

MPG Bulky Goods Retail Trust

Financial Report 30 June 2025



Responsible Entity

MPG Funds Management Ltd

ACN 102 843 809

ARSN 105947199

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Front cover image: Dubbo Homemaker Centre, NSW



Mildura Homemaker Centre, Vic

Directors' report

The directors of MPG Funds Management Ltd as Responsible Entity of MPG Bulky Goods Retail Trust (the "Registered Scheme") present their report, together with the financial statements, on the Registered Scheme for the year ended 30 June 2025.

Directors

The following persons were directors of the Responsible Entity during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Trevor R Gorman

Chairman, Executive Director

Mr Ian C McMullin

(appointed 21 October 2024)

Non-Executive Director

Mr Brett A Gorman

Company Secretary, Executive Director

Mr Michiel E Paulsen

(resigned 21 October 2024)

Non-Executive Director

Principal activities

The Registered Scheme is domiciled in Australia and was formally established on 28 May 2004.

The principal activity of the Registered Scheme is to invest funds in accordance with its investment objectives and

guidelines as set out in the product disclosure statement (Product Disclosure Statement) dated 24 May 2005 and in accordance with the provisions of the constitution (Constitution) and compliance plan (Compliance Plan) of the Registered Scheme.

The Constitution authorises investments by the Responsible Entity in property and rights at its absolute discretion. The Registered Scheme had no employees during the year.

Distributions

Distributions were paid and declared at a rate of 14.50 cents per unit (2024: 16.85 cents).

Review of operations

The profit for the Registered Scheme amounted to \$2,693,474 (30 June 2024: \$258,469). The net assets per unit at 30 June 2025 were \$3.22 (2024: \$3.19).

The key highlights for the year include:

- Cash distributions were paid at a rate of 14.50 cents per unit.
- Investment properties were revalued upwards by \$1,629,034
- Net assets per unit \$3.22 (FY24: \$3.19)
- The Registered Scheme complied with all bank covenant requirements.

The properties contained in the Registered Scheme are 97% occupied.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Registered Scheme during the financial year.

Matters subsequent to the end of the financial year

In July 2025, the Registered Scheme has successfully negotiated an increase for its loan to value ratio from 55% to 60%.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Registered Scheme's operations, the results of those operations, or the Registered Scheme's state of affairs in future financial years.

Likely developments and expected results of operations

The Registered Scheme will continue to be managed in accordance with the provisions of the Constitution, Compliance Plan and Product Disclosure Statement. Future results will accordingly depend on the performance of the markets to which the Registered Scheme is exposed.

Directors' report cont.

Environmental regulation

The Directors of the Responsible Entity are satisfied that adequate systems are in place for management of the Registered Scheme's environmental responsibility and compliance with various requirements and regulations.

The Directors are not aware of any significant breaches to these requirements, and to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

Indemnity and insurance of officers

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

The Responsible Entity has not otherwise, during or since the financial year, indemnified or agreed to indemnify

an officer of the Responsible Entity or of any related body corporate against a liability incurred as such an officer.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Registered Scheme

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Registered Scheme, or to intervene in any proceedings to which the Registered Scheme is a party for the purpose of taking responsibility on behalf of the Registered Scheme for all or part of those proceedings.

Auditor's independence declaration

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

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



TR Gorman
Director

25 September 2025
Melbourne



Deloitte Touche Tohmatsu
ABN 74 490 121 060

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50 Bridge Street
Sydney, NSW 2000
Australia

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25 September 2025

The Board of Directors
MPG Funds Management Ltd as Responsible Entity for
MPG Bulky Goods Retail Trust
Level 3, 2 – 6 Railway Parade
Camberwell VIC 3124

Dear Board Members

Auditor's Independence Declaration to MPG Bulky Goods Retail Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of the Responsible Entity of MPG Bulky Good Retail Trust.

As lead audit partner for the audit of the financial report of MPG Bulky Good Retail Trust for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Dilesh Chand
Partner
Chartered Accountants

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Independent Auditor's Report to the Members of MPG Bulky Goods Retail Trust

Opinion

We have audited the financial report of MPG Bulky Goods Retail Trust (the "Registered Scheme") which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Registered Scheme is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Registered Scheme's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- 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 Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of MPG Funds Management Ltd, the Responsible Entity of the Registered Scheme (the 'directors'), would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report for the year ended 30 June 2025, 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 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.

