RAM Australia Retail Property Fund

ARSN 634 136 682

Annual Report - 30 June 2021

The Directors of RAM Property Funds Management Limited ("RAM"), the Trustee of RAM Australia Retail Property Fund ("the Fund"), present their report together with the Financial Report made in accordance with a resolution of the Directors with respect to the results of the Trust and its controlled entities ("the consolidated entity") for the year ended 30 June 2021, the state of the consolidated entity's affairs as at 30 June 2021 and the Independent Auditor's Report thereon.

The Trust commenced on 28 September 2016 and RAM was appointed Trustee on the 28 June 2019. Prior to this Real Asset Management Pty Ltd was the Trustee of the Fund since establishment. RAM is an unlisted private company incorporated under the Corporations Act 2001 and holds an Australian financial services license.

It is likely that this report will be the last for the Fund as a stand-alone entity as it is anticipated the Fund will be stapled to the RAM Australia Medical Property Fund to form the new stapled entity RAM Essential Services Property Fund in October 2021.

Directors

The Directors of the Trustee of the Fund at any time during or since the end of the financial period ("the Directors") are:

Scott Wehl
Chairman

Scott has over 20 years of experience in Global Wealth Management and Corporate Banking working for top tier global banks in Australia, London, and Hong Kong.

Prior to founding Real Asset Management, Scott was a Managing Director and Head of Banking Products International for UBS Wealth Management (“UBS WM”), leading a team of finance professionals in 17 countries. Over a 13-year career with UBS WM, Scott held various roles including the Head of Banking Products in the United Kingdom, and Head of Banking Products Asia Pacific.

Prior to joining UBS WM, Scott began his finance career in corporate banking with National Australia Bank in Brisbane, Australia.

Scott holds a Bachelor of Commerce from Griffith University Australia, and an Executive MBA jointly from Kellogg Business School and the Hong Kong University of Science and Technology.

Scott Kelly
Managing Director, CEO Australia

Scott has over 25 years of experience in Global Wealth Management and Asset Management, working for top tier financial institutions in Australia and the United Kingdom.

Prior to joining Real Asset Management, Scott was a Managing Director and Head of Investment Products and Services for UBS Wealth Management Australia. There he oversaw the entire product offering for Australia’s premier wealth manager with $A24bn of assets under management.

Scott has also held the position of National Sales Director for Macquarie Private Wealth Australia. Prior to this Scott co-founded and was Managing Director of Corazon Capital, a specialist wealth and asset management business based in Jersey. Scott was also the Joint Head of Private Clients at Kleinwort Benson, after starting his financial career with Mercury Asset Management in London.

Scott holds a B.A. (Hons) degree in Business Management from the University of Leeds and is a Chartered Member of the Chartered Institute of Securities & Investment, UK.

Steven Pritchard
Director - (appointed 1 September 2020, resigned 28 September 2021)

Steven is the Managing Partner of Rees Pritchard Professional Services and is a Certified Practising Accountant and a member of the Stock Exchange of Newcastle Limited, a Director of Pritchard & Partners Pty Limited, Rees Pritchard Pty Limited and a number of private and public companies. Steven was previously the Chairman of the Australian Society of Certified Practising Accountants Newcastle and Hunter Valley Branch and has over 25 years experience in providing financial and investment advice to a wide range of private and corporate clients.

Suzanne Hutchinson
Director

Suzanne is the Financial Officer for Real Asset Management Australia and is based in Melbourne. Suzanne has worked in professional corporate services organisations for over 24 years, including Boeing and Accenture, and holds a Bachelor of Information Technology.

Principal activity
The Fund is a registered managed investment scheme domiciled in Australia. The principal objective of the Fund is to invest in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement and in accordance with the provisions of its Constitution.

The principal activities of the Fund include acquiring and disposing of investment properties in Australia.

There has been no significant change in the activities of the Fund during the financial year.

Impact of COVID-19

The events relating to COVID-19 have had an adverse impact on the financial performance of the Fund. These impacts have included:

- trading restrictions imposed on some of our tenants
- the National Cabinet Mandatory Code of Conduct enacted in each state
- increases in operational expenses related to the COVID-19 pandemic
- reductions in the fair value of our investment properties

The National Cabinet Mandatory Code of Conduct requires the Fund to offer eligible tenants a proportionate reduction in rent payable during the COVID-19 pandemic period. These reductions take the form of rental waivers and deferrals of up to 100% of the amount of rent ordinarily payable. The reductions are based on the tenant's trade during the period. Rental waivers must constitute no less than 50% of the total reduction in rent payable with the other 50% in the form of rental deferrals. $104,000 in rental abatements have been made available to tenants by the Fund with a total of $16,000 in rental deferrals being offered during the year.

The Code also provides that Landlords where appropriate waive recovery of any other expense by a tenant while the tenant is unable to trade. A total of $26,000 has been waived from tenant's recurring service charges.

For tenants that are not covered by the Mandatory Code of Conduct, the Fund has accessed the tenants on an individual basis.

