

# MPG Retail Brands Property Trust

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Financial Report 30 June 2024



**Responsible Entity**  
MPG Funds Management Ltd  
ACN 102 843 809  
ARSN 122 578 741

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Front cover image: Beaudesert Shopping Centre, Qld.



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# Directors' report

The directors present their report, together with the financial statements, on the Registered Scheme for the year ended 30 June 2024.

## Principal activities

The Registered Scheme is domiciled in Australia and was formally established on 6 November 2006.

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") 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 (MPG Funds Management Ltd) 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 6.75 cents per unit (2023: 7.06 cents).

## Review of operations

The profit for the Registered Scheme amounted to \$1,263,419 (30 June 2023: \$11,479). The net asset per unit was \$1.24 on 30 June 2024 (2023: \$1.28)

The key highlights for the year include:

- The Registered Scheme complied with all banking covenant requirements.

Neighbourhood shopping centres anchored by major supermarket tenants remain in high investment demand driven by the perceived security of non-discretionary based consumer spending. The Directors believe that this will support the ongoing performance of the Registered Scheme despite the challenges in the current economic environment.

The Registered Scheme continues to pursue its strategy of securing assets with strong lease covenants to national retail tenants. The Registered Scheme will continue to look for opportunities in the market that represent compelling risk adjusted returns for investors.

## 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

No matter or circumstance has arisen since 30 June 2024 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.

## Environmental regulation

The Registered Scheme complied with all environmental regulations during the course of the financial year.



# Directors' report cont.



**Mr Trevor R Gorman**

**Title:** Chairman,  
Director (Property)

**Qualifications:**  
FCA

**Experience & expertise:** Over 50 years  
accounting, taxation & property experience



**Mr Michiel E Paulsen**

**Title:** Non-Executive  
Director (Funds  
Management)

**Qualifications:** Chartered Institute of  
Secretaries & Administrators

**Experience & expertise:** Over 50 years  
financial services industry experience

**Special responsibilities:** Chairman of  
Compliance Committee



**Mr Brett A Gorman**

**Title:** Company  
Secretary/Director  
(Finance, Administration  
and Funds Management)

**Qualifications:**  
CA, FFin, B.Com, Grad Dip App Fin & Invest

**Experience & expertise:** Over 30 years  
accounting, taxation & corporate finance  
experience

## Indemnity and insurance of officers

During the financial year, the Responsible Entity 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, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

T R Gorman  
Director

25 September 2024, Melbourne.



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

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50 Bridge Street  
Sydney, NSW 2000  
Australia

Tel: +61 2 9322 7000  
www.deloitte.com.au

25 September 2024

The Board of Directors  
MPG Funds Management Ltd  
Level 3, 2 – 6 Railway Parade  
Camberwell VIC 3124

Dear Board Members

**Auditor's Independence Declaration to MPG Retail Brands Property 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 MPG Retail Brands Property Trust.

As lead audit partner for the audit of the financial report of MPG Retail Brands Property Trust for the year ended 30 June 2024, 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

  
Peter Saunders  
Partner  
Chartered Accountants

## Independent Auditor's Report to the Unitholders of MPG Retail Brands Property Trust

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of MPG Retail Brands Property Trust (the "Registered Scheme") which comprises the statement of financial position as at 30 June 2024, 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 the directors' declaration.

In our opinion, the accompanying financial report of the Registered Scheme are 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 2024 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 the Registered Scheme, 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 Registered Scheme's annual report for the year ended 30 June 2024, 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.





#### *Responsibilities of the Directors for the Financial Report*

The directors of the Registered Scheme 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 going concerns, 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represent the underlying transactions and events in a manner that achieves fair presentation.

# Deloitte.

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

*Peter Saunders*

Peter Saunders

Partner  
Chartered Accountants

Sydney, 25 September 2024



# Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 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 2024 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.
- 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 made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



T R Gorman  
Director

25 September 2024, Melbourne.



# Statement of profit or loss and other comprehensive income

## For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue</b>			
Rental income		9,216,142	9,879,139
Distribution income		1,084,341	1,078,852
Interest income		143,338	35,150
Net fair value gain on investment properties		1,950,728	-
Net fair value gain on other financial assets		-	1,097,252
Net fair value gain on derivative financial instruments		-	273,618
Other Income		14,222	-
<b>Total revenue</b>		<b>12,408,771</b>	<b>12,364,011</b>
<b>Expenses</b>			
Finance costs	4	(2,843,126)	(3,056,810)
Administration		(1,928,824)	(1,056,090)
Property outgoings		(2,700,375)	(2,605,787)
Net fair value loss on investment properties		-	(5,633,845)
Loss on disposal of investment properties		(1,067,572)	-
Net fair value loss on derivative financial instruments		(1,177,401)	-
Net fair value loss on other financial assets		(1,428,054)	-
<b>Total expenses</b>		<b>(11,145,352)</b>	<b>(12,352,532)</b>
<b>Profit for the year</b>		<b>1,263,419</b>	<b>11,479</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>1,263,419</b>	<b>11,479</b>

