

**Altitude Brighton Unit Trust
Special purpose financial report
for the year ended 30 June 2016**

Altitude Brighton Unit Trust Special purpose financial report - 30 June 2016

Contents

	Page
Trustees' report	1
Financial statements	2
Trustees' declaration	17
Independent auditor's report to the Trustee	18

**Altitude Brighton Unit Trust
Trustees' report
30 June 2016**

The directors of Altitude Brighton Pty Ltd, the Trustee of Altitude Brighton Unit Trust, present their report on the financial statements of the Trust for the year ended 30 June 2016.

Directors

The following persons were directors of the Trustee company during the whole of the financial year and up to the date of this report:

Robert Alexander Barber

David John Stevens was a director from the beginning of the financial year until his resignation on 9 October 2015.

Principal activities

During the year the principal continuing activities of the Trust consisted of operating a car dealership.

Review of operations

The profit from ordinary activities after income tax amounted to \$1,523,566 (2015 loss: \$324,343).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Trust during the year.

Event since the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected the Trust's operations, results or state of affairs, or may do so in future years.

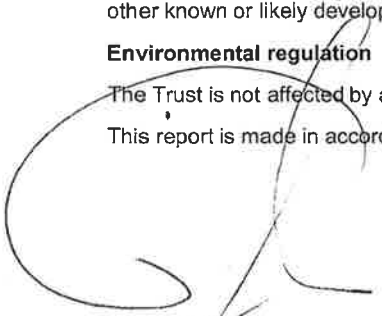
Likely developments and expected results of operations

The directors expect that the Trust will continue to carry out its principal activities as detailed above. There are no other known or likely developments which the directors foresee which they wish to disclose at this time.

Environmental regulation

The Trust is not affected by any significant environmental regulation in respect of its operations.

This report is made in accordance with a resolution of directors.



Robert Alexander Barber
Director

14/9 2016

Altitude Brighton Unit Trust Special purpose financial report - 30 June 2016

Contents

	Page
Financial statements	
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Notes to the financial statements	6
Trustees' declaration	17
Independent auditor's report to the Trustee	18

These financial statements are the financial statements of Altitude Brighton Unit Trust as an individual entity. The financial statements are presented in Australian currency.

Altitude Brighton Unit Trust is a unit trust established in Australia. Its registered office and principal place of business is:

Altitude Brighton Unit Trust
913 Nepean Highway
Bentleigh VIC 3204

A description of the nature of the entity's operations and its principal activities is included in the Trustees' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the directors of the Trustee on 14/9/ 2016. The directors have the power to amend and reissue the financial statements.

Altitude Brighton Unit Trust
Statement of comprehensive income
For the year ended 30 June 2016

	Notes	2016 \$	Unaudited 2015 \$
Revenue from continuing operations	3	30,045,705	20,227,446
Other income	4	707,734	-
Changes in inventories of finished goods		1,223,205	(1,246,717)
Purchases of vehicles and parts		(26,613,603)	(16,253,453)
Employee benefits expense		(1,917,692)	(1,505,684)
Depreciation and amortisation expense	5	(40,998)	(35,200)
Other expenses		(1,293,171)	(965,539)
Rental and occupancy expenses		(415,713)	(367,583)
Finance expenses	5	(171,901)	(177,613)
Profit/(loss) for the year		<u>1,523,566</u>	<u>(324,343)</u>
Other comprehensive income			
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>1,523,566</u>	<u>(324,343)</u>
Undistributed accumulated net losses at the beginning of the financial year		<u>(994,281)</u>	<u>(669,938)</u>
Total available for distribution		<u>529,285</u>	<u>(994,281)</u>
Distribution		<u>(529,185)</u>	<u>-</u>
Undistributed accumulated net profits/(losses) at the end of the financial year		<u>100</u>	<u>(994,281)</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Altitude Brighton Unit Trust
Statement of financial position
As at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	441,843	331,285
Trade and other receivables	7	1,271,534	1,104,917
Inventories	8	4,411,036	3,117,515
Total current assets		<u>6,124,413</u>	<u>4,553,717</u>
Non-current assets			
Property, plant and equipment	9	510,527	503,895
Other non-current assets	10	7,043	7,043
Total non-current assets		<u>517,570</u>	<u>510,938</u>
Total assets		<u>6,641,983</u>	<u>5,064,655</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,095,510	682,769
Borrowings	12	4,758,121	4,746,899
Deferred revenue	13	487,661	251,882
Provisions	14	91,107	100,911
Total current liabilities		<u>6,432,399</u>	<u>5,782,461</u>
Non-current liabilities			
Borrowings	15	-	92,951
Provisions	16	59,484	33,524
Total non-current liabilities		<u>59,484</u>	<u>126,475</u>
Total liabilities		<u>6,491,883</u>	<u>5,908,936</u>
Net (liabilities)		<u>150,100</u>	<u>(844,281)</u>
EQUITY			
Settlement sum	17	150,000	150,000
Retained earnings/(accumulated losses)	18	100	(994,281)
Total equity		<u>150,100</u>	<u>(844,281)</u>