Due to the continued uncertainty related to the COVID-19 pandemic, rental income that has been invoiced in the period which remains unpaid due the tenant being granted a COVID-19 rental payment deferral have been provisioned against. A Provision for Doubtful Debts has been raised against all rental payment deferrals in FY21 totalling $16,000.

Property portfolio
The investment portfolio as at 30 June 2021 consisted of 13 shopping centres (30 June 2020: 11 shopping centres) valued at $384,287,000 (30 June 2019: $337,160,000). The investment portfolio consists of convenience based neighbourhood shopping centres with a strong weighting towards non-discretionary retail segments.

Acquisitions

The Fund made two acquisitions during the year.

The North Lakes No. 1 Trust was purchased on the 7th of May 2021 by way of unit purchase for $3,980,000. The Trust holds a convenience retail neighbourhood shopping centre at North Lakes in Queensland.

RAM Australia Keppel Bay Plaza Trust was purchased by way of unit purchase and cash consideration on the 8th of June 2021 for $16,575,165. The Trust holds a convenience retail neighbourhood shopping centre at Yeppoon in Queensland.

Disposals

No property disposals occurred during the year.

Review of operations
The profit for the Fund amounted to $8,680,000 (30 June 2020: $8,505,000).

The results of operations of the Fund are disclosed in the statement of profit and loss and other comprehensive income. The profit recorded for the financial year decreased 30% compared with the previous year.

	FY21	**FY20**
Net profit after tax	$8,680,000	$8,505,000
Weighted earning per unit	$0.0535	$0.0582
Distributions paid or payable	$10,589,000	$10,473,000
Net assets per unit	$1.0101	$1.0150
Increase / (decrease) unit price	(0.48%)	(1.56%)

Contributed Equity

The fund had the below movements in equity during the year:

	FY21 Units	FY20 Units
Opening balance	189,534,458	168,572,257
New units issued	34,566,384	40,804,763
Dividend reinvestments	622,602	290,938
Unit redemptions	(8,889,789)	(20,133,500)
	215,833,655	189,534,458

Matters subsequent to the end of the financial year
The Fund entered into an Implementation Deed and Stapling Deed on the 30th of September 2021. The Fund is to be stapled to RAM Australia Medical Property Fund to form the Stapled Entity RAM Essential Services Property Fund.

On the 25th of October 2021, the Stapled Entity is to be listed on the Australian Stock Exchange as an Australian Real Estate Investment Trust (REIT). A Product Disclosure Statement was lodged with the ASX on the 30th of September 2021.

On the 3rd of September 2021, the Fund acquired 50% of the shares in RAM Essential Services FinCo Pty Ltd.

On the 24th of September 2021, RAM Essential Services Finco Pty Ltd entered into a Syndicated Facility Agreement with the Commonwealth Bank of Australia and CBA Corporate Services (NSW) Pty Ltd. The Facility will be used to refinance the existing debt facilities for the stapled entities, and to fund the planned acquisitions of the Fund. The facility limit is $250,000,000, with a Loan to Value covenant of 50% and an Interest Coverage Ratio covenant of 2.0 times EBITDA.

Likely developments and expected results of operations
The Trustee will continue to pursue commercial retail property opportunities and review investment management strategies with a view to optimising both the income and capital return over the investment term.

Environmental regulation
The consolidated entity's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Trustee believes that the consolidated entity has adequate systems in place for the management of its environmental responsibilities and is not aware of any breach of environmental requirements as they may apply to the consolidated entity.

Related parties
Trustee Entity's remuneration

The Trustee charged a trustee fee of 1.00% p.a. (net 0.65% after the reduction of asset management fees), of the gross assets of the consolidated entity calculated monthly. The Trustee is also entitled to receive a Responsible Entity Fee of 0.075% of the Fund's gross assets and an Administration Fee calculated at 0.50% of the aggregate income distributions payable to unitholders. The Trustee is entitled to recover all fees deferred either from consolidated entity earnings or on the winding up of the consolidated entity. The Trustee charges are set out in Note 22 of the Financial Report.

Asset management fees

RAM Australia Property Services Pty Ltd has been appointed as the Asset Manager for the controlled entities. The fee for their services is 0.35% p.a. of the gross assets of the entity. This fee is included within the Trustee's Management Fee. The Asset Manager is also entitled to a Performance Fee of 35% payable on returns in excess of a 8% hurdle rate in each three year period from acquisition.

Directors' interests

No directors of the Trustee held any units in the Trust at the date of this report.

Indemnity and insurance of officers
Indemnification

Under the Trust's Constitution, the Trustees, including its officers and employees, are indemnified out of the consolidated entity's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the consolidated entity.

The consolidated entity has not indemnified or made a relevant agreement for indemnifying against a liability in respect of any person who is the auditor of the consolidated entity.

Indemnity and insurance of auditor
The consolidated entity has not indemnified or made a relevant agreement for indemnifying against a liability in respect of any person who is the auditor of the consolidated entity.