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 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,051,083	1,146,501
Trade receivables		220,200	421,957
Accrued Income		297,212	250,305
Non-current assets classified as held for sale		-	23,100,000
<b>Total current assets</b>		<b>2,568,495</b>	<b>24,918,763</b>
<b>Non-current assets</b>			
Derivative financial instruments	5	92,942	1,270,343
Other financial assets	6	22,590,467	24,018,520
Investment properties	7	111,250,000	105,580,000
Other	8	489,928	473,224
<b>Total non-current assets</b>		<b>134,423,337</b>	<b>131,342,087</b>
<b>Total assets</b>		<b>136,991,832</b>	<b>156,260,850</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	2,663,003	2,691,818
Borrowings	10	51,913,561	474,102
<b>Total current liabilities</b>		<b>54,576,564</b>	<b>3,165,920</b>
<b>Non-current liabilities</b>			
Borrowings	11	-	67,485,000
<b>Total non-current liabilities</b>		<b>-</b>	<b>67,485,000</b>
<b>Total liabilities</b>		<b>54,576,564</b>	<b>70,650,920</b>
<b>Net assets</b>		<b>82,415,268</b>	<b>85,609,930</b>
<b>Unitholder funds</b>			
Issued capital	12	61,250,958	61,256,535
Retained profits	13	21,164,310	24,353,395
<b>Total unitholder funds</b>		<b>82,415,268</b>	<b>85,609,930</b>

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 2024

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	62,260,401	29,025,087	91,285,488
Profit for the year	-	11,479	11,479
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	11,479	11,479
Transactions with unitholders in their capacity as unitholders:			
Units issued	(1,009,443)	-	(1,009,443)
Unallotted Units	5,577	-	5,577
Distributions paid (note 18)	-	(4,683,171)	(4,683,171)
<b>Balance at 30 June 2023</b>	<b>61,256,535</b>	<b>24,353,395</b>	<b>85,609,930</b>

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	61,256,535	24,353,395	85,609,930
Profit for the year	-	1,263,419	1,263,419
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,263,419	1,263,419
Transactions with unitholders in their capacity as unitholders:			
Units redeemed	(5,577)	-	(5,577)
Distributions paid (note 14)	-	(4,452,504)	(4,452,504)
<b>Balance at 30 June 2024</b>	<b>61,250,958</b>	<b>21,164,310</b>	<b>82,415,268</b>

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 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Rental receipts (inclusive of GST)		10,052,302	11,343,692
Payments to suppliers (inclusive of GST)		(4,571,680)	(4,914,972)
Distributions received		1,072,373	1,074,881
Interest received		143,338	35,150
Interest and other finance costs paid		(3,264,543)	(2,414,750)
Net cash from operating activities	21	3,431,790	5,124,001
<b>Cash flows from investing activities</b>			
Payments for investment property		(4,462,532)	(713,845)
Payments for investments		-	-
Proceeds from disposal of investments		-	(2,138,198)
Proceeds from disposal of investment property		22,032,428	-
Net cash from/(used in) investing activities		17,569,896	(2,834,793)
<b>Cash flows from financing activities</b>			
Unit issue transaction costs		(5,577)	(1,003,866)
Distributions paid		(4,488,079)	(4,744,843)
Repayment of bank borrowings		(15,000,000)	-
Related party loans (Repaid) / Drawn down		(603,448)	603,448
Net cash used in financing activities		(20,097,104)	(5,145,261)
Net increase/(decrease) in cash and cash equivalents		904,582	(2,856,053)
Cash and cash equivalents at the beginning of the financial year		1,146,501	4,002,554
Cash and cash equivalents at the end of the financial year		2,051,083	1,146,501

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 Retail Brands Property Trust (the “Registered Scheme”) as an individual entity. The financial statements are presented in Australian dollars, which is MPG Retail Brands Property Trust’s functional and presentation currency.

The registered office and principal place of business of the Registered Scheme 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 2024.