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Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Registered Scheme in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Registered Scheme, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Registered Scheme 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 Registered Scheme 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chand

Dilesh Chand
Partner
Chartered Accountants
Sydney, 25 September 2025

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Registered Scheme's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Registered Scheme will be able to pay its debts as and when they become due and payable; and
- the Registered Scheme does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, a consolidated entity disclosure statement has not been included as section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

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

On behalf of the directors,



T R Gorman
Director

25 September 2025, Melbourne



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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Rental income		5,821,511	6,983,592
Interest income		20,709	24,614
Net fair value gain on investment properties	7	1,629,034	-
Other revenue		7,831	3,200
Net fair value gain on derivative financial instruments		470,401	-
Total revenue		7,949,486	7,011,406
Expenses			
Finance costs	4	(3,493,654)	(3,024,425)
Administration		(698,625)	(530,672)
Property outgoings		(1,063,733)	(1,100,628)
Net fair value loss on investment properties	7	-	(1,087,475)
Net fair value loss on derivative financial instruments		-	(1,009,737)
Total expenses		(5,256,012)	(6,752,937)
Profit for the year		2,693,474	258,469
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,693,474	258,469

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

Statement of financial position

As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	5	692,151	328,515
Trade receivables		285,609	288,202
Total current assets		977,760	616,717
Non-current assets			
Derivative financial instruments	6	342,754	-
Investment properties	7	110,000,000	109,500,000
Total non-current assets		110,342,754	109,500,000
Total assets		111,320,514	110,116,717
Liabilities			
Current liabilities			
Trade and other payables	8	1,725,419	2,120,738
Bank overdraft	9	501,548	-
Total current liabilities		2,226,967	2,120,738
Non-current liabilities			
Borrowings	10	60,770,784	60,071,461
Derivative financial instruments		-	127,647
Total non-current liabilities		60,770,784	60,199,108
Total liabilities		62,997,751	62,319,846
Net assets		48,322,763	47,796,871
Unitholder funds			
Issued capital	11	14,123,376	14,118,167
Retained profit	12	34,199,387	33,678,704
Total unitholder funds		48,322,763	47,796,871

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

Statement of changes in equity

For the year ended 30 June 2025

	Issued capital \$	Retained profits \$	Total unitholder funds \$
Balance at 1 July 2023	14,113,554	35,944,936	50,058,490
Profit for the year	-	258,469	258,469
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	258,469	258,469
Transactions with unitholders in their capacity as unitholders:			
Unit redeemed	4,613	-	4,613
Distributions paid (note 13)	-	(2,524,701)	(2,524,701)
Balance at 30 June 2024	14,118,167	33,678,704	47,796,871

	Issued capital \$	Retained profits \$	Total unitholder funds \$
Balance at 1 July 2024	14,118,167	33,678,704	47,796,871
Profit for the year	-	2,693,474	2,693,474
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,693,474	2,693,474
Transactions with unitholders in their capacity as unitholders:			
Unit redeemed	5,209	-	5,209
Distributions paid (note 13)	-	(2,172,791)	(2,172,791)
Balance at 30 June 2025	14,123,376	34,199,387	48,322,763

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

Statement of cash flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Rental receipts (inclusive of GST)		7,742,781	7,338,971
Payments to suppliers (inclusive of GST)		(2,753,763)	(1,231,058)
Interest received		20,709	24,614
Interest and other finance costs paid		(3,132,709)	(3,626,572)
Net cash generated from operating activities	21	1,877,018	2,505,955
Cash flows from investing activities			
Payments for investment property	7	(227,823)	(114,578)
Net cash used in investing activities		(227,823)	(114,578)
Cash flows from financing activities			
Proceeds from issue of units		5,209	4,613
Related party loans drawn down		417,766	76,546
Distributions paid		(2,210,082)	(2,562,191)
Net cash used in financing activities		(1,787,107)	(2,481,032)
Net decrease in cash and cash equivalents		(137,912)	(89,655)
Cash and cash equivalents at the beginning of the financial year	21	328,515	418,170
Cash and cash equivalents at the end of the financial year	22	190,603	328,515

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

Notes to the financial statements

Note 1. General information

The financial statements cover MPG Bulky Goods Retail Trust as an individual entity. The financial statements are presented in Australian dollars, which is MPG Bulky Goods Retail Trust's functional and presentation currency.