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

Altitude Brighton Unit Trust
Statement of changes in equity
For the year ended 30 June 2016

	Settlement sum \$	Retained earnings/ (accumulated losses) \$	Total equity \$
Balance at 1 July 2014 Unaudited	150,000	(669,938)	(519,938)
Profit/(loss) for the year	-	(324,343)	(324,343)
Other comprehensive income	-	-	-
Total comprehensive income for the year unaudited	-	(324,343)	(324,343)
Balance at 30 June 2015	150,000	(994,281)	(844,281)
Balance at 1 July 2015	150,000	(994,281)	(844,281)
Profit/(loss) for the year	-	1,523,566	1,523,566
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,523,566	1,523,566
Transactions with owners in their capacity as unitholders:			
Distributions provided for or paid	-	(529,185)	(529,185)
Balance at 30 June 2016	150,000	100	150,100

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

Contents of the notes to the financial statements

	Page
1 Summary of significant accounting policies	7
2 Critical estimates, judgements and errors	11
3 Revenue	12
4 Other income	12
5 Expenses	12
6 Current assets - Cash and cash equivalents	13
7 Current assets - Trade and other receivables	13
8 Current assets - Inventories	13
9 Non-current assets - Property, plant and equipment	13
10 Non-current assets - Other non-current assets	14
11 Current liabilities - Trade and other payables	14
12 Current liabilities - Borrowings	14
13 Current liabilities - Deferred revenue	14
14 Current liabilities - Provisions	15
15 Non-current liabilities - Borrowings	15
16 Non-current liabilities - Provisions	15
17 Settlement sum	15
18 Accumulated losses	16
19 Contingent liabilities and contingent assets	16
20 Commitments	16
21 Events occurring after the reporting period	16

1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Altitude Brighton Unit Trust.

(a) Basis of preparation

(i) Special purpose financial report

The Trust does not have a statutory requirement to prepare financial statements in accordance with Australian Accounting Standards and in the directors of the trustees' opinion, the Trust is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared to assist Altitude Brighton Unit Trust to meet the information requirements of the unitholders for internal purposes in association with the sale of the business assets of the Trust. The directors of the trustee have determined that the accounting policies outlined below are appropriate to meet the needs of the unitholders for this purpose.

The financial report has been prepared in accordance with the following accounting policies.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis, except certain assets which, as noted, are at fair value.

(iii) New and amended standards adopted by the group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The Trust has not elected to apply any pronouncements before its operative date in the annual reporting period beginning 1 July 2015.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods and have not been early adopted by the Trust. The Trust's assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the Trust's financial statements in the period of initial application.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Trust are measured using the currency of the primary economic environment in which the Trust operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Altitude Brighton Unit Trust's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other income or other expenses.

1 Summary of significant accounting policies (continued)

(b) Foreign currency translation (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Trust's activities as described below. The Trust bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

Sale of motor vehicles and spare parts

Revenue for the sale of motor vehicles and spare parts is recognised when the buyer has accepted the risks and rewards of ownership by taking delivery of the motor vehicles and spare parts.

Service

Revenue is recognised at the point where a service has been provided to the customer.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Trust reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(d) Income tax

Under current legislation, the Trust is not subject to income tax as unitholders are presently entitled to the income of the Trust.