## 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 2023.

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

AASB 101/108 Disclosure of accounting policies and definition of accounting estimates (AASB 2021-2, AASB 2021-5)

The Registered Scheme has adopted the amendments to AASB 101 for the first time in the current year. The amendments change the requirements in AASB 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies’ with “material accounting policy information’. Accounting policy information is material if, when considered together with other

information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in AASB 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

# Notes to the financial statements

## Note 2. Material accounting policy information (continued)

### 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:

#### *Effective for annual reporting periods beginning on or after 1 January, 2024:*

- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

#### *Effective for annual reporting periods beginning on or after 1 January, 2025:*

- AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended)

#### *Effective for annual reporting periods beginning on or after 1 January, 2027:*

- AASB 18 Presentation and Disclosure in Financial Statements [for for-profit 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 of 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 equipment and derivative financial instruments.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its

judgement in the process of applying the 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.

### Revenue recognition

#### *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.

#### *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.

# Notes to the financial statements

## Note 2. Material accounting policy information (continued)

### 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.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on

both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Registered Scheme has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Impairment of financial assets

The Registered Scheme recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Registered Scheme's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within

the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### 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.



# Notes to the financial statements

## Note 2. Material accounting policy information (continued)

### 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.

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

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

### 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 2024 the Registered Scheme had net current liabilities of \$52,043,008 (2023: nil). This amount primarily relates to the Registered Scheme's \$52.485m bank loan, which is due to expire in March 2025 and has been classified as current.

The Registered Scheme's Bank anticipates, subject to the Bank's normal credit approval processes, that credit approval will be granted for at least a further 12 months for the Registered Scheme's Loan facility.

As at the date of this report, and having considered the above position, the Directors are confident that the Registered Scheme will be able to continue as a going concern based upon the Bank's advice given above. Accordingly, the Directors consider it is appropriate to continue to prepare the financial statements on the going concern basis.

# Notes to the financial statements

## Note 4. Finance costs

	2024 \$	2023 \$
Interest expense - bank loans	2,589,393	2,828,547
Interest expense - related party loans	15,815	8,447
Amortisation of borrowing costs	237,918	219,816
	<u>2,843,126</u>	<u>3,056,810</u>

## Note 5. Non-current assets - derivative financial instruments

	2024 \$	2023 \$
Interest rate swap contracts	92,942	1,270,343

Refer to note 16 for further information on fair value measurement.

## Note 6. Non-current assets - other financial assets

	2024 \$	2023 \$
Investments in unlisted securities (related property trusts)	22,590,467	24,018,520

## Reconciliation

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

	2024 \$	2023 \$
Opening carrying amount	24,018,520	20,800,320
Additions	-	2,138,198
Disposals	-	(17,250)
Revaluation (decrements)   increments	(1,428,053)	1,097,252
Closing carrying amount	<u>22,590,467</u>	<u>24,018,520</u>

Unlisted securities in the MPG Bulky Goods Retail Trust, MPG Seaford Meadows Property Trust, MPG Hardware Trust 2 and MPG BW Port Macquarie Trust are not traded in active markets. These trusts are all related parties, since they are controlled by MPG Funds Management Ltd, the Responsible Entity. Units are measured at fair value and determined by reference to the underlying properties and other net assets of the Trust. In assessing the fair value of investments held in the Trust managed by the Responsible Entity, the unit price is determined by the entity's net assets. This policy has been reviewed in the context of the current economic climate and the directors consider this to be the best estimate of fair value at balance date. These assets are considered as fair value Level 3 assets.

# Notes to the financial statements

## Note 7. Non-current assets - investment properties

	2024 \$	2023 \$
HomeCentral Warrnambool - 82 Raglan Parade, Warrnambool, VIC	22,500,000	21,280,000
Target - Lot 3, 100 & 150 Railway Terrace, Kadina, SA	6,000,000	5,975,000
Rocks Central Shopping Centre - 255-279 Gregory Street, South West Rocks, NSW	13,500,000	12,075,000
Coles Moss Vale- 13-19 Kirkham Street, Moss Vale, NSW	11,400,000	11,500,000
Beaudesert Central Shopping Centre -125-143 Brisbane Street, Beaudesert, QLD	18,500,000	18,500,000
Seacrest Shopping Centre - 75 Barrett Drive, Wandina WA	16,500,000	16,500,000
1 Currie Street, Nambour QLD	6,000,000	6,500,000
Sarina Village Shopping Centre - 4-20 Broad Street, Sarina QLD	13,350,000	13,250,000
Moss Vale Specialties - 1 Kirkham Street, Moss Vale, NSW	3,500,000	-
	<u>111,250,000</u>	<u>105,580,000</u>