MPG Bulky Goods Retail Trust is Registered Scheme, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 3

2-6 Railway Parade

Camberwell VIC 3124

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2025.

Note 2. Material accounting policy information

The accounting policies that are material to the Registered Scheme are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

The Registered Scheme has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Registered Scheme include:

AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants

New and revised Australian Accounting Standards on issue but not yet effective

At the date of authorisation of the financial statements, the Registered Scheme has not applied the following new and revised Australian Accounting Standards, Interpretations and Amendments that have been issued but are not yet effective:

Standard/amendment

Effective for annual reporting periods beginning on or after 1 January 2026

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and measurement of financial instruments
- AASB 2024-3 Annual improvements Volume 11

Standard/amendment

Effective for annual reporting periods beginning on or after 1 January 2028

- AASB 18 – Presentation and Disclosure in Financial Statements (for profit 1 January 2028 entities)

At the date of these financial statements, the impact of the standards and Interpretations not yet effective listed above on the Registered Scheme has not been determined. The Directors are still assessing the likely impact of the adoption.

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations, the Corporations Act 2001 and comply with other requirements of the law. The financial statements comprise standalone financial statements of the Registered Scheme. For the purposes of preparing the financial statements, the Registered Scheme is a for-profit entity. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of preparation

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, investment properties and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Registered Scheme's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Notes to the financial statements

Revenue recognition

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently

remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Registered Scheme. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Issued capital

The Registered Scheme issues units which have a limited life under the Registered Scheme's constitution are classified as equity in accordance with AASB 9: Financial Instruments.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity, the units would be reclassified to a financial liability in accordance with AASB 9: Financial Instruments from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference

between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Registered Scheme buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Registered Scheme's unitholders.

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

Reclassification of comparative balances

To ensure comparability between reporting periods, where necessary, comparative balances have been adjusted.

Note 3. Critical accounting judgements, estimates and assumptions

Fair value measurement hierarchy

The Registered Scheme is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs

Notes to the financial statements

for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Accounting policies which are subject to significant accounting estimates and judgements include the fair value assessment of investment properties. Refer to Note 6 for the basis of determining the fair value of the investment properties.

Going Concern

The financial statements have been prepared on a going concern basis, as the Directors believe the Registered Scheme will continue to operate as a going

concern for at least the next 12 months from the date of this report.

As at 30 June 2025 the Registered Scheme's statement of financial position reflects a deficiency in net current assets of \$1,249,207 (2024: \$1,504,021), positive net assets of \$48,322,763 (2024: \$47,796,871) and cash and cash equivalents of \$692,151 (2024: \$328,515). Included within current liabilities are:

- a) Bank overdraft of \$501,548 which was subsequently repaid in July 2025.
- b) Debt arrangement fees and insurance costs amounting to \$214,106 (2024: \$892,409) owed to the Responsible Entity but not yet overdue. The Directors of Responsible Entity

have confirmed in writing that it will not demand repayment from the Registered Scheme if it would prevent the Registered Scheme from meeting its debts as they fall due.

In addition, the cashflow forecasts for the Registered Scheme support the directors' opinion that the Registered Scheme's working capital position will remain positive for at least the next twelve months from the date of signing the financial statements.

Accordingly, the Directors consider it is appropriate to continue to prepare the financial statements on the going concern basis.

Note 4. Finance costs

	2025 \$	2024 \$
Interest expense - bank loan	3,151,379	2,756,323
Interest expense - related party loan	60,718	41,176
Amortisation of borrowing costs	281,557	226,926
	<u>3,493,654</u>	<u>3,024,425</u>

Note 5. Current assets - cash and cash equivalents

	2025 \$	2024 \$
Cash at bank	692,151	328,515

Notes to the financial statements

Note 6. Derivative financial instruments

	2025 \$	2024 \$
Interest rate swap contracts (Non-current assets)	342,754	-
Interest rate swap contracts (Non-current liabilities)	-	127,647

Refer to note 15 for further information on fair value measurement.

