | 235,580 | 311,792 |

Notes to the Financial Statements

15. Financial Risk Management and Fair Value Measurement (continued)

(b) Credit risk (continued)

The Fund manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of appropriate credit rating, and do not show a history of defaults. Financial assets such as cash at bank are held with high credit quality financial institutions (rated equivalent A or higher by the major rating agencies). Prospective tenants are assessed for creditworthiness before commencing a lease, and bank guarantees or rental bonds are always sought before a tenancy is approved. Loans from third parties are secured against investment property and corporate and personal guarantees. The Trustee also performs a detailed review of both related and other parties before approving advancement of funds. This is performed to ensure that they will be able to meet interest and principal repayments.

All receivables are monitored by the Trustee. If any amounts owing are overdue these are followed up and if necessary, allowances are made for debts that are doubtful.

At the end of the reporting period, there are no issues with the credit quality of financial assets and all amounts are expected to be received in full.

(c) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund monitors its exposure to liquidity risk by ensuring that as required there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due. The Manager sets budgets to monitor cash flows.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting year. The amounts in the table are the contractual undiscounted cash flows.

| 30 June 2019 | Less than 12 months | 1-2 years | 2-5 years |
|-------------------------------|---------------------|-------------------|-----------|
| | \$ | \$ | \$ |
| Trade and other payables | 47,200 | - | - |
| Interest bearing liabilities | 15,237,342 | - | - |
| Contractual cash flows | 15,284,542 | - | - |
| 30 June 2018 | Less than 12 months | 1-2 years | 2-5 years |
| | \$ | \$ | \$ |
| Trade and other payables | 408,703 | - | - |
| Interest bearing liabilities | - | 13,905,835 | - |
| Contractual cash flows | 408,703 | 13,905,835 | - |

(d) Fair Value Estimation

The financial instruments carried at fair value can be valued using different levels of valuation methods. The different levels have been defined as follows:

- Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Notes to the Financial Statements

15. Financial Risk Management and Fair Value Measurement (continued)

(d) Fair Value Estimation (continued)

- Level 2

Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Valuation techniques are used to determine the value. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. All significant inputs required to fair value an instrument have to be observable.

- Level 3

Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Fund does not have financial instruments that qualify for Level 1 and Level 2 category.

Investment properties are measured as Level 3 financial instruments.

16. Cash and Cash Equivalents

- (a) Cash and cash equivalents include cash on hand and cash at bank. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | 30 June 2019 \$ | 30 June 2018 \$ |
|----------------------------|-----------------------|-----------------------|
| Cash at bank | 112,365 | 100,341 |
| Balance end of year | 112,365 | 100,341 |

- (b) Reconciliation of total comprehensive income for the year to net cash flows provided by operating activities:

| | 30 June 2019 \$ | 30 June 2018 \$ |
|---|-----------------------|-----------------------|
| Total comprehensive profit | 1,478,724 | 2,017,271 |
| Adjustments for: | | |
| Depreciation | 358,294 | 164,095 |
| Amortisation | 63,861 | 52,123 |
| Unrealised fair value gain on investment property | (1,748,666) | (1,448,762) |
| Changes in assets and liabilities: | | |
| Net changes in other current assets | 304,383 | (197,812) |
| Net changes in trade and other payables | (224,423) | 229,779 |
| Net cash provided by operating activities | 232,173 | 816,694 |

All amounts are presented in Australian dollars.

Notes to the Financial Statements

17. Interest Bearing Liabilities

| | 30 June 2019 \$ | 30 June 2018 \$ |
|--------------------------------|-----------------------|-----------------------|
| Current liabilities | | |
| Secured loan facility | 15,237,342 | - |
| Non-current liabilities | | |
| Secured loan facility | - | 13,905,835 |
| | 15,237,342 | 13,905,835 |

The loan facility will terminate on 20 February 2020.

Assets pledged as security

The loan facility is secured by a registered first mortgage over the investment properties, non-recourse to investors, and currently interest only with amortisation to be agreed in the 2019 calendar year.

All borrowings of the Fund will be on a limited recourse basis. A lender's recourse will be limited to the Fund and its assets and will not have recourse to Investors and their personal assets.

Loan facility covenants

The financial covenants required on the secured loan facility with NAB are an interest cover ratio ("ICR") of at least 2.0 times net property income and a loan to market value of investment properties ratio ("LVR") of less than or equal to 45%. The Fund was in compliance with its covenants throughout the financial year ended 30 June 2019 with an ICR 3 times and LVR of 41% as at 30 June 2019.

18. Subsequent Events

There has been no matter or circumstance occurring subsequent to the year ended 30 June 2019 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Subsequent to approval at a meeting of Directors on 28 November 2019 the Trustee entered into Constitution Amending Deed No 3 and an amended Asset Management Agreement which effected a new fee structure for the Fund.

19. Commitments and Contingencies

There were no other contingent assets and liabilities or commitments as at 30 June 2019.

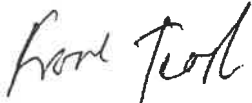
Directors' Declaration

The directors of One Fund Management Limited (ACN 117 797 403; AFSL 300 337) ("Trustee") have determined that Ethical Property Commercial Fund (the "Fund") is not a reporting entity. The directors have determined that this general purpose financial report should be prepared in accordance with those accounting standards and the basis of accounting outlined in Note 3 to the financial statements.

The directors of the Trustee declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the financial statements and notes thereto are in compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in note 3 to the financial statements and present fairly the financial position and performance of the Fund.

On behalf of the directors of One Funds Management Limited.



Frank Tearle

Director

17 December 2019



ETHICAL PROPERTY COMMERCIAL FUND
ABN 82 940 891 053

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ETHICAL PROPERTY COMMERCIAL FUND

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report, being a general purpose financial report of Ethical Property Commercial Fund (the fund), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Ethical Property Commercial Fund is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the period 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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, 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 has no realistic alternative but to do so.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Further description of our responsibilities for the audit of the financial report is located at The Auditing and Assurance Standards Board Website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.


JTP ASSURANCE
Chartered Accountants


SAM CLARINGBOLD
Partner

Signed at Melbourne this 19th day of December 2019