## Reconciliation

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

	2024 \$	2023 \$
Opening fair value	105,580,000	133,600,000
Additions	4,462,532	713,845
Classified as held for sale	-	(3,100,000)
Revaluation increments / (decrements)	1,207,468	(5,633,845)
Closing fair value	<u>111,250,000</u>	<u>105,580,000</u>

## 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.

(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;

# Notes to the financial statements

## Note 7. Non-current assets - investment properties (continued)

(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 2024 and the date of signing the Directors' declaration in these financial statements.

A summary of the most recent valuations of investment properties is shown below:

Property	Directors' Valuation date	Directors' valuation	Independent valuation date	Independent valuation
HomeCentral Warrnambool	30/06/2024	22,500,000	15/05/2024	22,500,000
Moss Vale Specialties, Moss Vale	30/06/2024	3,500,000	23/11/2023	3,500,000
Target, Kadina	30/06/2024	6,000,000	28/06/2022	5,900,000
Rocks Central S.C.	30/06/2024	13,500,000	27/06/2024	13,500,000
Coles, Moss Vale	30/06/2024	11,400,000	31/12/2021	11,200,000
Beaudesert Central S.C.	30/06/2024	18,500,000	08/06/2022	20,300,000
Seacrest S.C.	30/06/2024	16,500,000	01/12/2021	16,500,000
Currie St, Nambour	30/06/2024	6,000,000	02/06/2022	6,400,000
Sarina Village S.C.	30/06/2024	13,350,000	06/06/2022	14,300,000
		111,250,000		114,100,000

Capitalisation rates for the above independent valuations range from 5.50% - 7.75% (2023: 5.15% - 7.25%)



# Notes to the financial statements

## Note 7. Non-current assets - investment properties (continued)

### Lessor commitments

Minimum lease commitments receivable but not separately recognised in the financial statements:

	2024 \$	2023 \$
1 year or less	7,396,000	8,449,000
Between 1 and 2 years	7,042,000	7,042,000
Between 2 and 3 years	5,700,000	5,956,000
Between 3 and 4 years	4,300,000	4,240,000
Between 4 and 5 years	3,256,000	2,178,000
Over 5 years	4,486,000	3,439,000
	<u>32,180,000</u>	<u>31,304,000</u>

## Note 8. Non-current assets - other

	2024 \$	2023 \$
Accrued Income - Property Outgoings	-	77,074
Prepayments	142,131	-
Straight-line rental asset	347,797	396,150
	<u>489,928</u>	<u>473,224</u>

## Note 9. Current liabilities - trade and other payables

	2024 \$	2023 \$
Trade payables	652,875	434,586
Rent received in advance	183,953	416,158
Distributions payable	1,113,241	1,148,816
Interest payable	712,934	689,892
Interest payable - Related Parties	-	2,366
	<u>2,663,003</u>	<u>2,691,818</u>

Refer to note 15 for further information on financial instruments.

# Notes to the financial statements

## Note 10. Current liabilities - borrowings

	2024 \$	2023 \$
Bank loans	52,485,000	-
Unamortised borrowing costs	(571,439)	(129,346)
Loan - MPG Funds Management Ltd	-	603,448
	51,913,561	474,102

Refer to note 59 for further information on financial instruments.

## Note 11. Non-current liabilities - borrowings

	2024 \$	2023 \$
Bank loans	-	67,485,000

Refer to note 15 for further information on financial instruments.

The bank facility will expire 31 March 2025. The Registered Scheme complied with all terms and conditions of the facility during the reporting period.

## Note 12. Unitholder funds - issued capital

	2024 \$	2023 \$	2024 \$	2023 \$
Ordinary Units	65,969,852	65,969,852	64,233,594	64,239,171
Issue Costs	-	-	(2,982,636)	(2,982,636)
	65,969,852	65,969,852	61,250,958	61,256,535

The Trust 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 2029.