Note 7. Non-current assets - Investment properties

	2025 \$	2024 \$
Chirnside Homemaker Centre	54,300,000	54,700,000
Mildura Homemaker Centre	30,700,000	30,100,000
Browns Plains	11,500,000	11,400,000
Dubbo Homemaker Centre	13,500,000	13,300,000
	110,000,000	109,500,000

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2025 \$	2024 \$
Carrying amount of investment properties at the beginning of the year	109,500,000	109,570,000
Capital Expenditure	227,823	114,578
Tenant incentives, rental straight-lining and other adjustments	(1,356,857)	902,897
Fair value movement	1,629,034	(1,087,475)
Closing fair value	110,000,000	109,500,000

Valuations of investment properties

The basis of the valuation of investment properties is fair value. The carrying value of investment properties is reviewed annually by the Directors. Investment property valuations are also assessed at least once every three years by independent valuers who are members of the Australian Property Institute and have recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. Investment properties have been classified as Level 3 in the fair value hierarchy.

Notes to the financial statements

Note 7. Non-current assets - Investment properties (continued)

(a) Key sources of estimation uncertainty

Estimates of fair value of investment property

The best evidence of fair value is current prices in an active market for similar investment properties. Where such information is not available, the Directors determine the property's value within a range of reasonable fair value estimates. In making its judgement, the Directors consider information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;

- (iii) capitalised income projections based upon a property's estimated net market income, which is assumed to be a level annuity in perpetuity, and a capitalisation rate derived from analysis of market evidence. Reversions associated with short term leasing risks/costs, incentives and capital expenditure may be deducted from the capitalised net income figure.

Assumptions underlying the Directors' estimate of fair value of investment property

In determining the fair value, the capitalisation of net market income method has been used. This approach requires assumptions and judgements to be made in relation to the future receipt of contractual rentals, expected future market rentals, void periods, maintenance requirements, property capitalisation rate or estimated yield and make reference to market evidence of transaction prices for similar properties. If such prices are not available, then the fair value of

investment properties is determined using assumptions that are mainly based on market conditions existing at each balance date.

These valuations are regularly compared to market yield data, and transactions reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

The Directors of the Registered Scheme have also considered subsequent events based on all available information, up to the date of signing the Directors' declaration in these financial statements. Based on this update and considering all other information available, the Directors have concluded that there is no evidence of a material change in the fair value of investment properties between 30 June 2025 and the date of signing the Directors' declaration in these financial statements.

Directors and independent valuations of investment properties are shown below:

Property	Director's valuation date	Director's valuation	Independent valuation date	Independent valuation
Chirnside Homemaker Centre	30/06/2025	54,300,000	22/03/2022	57,500,000
Mildura Homemaker Centre	30/06/2025	30,700,000	31/03/2022	27,500,000
Browns Plains	30/06/2025	11,500,000	07/04/2025	11,500,000
Dubbo Homemaker Centre	30/06/2025	13,500,000	15/05/2025	13,500,000
		110,000,000		110,000,000

Notes to the financial statements

Note 7. Non-current assets - Investment properties (continued)

Capitalisation rates from independent valuations for the above investment properties range between 6.00% and 6.50% (2024: 6.00% and 6.50%).

Lessor commitments

	2025 \$	2024 \$
Minimum lease commitments receivable but not recognised separately in the financial statements:		
1 year or less	6,166,000	7,027,000
Between 1 and 2 years	4,803,000	5,771,000
Between 2 and 3 years	3,000,000	4,603,000
Between 3 and 4 years	1,320,000	2,834,000
Between 4 and 5 years	798,000	1,168,000
Over 5 years	1,675,000	2,364,000
	<u>17,762,000</u>	<u>23,767,000</u>

Note 8. Current liabilities - Trade and other payables

	2025 \$	2024 \$
Trade payables	434,604	297,938
Distribution payable	523,461	560,752
Rent received in advance	126,361	152,911
Trade payables - related parties	283,159	892,409
Interest payable	208,093	128,705
BAS payable	149,741	88,023
	<u>1,725,419</u>	<u>2,120,738</u>

Refer to note 14 for further information on financial instruments.

The amount payable to related party is interest free and is repayable at call.

Note 9. Current liabilities - borrowings

	2025 \$	2024 \$
Bank overdraft	501,548	-

Bank overdrafts are repayable on demand. Overdrafts of \$501,548.42 (2024: \$0) was repaid in July 2025.