The benefit of imputation credits and foreign tax paid are passed on to unitholders. Income tax payable is only recognised by the Trust if in the financial year the Trust has recognised a net loss for accounting purposes, however is in a taxable income position.

A tax liability is recognised based on the highest marginal tax rate applied to the balance of taxable income.

(e) Leases

Leases of property, plant and equipment where the Trust, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Trust will obtain ownership at the end of the lease term.

1 Summary of significant accounting policies (continued)

(e) Leases (continued)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Trust as lessee are classified as operating leases (note 20). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Inventories

Inventory is stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory based on actual stock costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

1 Summary of significant accounting policies (continued)

(j) Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method and diminishing value method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Buildings	40 years
- Furniture, fittings and equipment	5 - 20 years
- Plant and equipment	5 - 20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Trust policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

(m) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

1 Summary of significant accounting policies (continued)

(n) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Trust has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

2 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Trust's accounting policies.

Altitude Brighton Unit Trust
Notes to the financial statements
30 June 2016
(continued)

3 Revenue

	2016	Unaudited 2015
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Sales of new vehicles	18,497,524	11,697,213
Sales of used vehicles	7,452,064	5,091,786
Sales of parts	1,631,716	1,335,907
Services income	2,127,409	1,877,622
	29,708,713	20,002,528
<i>Other revenue</i>		
Interest	233	1,232
Other revenue	336,759	223,686
	336,992	224,918
Total revenue from continuing operations	30,045,705	20,227,446

4 Other income

	2016	Unaudited 2015
	\$	\$
Debt forgiveness	707,734	-
	707,734	-

5 Expenses

	2016	Unaudited 2015
	\$	\$
Depreciation	40,998	35,200
<i>Finance costs</i>		
Interest and finance charges paid/payable	171,901	177,613
	171,901	177,613

Altitude Brighton Unit Trust
Notes to the financial statements
30 June 2016
(continued)

6 Current assets - Cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	400	400
Cash at bank	391,498	285,797
Deposits at call	49,945	45,088
	<u>441,843</u>	<u>331,285</u>

7 Current assets - Trade and other receivables

	2016	2015
	\$	\$
Trade receivables	972,454	920,424
Other receivables	181,257	73,257
Prepayments	54,367	52,597
Warranty receivable	63,456	58,639
	<u>1,271,534</u>	<u>1,104,917</u>

8 Current assets - Inventories

	2016	2015
	\$	\$
Stock on hand - at net realisable value	<u>4,411,036</u>	<u>3,117,515</u>

9 Non-current assets - Property, plant and equipment

	Freehold buildings \$	Plant and equipment \$	Furniture, fittings and equipment \$	Total \$
At 30 June 2015				
Cost	394,612	65,420	193,216	653,248
Accumulated depreciation	(52,143)	(20,473)	(76,737)	(149,353)
Net book amount	<u>342,469</u>	<u>44,947</u>	<u>116,479</u>	<u>503,895</u>
At 30 June 2016				
Cost	414,136	66,810	219,932	700,878
Accumulated depreciation	(62,843)	(26,979)	(100,529)	(190,351)
Net book amount	<u>351,293</u>	<u>39,831</u>	<u>119,403</u>	<u>510,527</u>

Altitude Brighton Unit Trust
Notes to the financial statements
30 June 2016
(continued)

10 Non-current assets - Other non-current assets

	2016	2015
	\$	\$
Formation costs	1,210	1,210
Security bond	5,833	5,833
	<u>7,043</u>	<u>7,043</u>

11 Current liabilities - Trade and other payables

	2016	2015
	\$	\$
Trade payables	338,478	288,916
Accrued expenses	133,071	353,601
Undistributed distributions	529,185	-
Provision for future service of sold vehicles	94,776	40,252
	<u>1,095,510</u>	<u>682,769</u>

12 Current liabilities - Borrowings

	2016	2015
	\$	\$
Secured		
Chattel mortgage - Macquarie	50,175	45,950
Lease liabilities (note 20)	363	13,227
Floorplan facility	4,734,642	3,664,052
Total secured current borrowings	<u>4,785,180</u>	<u>3,723,229</u>
Unsecured		
Loans from/(to) related parties - Barber	(27,059)	112,115
Loans from related parties - Stevens	-	911,555
Total unsecured current borrowings	<u>(27,059)</u>	<u>1,023,670</u>
Total current borrowings	<u>4,758,121</u>	<u>4,746,899</u>