### 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 13. Unitholder funds - retained profits

	2024 \$	2023 \$
Retained profits at the beginning of the financial year	24,353,395	29,025,087
Profit for the year	1,263,419	11,479
Distributions (note 14)	(4,452,504)	(4,683,171)
Retained profits at the end of the financial year	21,164,310	24,353,395

## Note 14. Unitholder funds - distributions

Distributions paid during the financial year were as follows:

	2024 \$	2023 \$
Distribution for the quarter ended 30 September 2023 of 1.6875 cents (2022: 1.8125) per unit	1,113,078	1,210,578
Distribution for the quarter ended 30 December 2023 of 1.6875 cents (2022: 1.7500) per unit	1,113,096	1,163,647
Distribution for the quarter ended 31 March of 2024 of 1.6875 cents (2023: 1.7500) per unit	1,113,165	1,154,473
Distribution for the quarter ended 30 June 2024 of 1.6875 cents (2023: 1.7500) per unit	1,113,165	1,154,473
	4,452,504	4,683,171

## Note 15. 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 and there are no long-term borrowings in 2024 (2023: \$67,485,000). 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 15. Financial instruments (continued)

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

	2024		2023	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank loans - unhedged portion	-	-	5.77	19,445,000
Net exposure to cash flow interest rate risk	-	-	-	19,445,000

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

For the Registered Scheme the bank loans outstanding, totaling \$nil (2023: \$67,485,000), are interest only payment loans. Monthly cash outlays of approximately \$nil (2023: \$324,000) per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2023: 100) basis points would have an adverse/favourable effect on profit before tax of \$nil (2023: \$194,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

### 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.

### 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 a liquidity facility is provided as described in Note 14, 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.

# Notes to the financial statements

## Note 15. Financial instruments (continued)

2024	Weighted average interest rate %	1 year or less \$	Remaining contractual maturities \$
<b>Non-derivatives</b>			
<b>Non-interest bearing</b>			
Trade and other payables	-	1,549,762	1,549,762
Distributions payable	-	1,113,241	1,113,241
<b>Interest-bearing - variable</b>			
Bank loans (including margin)	6.35%	54,984,000	54,984,000
Total non-derivatives		57,647,003	57,647,003

2023	Weighted average interest rate %	1 year or less \$	Between 1 - 2 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>				
<b>Non-interest bearing</b>				
Trade and other payables	-	1,543,002	-	1,543,002
Distribution payable	-	1,148,816	-	1,148,816
<b>Interest-bearing - variable</b>				
Bank loans (including margin)	5.77%	2,919,750	70,404,750	73,324,500
Total non-derivatives		5,611,568	70,404,750	76,016,318

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.

### Note 16. 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



# Notes to the financial statements

## Note 16. Fair value measurement (continued)

2024	Level 2 \$	Level 2 \$	Total \$
<b>Assets</b>			
Investment properties	-	111,250,000	111,250,000
Investments in unlisted securities (related trusts)	-	22,590,467	22,590,467
Interest rate swap contracts	92,942	-	92,942
Total assets	92,942	133,840,467	133,933,409
2023	Level 2 \$	Level 2 \$	Total \$
<b>Assets</b>			
Investment properties	-	128,680,000	128,680,000
Investments in unlisted securities (related trusts)	-	22,621,508	22,621,508
Interest rate swap contracts	1,270,343	-	1,270,343
Total assets	1,270,343	151,301,508	152,571,851

Assets and liabilities held for sale are measured at fair value on a non-recurring basis. 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

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually by directors and at least once every three years by independent valuers.

Independent assessments are performed by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. All 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.

Investments in related trusts are classified as financial assets held at fair value through profit or loss. The fair value has been determined as the net tangible assets of the trust divided by the total units held.

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

## Note 17. 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:

	2024 \$	2023 \$
Short-term employee benefits	17,557	238,104

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

# Notes to the financial statements

## Note 17. Key management personnel disclosures (continued)

### Responsible Entity, key management personnel and related entities equity holdings

	2024 \$	2023 \$
McMullin Nominees Pty Ltd (i)	1,323,548	1,373,861
Terlaw Investments Pty Ltd (ii)	230,000	230,000
T.R. Gorman & S.E. Gorman ATF Merrigum Superannuation Fund (ii)	126,667	126,667
MPG Essential Services Property Trust (iii)	10,513,320	10,481,024
MPG Property Income Trust (iii)	2,420,524	3,233,532
	<u>14,614,059</u>	<u>15,445,084</u>

(i) Shareholder of Responsible Entity.

(ii) Director-related entity of Trevor Gorman.

(iii) MPG Funds Management Ltd acting as Responsible Entity/Trustee.