Notes to the financial statements

Note 10. Non-current liabilities - borrowings

	2025 \$	2024 \$
Bank loans	60,225,000	60,225,000
Unamortised borrowing costs	(485,180)	(766,737)
Related Party Loans	1,030,964	613,198
	<u>60,770,784</u>	<u>60,071,461</u>

The bank loan is secured by a first mortgage over the Registered Scheme's land and buildings. During the year, the bank loan was renegotiated with a repayment date of 28 March 2027.

The Registered Scheme complied with all terms and conditions of the facility during the reporting period.

In addition, as noted in Note 18, the Registered Scheme has successfully negotiated an increase for its loan to value ratio from 55% to 60%.

As part of the Registered Scheme's liquidity risk management framework, the Registered Scheme's expected compliance with the covenants are monitored on an ongoing basis and

based on forecasts at reporting date, the Registered Scheme expects to remain in compliance with the covenants in the next 12 months after the financial statements were authorized for issue.

Related party loans are due and payable in 2032 and interest is paid at a rate of 8.77% (2024: 8.27%) per annum.

	2025 \$	2024 \$
Total facilities Bank loans	60,225,000	60,225,000
Used at the reporting date Bank loans	60,225,000	60,225,000
Unused at the reporting date Bank loans	-	-

Note 11. Unitholder funds - issued capital

	2025 Units	2024 Units	2025 \$	2024 \$
Ordinary units	14,985,394	14,984,065	14,986,417	14,984,164
Reserves	-	-	1,276,265	1,273,406
Issue Costs	-	-	(2,139,306)	(2,139,403)
	<u>14,985,394</u>	<u>14,984,065</u>	<u>14,123,376</u>	<u>14,118,167</u>

The Registered Scheme has established a formal process to allow unitholders to exit their investment which is made available at seven year intervals. The next opportunity for unitholders to exit under this process will be made available during the quarter ended 30 June 2028.

Capital risk management

The Registered Scheme's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for unitholders and benefits for other stakeholders and

to maintain an optimum capital structure to reduce the cost of capital.

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

In order to maintain or adjust the capital structure, the Registered Scheme may adjust the amount of distributions paid to unitholders, return capital to unitholders, issue new units or sell assets to reduce debt.

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

The capital risk management policy remains unchanged.

Notes to the financial statements

Note 12. Unitholder funds - retained profit

	2025 \$	2024 \$
Retained profit at the beginning of the financial year	33,678,704	35,944,936
Profit for the year	2,693,474	258,469
Distributions paid (note 13)	(2,172,791)	(2,524,701)
Retained profit at the end of the financial year	34,199,387	33,678,704

Note 13. Unitholder funds - distributions

Distributions paid during the financial year were as follows:

	2025 \$	2024 \$
September quarter of 3.75 cents (2024: 4.50 cents) per unit	561,910	674,228
December quarter of 3.75 cents (2024: 4.50 cents) per unit	561,923	674,250
March quarter of 3.50 cents (2024: 4.10 cents) per unit	524,473	614,326
June quarter of 3.50 cents (2024: 3.75 cents) per unit	524,485	561,897
	2,172,791	2,524,701

Note 14. Financial instruments

Financial risk management objectives

The Registered Scheme's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Registered Scheme's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Registered Scheme. The Registered Scheme uses derivative financial instruments to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Registered Scheme uses different

methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Registered Scheme and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Registered Scheme's operating units. Finance reports to the Board on a monthly basis.

Market risk

Interest rate risk

The Registered Scheme's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Registered Scheme to interest rate risk. Borrowings obtained at fixed rates expose the Registered Scheme to fair value interest rate risk. The policy is to maintain 50%-100% of current borrowings at fixed rates using interest rate swaps to achieve this when necessary.