13 Current liabilities - Deferred revenue

	2016	2015
	\$	\$
Vehicle deposits	<u>487,661</u>	<u>251,882</u>

Altitude Brighton Unit Trust
Notes to the financial statements
30 June 2016
 (continued)

14 Current liabilities - Provisions

	2016	2015
	\$	\$
Employee benefits (a)	91,107	100,911

(a) Leave obligations

The leave obligations cover the Trust's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments. The entire amount of the provision of \$91,107 (2014: \$100,911) is presented as current, since the Trust does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Trust does expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

15 Non-current liabilities - Borrowings

	2016	2015
	\$	\$
Secured		
Chattel mortgage - Macquarie	-	50,175
Lease liabilities	-	42,776
Total secured non-current borrowings	-	92,951

16 Non-current liabilities - Provisions

	2016	2015
	\$	\$
Employee benefits - long service leave	59,484	33,524

17 Settlement sum

	2016	Unaudited 2015
	\$	\$
Settlement sum	150,000	150,000

Altitude Brighton Unit Trust
Notes to the financial statements
30 June 2016
(continued)

18 Accumulated losses

Movements in accumulated losses were as follows:

	2016	2015
	\$	\$
Balance 1 July	(994,281)	(669,938)
Net profit/(loss) for the year	1,523,566	(324,343)
Distributions	(529,185)	-
Balance 30 June	<u>100</u>	<u>(994,281)</u>

19 Contingent liabilities and contingent assets

The Trust had no contingent liabilities at 30 June 2016 (2015: nil).

20 Commitments

(a) Lease commitments: group as lessee

(i) Non-cancellable operating leases

	2016	2015
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	266,583	246,009
Later than one year but not later than five years	439,460	359,640
	<u>706,043</u>	<u>605,649</u>

21 Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations or the state of affairs of the Trust or economic entity in subsequent financial years.

**Altitude Brighton Unit Trust
Trustees' declaration
30 June 2016**

As stated in note 1(a) to the financial statements, in the opinion of the directors of the Trustee, the Trust is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared for internal purposes.

The financial report has been prepared in accordance with accounting policies described in note 1.

In the directors' opinion:

- (a) the financial statements and notes set out on pages 2 to 16:
 - (i) complying with accounting policies described in Note 1; and
 - (ii) present fairly the Trust's financial position as at 30 June 2016 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors, for and on behalf of the Trustee, Altitude Brighton Pty Ltd



Robert Alexander Barber
Director

14/9/2016



Independent auditor's report to the unitholders of Altitude Brighton Unit Trust

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Altitude Brighton Unit Trust (the trust), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the trustee's declaration.

Trustee's responsibility for the financial report

The director of the trustee is responsible for the preparation of the financial report and has determined that the basis of preparation described in Note 1 to the financial statements, which forms part of the financial report, is appropriate to meet the information requirements of the unitholders for internal purposes in association with the sale of the business assets of the Trust.

The director of the trustee's responsibility also includes such internal control as the director determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial report.

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



Basis for qualified opinion

We were formally appointed as auditor of the entity on 15 August 2016 and thus did not observe the counting of the physical inventories at the beginning of the financial year. We were unable to satisfy ourselves by alternative means concerning opening inventory quantities held at 30 June 2015. Since opening inventories enter into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the income for the year 30 June 2016 reported in the statement of comprehensive income.

Qualified auditor's opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial report presents fairly, in all material respects the financial position of the trust as at 30 June 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Other Matter

Our audit scope did not require us to audit the statement of comprehensive income for the year ended 30 June 2015. The comparative amounts included in the statement of comprehensive income are therefore unaudited.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Altitude Brighton Unit Trust to meet the information requirements of the unitholders for internal purposes in association with the sale of the business assets of the Trust.

As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the unitholders of Altitude Brighton Unit Trust and should not be distributed to or used by parties other than Altitude Brighton Unit Trust and the unitholders.

PricewaterhouseCoopers

Daniel Rosenberg
 Authorised Representative
 PricewaterhouseCoopers Securities Ltd

Melbourne
 14 September 2016