## Note 18. 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:

	2024 \$	2023 \$
Audit services - Deloitte Touche Tohmatsu. Audit or review of the financial statements	39,265	25,145
Other services - Deloitte Touche Tohmatsu. Audit of compliance plan	11,797	11,235
	<u>51,062</u>	<u>36,380</u>

## Key management personnel

Disclosures relating to key management personnel are set out in note 21.

# Notes to the financial statements

## Note 19. Related party transactions

### Transactions with related parties

The following transactions occurred with related parties:

	2024 \$	2023 \$
<b>Distributions received:</b>		
Distribution - MPG Bulky Goods Retail Trust (vi)	688,265	694,298
Distribution - MPG Seaford Meadows Property Trust (vi)	260,538	242,551
Distribution - MPG Hardware Trust 2 (vi)	133,237	139,763
Distribution - MPG BW Port Macquarie Trust (vi)	2,300	2,240
<b>Payment for goods and services:</b>		
Investment management fees paid to the Responsible Entity (i)	765,803	738,000
Administration fees paid to the Responsible Entity (ii)	52,049	59,714
End fee paid to the Responsible Entity (ii)	462,000	
Debt Arrangement fee paid to the Responsible Entity (ii)	674,850	129,346
Establishment fee paid to the Responsible Entity (ii)	70,000	260,000
Administration fees paid to the Boland Services Trust (iii)	190,121	184,830
Management fees paid to MPG Property Unit Trust (iii)	308,498	379,268
<b>Payment for other expenses:</b>		
Interest paid to the Responsible Entity (v)	15,815	-
<b>Distribution payments:</b>		
McMullin Nominees Pty Ltd (vii)	90,997	98,520
Terlaw Investments Pty Ltd (iv)	15,525	16,244
T.R. Gorman & S.E. Gorman ATF Merrigum Super Fund (iv)	8,550	8,946
MPG Essential Services Property Trust (vi)	708,563	580,218
MPG Property Income Trust (vi)	199,418	7,462

### Receivable from and payable to related parties

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

	2024 \$	2023 \$
<b>Current payables:</b>		
Trade payables to the Responsible Entity	182,824	-
Trade payables to MPG Property Unit Trust	-	230

# Notes to the financial statements

## Note 19. Related party transactions (continued)

	2024 \$	2023 \$
<b>Distributions payable:</b>		
McMullin Nominees Pty Ltd (vii)	22,423	24,114
Terlaw Investments Pty Ltd (iv)	3,881	4,025
T.R. Gorman & S.E. Gorman ATF Merrigum Super Fund (iv)	2,138	2,217
MPG Essential Services Property Trust (vi)	177,353	171,806
MPG Property Income Trust (vi)	40,846	7,462
	<b>2024 \$</b>	<b>2023 \$</b>
<b>Distributions receivable:</b>		
Distribution - MPG Bulky Goods Retail Trust (vi)	164,063	160,062
Distribution - MPG Seaford Meadows Property Trust (vi)	65,135	54,279
Distribution - MPG Hardware Trust 2 (vi)	32,500	31,763
Distribution - MPG BW Port Macquarie Trust (vi)	575	510

(i) The Responsible Entity is entitled to an annual management fee as outlined in the Product Disclosure Statement 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 0.75% annual management fees to the Registered Scheme.

(ii) These fees are payable as outlined in the Product Disclosure Statement 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) Interest paid on loans provided by the Responsible Entity calculated at a rate of 8.27% p.a. for period ending 30 June 2024.

(vi) Fund controlled by MPG Funds Management Ltd.

(vii) 50% Shareholder in Responsible Entity.

### Terms and conditions

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

# Notes to the financial statements

## Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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 21. Reconciliation of profit to net cash from operating activities

	2024 \$	2023 \$
Profit for the year	1,263,419	11,479
<b>Adjustments for:</b>		
Net fair value loss / (gain) on investment properties	(1,207,468)	5,633,845
Net fair value loss/ (gain) on derivative financial instruments	1,177,401	(273,618)
Net fair value loss / (gain) on other financial assets	1,428,054	(1,097,252)
Amortisation of borrowing costs	237,918	219,816
Loss on disposal of investment properties	1,067,572	-
Straight-line rent	48,352	49,216
Amortisation of Lease Incentives	(142,131)	-
<b>Change in operating assets and liabilities:</b>		
Decrease in trade and other receivables	189,789	417,532
Decrease/(increase) in accrued revenue	42,135	(81,045)
Increase in trade and other payables	6,760	378,998
Increase in borrowing costs	(680,011)	(134,970)
<b>Net cash from operating activities</b>	<b>3,431,790</b>	<b>5,124,001</b>





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