Notes to the financial statements

Note 14. Financial instruments (continued)

As at the reporting date, the Registered Scheme had the following variable rate borrowings outstanding:

	2025		2024	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank loans - unhedged portion	-	-	6.30%	20,225,000
Net exposure to cash flow interest rate risk	-	-	-	20,225,000

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

For the Registered Scheme the bank loans outstanding, totalling \$60,225,000 (2024: \$60,225,000), are interest only

payment loans. Monthly cash outlays of approximately \$325,000 (2024: \$316,000) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2024: 100) basis points would have

an adverse/favourable effect on profit before tax of nil (2024: \$202,000) per annum as the loan is fully hedged. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

2025	Basis points increase		Basis points decrease	
	Basis points change	Effect on profit before tax	Basis points change	Effect on profit before tax
Bank loan - unhedged portion	100	-	100	-

2024	Basis points increase		Basis points decrease	
	Basis points change	Effect on profit before tax	Basis points change	Effect on profit before tax
Bank loan - unhedged portion	100	202,000	100	(202,000)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Registered Scheme. The Registered Scheme has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Registered Scheme obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of financial position and notes to the financial statements. The Registered Scheme

obtains collateral or other security where appropriate. The Registered Scheme does not have any significant credit risk exposure to any single counterparty or counterparties having similar characteristics.

The Registered Scheme has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Registered Scheme based on recent sales experience, historical collection rates and forward-looking information that is available.

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

The average credit period on rental income and outgoings is 30 days. No interest is charged on the trade receivables for the first 30 days from the date of the invoice.

Notes to the financial statements

Note 14. Financial instruments (continued)

Liquidity risk

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

The Registered Scheme manages liquidity risk by maintaining adequate cash

reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As the Registered Scheme is a fixed term trust, unitholders are unable to withdraw their units until either the Scheme's fixed term ends or it is wound up.

Remaining contractual maturities

The following tables detail the Registered

Scheme's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of financial position.

2025	Weighted average interest rate %	1 year or less \$	Between 1 - 2 years \$	Between 2 - 5 years \$	Remaining contractual maturities \$
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	1,075,897	-	-	1,075,897
Distribution payable	-	523,461	-	-	523,461
Interest-bearing - variable					
Bank loans (including margin)	6.48%	3,903,000	63,152,250	-	67,055,250
Total non-derivatives		5,502,358	63,152,250	-	68,654,608

2024	Weighted average interest rate %	1 year or less \$	Between 1 - 2 years \$	Between 2 - 5 years \$	Remaining contractual maturities \$
Non-derivatives					
Non-interest bearing					
Trade and other payables	-	1,407,075	-	-	1,407,075
Distribution payable	-	561,896	-	-	561,896
Interest-bearing - variable					
Bank loans (including margin)	6.30%	-	3,791,000	63,068,250	66,859,250
Total non-derivatives		1,968,971	3,791,000	63,068,250	68,828,221

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

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

Notes to the financial statements

Note 15. Fair value measurement

Fair value hierarchy

The following tables detail the Registered Scheme's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

2025	Level 2 \$	Level 3 \$	Total \$
Assets			
Investment properties	-	110,000,000	110,000,000
Derivative financial instruments	342,754	-	342,754
Total assets	342,754	110,000,000	110,342,794

2024	Level 2 \$	Level 3 \$	Total \$
Assets			
Investment properties	-	109,500,000	109,500,000
Total assets	-	109,500,000	109,500,000
Liabilities			
Derivative financial instruments	127,647	-	127,647
Total liabilities	127,647	-	127,647

There were no transfers between levels during the financial year.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Valuations of investment properties:

The basis of the valuation of investment properties is fair value. The carrying value of investment properties is reviewed annually by directors. Investment property valuations are also assessed at least once every three years by independent valuers who are members of the Australian Property Institute and have recent experience in the location and category of investment property being

valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. Investment properties have been classified as Level 3 in the fair value hierarchy.

Notes to the financial statements

Note 16. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Registered Scheme is set out below:

	2025 \$	2024 \$
Short-term employee benefits	18,171	17,557

Remuneration of key management personnel has been allocated among the Fund Manager and related Trusts on the basis of equal services provided.

Key management personnel and related entity equity holdings

	2025 \$	2024 \$
McMullin Nominees Pty Ltd (i)	2,092,341	2,092,341
MPG Retail Brands Property Trust (ii)	4,001,538	4,001,358
Gorman Capital Pty Ltd (iii)	50,000	50,000
Terlaw Investment Pty Ltd (iv)	50,000	50,000
MPG Essential Services Property Trust(v)	380,597	380,597
	6,574,476	6,574,296

- (i) Shareholder of Responsible Entity
- (ii) MPG Funds Management Ltd acting as Responsible Entity Trustee
- (iii) Director-related entity of Brett Gorman.
- (iv) Director-related entity of Trevor Gorman.
- (v) MPG Funds Management Ltd acting as Responsible Entity Trustee

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Registered Scheme:

	2025 \$	2024 \$
Audit services - Deloitte Touche Tohmatsu Audit or review of the financial statements	22,320	22,470
Other services - Deloitte Touche Tohmatsu Compliance plan audit	11,560	11,797
	33,880	34,267

Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

The transactions in the next table, occurred with related parties (see next page):

Notes to the financial statements

Note 18. Related party transactions (continued)

	2025 \$	2024 \$
Payment for goods and services:		
Investment Management fees paid to the Responsible Entity (i)	306,600	306,840
Administration fees paid to the Responsible Entity (ii)	14,326	17,105
Debt Arrangement fees paid to the Responsible Entity (ii)	-	602,250
Administration fees paid to Boland Services Trust (iii)	145,841	147,274
Management fees paid to MPG Property Unit Trust (iii)	296,649	232,887
Establishment fees paid to the Responsible Entity (ii)	247,188	211,150
Payment for other expenses:		
Interest paid to Responsible Entity as per Division 7A benchmark interest rate (8.77%)	60,718	-
Distributions payments:		
McMullin Nominees Pty Ltd (vi)	230,158	352,559
MPG Retail Brands Property Trust (v)	440,169	674,259
Gorman Capital Pty Ltd (iii)	5,500	8,425
Terlaw Investments Pty Ltd (iv)	5,500	8,425
MPG Essential Services Property Trust (v)	41,866	64,131

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025 \$	2024 \$
Current payables:		
Trade payables to the Responsible Entity	214,106	892,409
Trade payables to the Boland Services Trust (iv)	13,352	-
Trade payables to MPG Property Management (iii)	55,701	-
Distributions payable:		
McMullin Nominees Pty Ltd (vi)	73,232	78,463
MPG Retail Brands Property Trust (v)	140,054	150,058
Gorman Capital Pty Ltd (iii)	1,750	1,875
Terlaw Investments Pty Ltd (iv)	1,750	1,875
MPG Essential Services Property Trust (v)	13,321	14,272

Notes to the financial statements

Note 18. Related party transactions (continued)

(i) The Responsible Entity is entitled to an annual management fee as outlined in the Product Disclosure Statement dated 11 April 2022 and the Registered Scheme's Constitution which is considered to be on normal terms and conditions.

The Responsible Entity has the ability to charge up to 0.80% annual management fees to the Registered Scheme. The Responsible Entity has not invoiced or recognised management fees of \$589,790 (2024: \$581,110) in current and prior periods as their payment has been waived.

(ii) These fees are payable as outlined in the Product Disclosure Statement dated 11 April 2022 and the Registered Scheme's Constitution and are considered to be on normal terms and conditions.

(iii) Director-related entity of Brett Gorman.

(iv) Director-related entity of Trevor Gorman.

(v) MPG Funds Management Ltd acting as Responsible Entity Trustee

(vi) 50% Shareholder of the Responsible Entity

Terms and conditions

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

Note 19. Events after the reporting period

In July 2025, the Registered Scheme has successfully negotiated an increase for its loan to value ratio from 55% to 60%.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Registered Scheme's operations, the results of those operations, or the Registered Scheme's state of affairs in future financial years.

Note 20. Reconciliation of profit to net cash from operating activities

	2025 \$	2024 \$
Profit for the year	2,693,474	258,469
Adjustments for:		
Net fair value loss / (gain) from investment properties	(1,629,034)	1,087,475
Net fair value loss / (gain) on derivative financial instruments	(470,401)	1,009,737
Straight line rental income	1,356,857	(25,906)
Change in operating assets and liabilities:		
Increase / decrease in trade and other receivables	2,593	(219,109)
Increase / decrease in income Received in Advance (liability)	(26,550)	(72,244)
Increase / decrease in trade and other payable	198,378	177,271
Increase / decrease in trade payable - related parties	(609,250)	892,409
Increase / decrease in finance borrowing costs	281,563	(558,149)
Increase / decrease in accrued interest	79,388	(43,998)
Net cash generated from operating activities	1,877,018	2,505,955

Note 21. Cash flow statement reconciliation

	2025 \$	2024 \$
Cash at banks	692,151	328,515
Bank overdraft	(501,548)	-
	190,603	328,515

Note 22. Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2025 and 30 June 2024.



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