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

Rounding of amounts
The Trust is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

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

Suzanne Hutchinson	Scott Kelly
Director	Director

12 October 2021

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of the Trustee Company of the RAM Australia Retail Property Fund

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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MARTIN MATTHEWS
PARTNER

12 OCTOBER 2021
NEWCASTLE, NSW

RAM Australia Retail Property Fund
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RAM Australia Retail Property Fund
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Revenue			
Other income	4	57	19
Interest revenue calculated using the effective interest method		2	40
Rent from investment properties		29,099	26,147
Unrealised gains / (losses) on revaluation of property		1,553	4,445
Unrealised gains / (losses) on revaluation of REIT investments		131	(270)
Total revenue		30,842	30,381
Expenses			
Auditor's remuneration	5	(40)	(51)
Investment property expenses		(6,978)	(5,819)
Other expenses		(779)	(675)
Depreciation and amortisation expense		(2,140)	(1,365)
Trustee fees		(6,400)	(8,349)
Property manager fees		(1,456)	(1,141)
Finance expenses relating to interest-bearing liabilities		(4,369)	(4,476)
Total expenses		(22,162)	(21,876)
Profit for the year attributable to the owners of RAM Australia Retail Property Fund	18	8,680	8,505
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the owners of RAM Australia Retail Property Fund		8,680	8,505

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

RAM Australia Retail Property Fund
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Assets			
Current assets			
Cash and cash equivalents	6	6,563	9,175
Trade and other receivables	7	4,511	2,348
Financial assets at fair value through profit or loss	8	864	722
Other current assets	9	2,099	858
Total current assets		14,037	13,103
Non-current assets			
Investment properties	10	384,287	337,160
Intangibles	11	3,808	-
Other non-current assets	12	2,173	1,510
Total non-current assets		390,268	338,670
Total assets		404,305	351,773
Liabilities			
Current liabilities			
Trade and other payables	13	14,471	8,941
Interest bearing loans and borrowings	14	171,757	-
Total current liabilities		186,228	8,941
Non-current liabilities			
Other payables	15	62	3,092
Interest bearing loans and borrowings	16	-	147,362
Total non-current liabilities		62	150,454
Total liabilities		186,290	159,395
Net assets		218,015	192,378
Unitholder's Funds			
Issued units	17	214,424	188,766
Undistributed profits	18	3,591	3,612
Total unitholder's funds		218,015	192,378

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

RAM Australia Retail Property Fund
Statement of changes in equity
For the year ended 30 June 2021

Consolidated	Units on issue $'000	Undistributed profits $'000	Total unitholder's funds $'000
Balance at 1 July 2019	168,240	5,580	173,820
Profit for the year	-	8,505	8,505
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	8,505	8,505
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 17)	20,526	-	20,526
Distributions paid (note 19)	-	(10,473)	(10,473)
Balance at 30 June 2020	188,766	3,612	192,378

Consolidated	Units on issue $'000	Undistributed profits $'000	Total unitholder's funds $'000
Balance at 1 July 2020	188,766	3,612	192,378
Profit for the year	-	8,680	8,680
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	8,680	8,680
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 17)	25,658	1,888	27,546
Distributions paid (note 19)	-	(10,589)	(10,589)
Balance at 30 June 2021	214,424	3,591	218,015

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

RAM Australia Retail Property Fund
Statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated 2021 $'000	Consolidated 2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		32,553	27,970
Payments to suppliers (inclusive of GST)		(21,618)	(13,663)
		10,935	14,307
Dividends received		57	5
Interest received		2	41
Interest and other finance costs paid		(3,743)	(3,817)
Net cash from operating activities	27	7,251	10,536
Cash flows from investing activities			
Payments for investments		(11)	(992)
Payments for investment property	10	(35,652)	(13,696)
Net cash used in investing activities		(35,663)	(14,688)
Cash flows from financing activities			
Proceeds from issue of units	17	13,894	20,526
Proceeds from borrowings		24,253	-
Distributions paid	19	(10,870)	(11,213)
Repayment of borrowings		(1,477)	(1,688)
Net cash from financing activities		25,800	7,625
Net increase/(decrease) in cash and cash equivalents		(2,612)	3,473
Cash and cash equivalents at the beginning of the financial year		9,175	5,702
Cash and cash equivalents at the end of the financial year	6	6,563	9,175

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

Note 1. General information

The financial statements cover RAM Australia Retail Property Fund as a Fund consisting of RAM Australia Retail Property Fund and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is RAM Australia Retail Property Fund's functional and presentation currency.

RAM Australia Retail Property Fund is an unlisted registered Managed Investment Trust, incorporated and domiciled in Australia.

Registered office	**Principal place of business**
Suite 32.1	Suite 32.1
264 George Street	264 George Street
Sydney NSW 2000	Sydney NSW 2000

A description of the nature of the Fund'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 12 October 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Summary of significant accounting policies

Basis of preparation

In the director's opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of RAM Australia Retail Property Fund. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of RAM Australia Retail Property Fund.

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, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant 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 Fund'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.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of RAM Australia Retail Property Fund ('trust' or 'parent entity') as at 30 June 2021 and the results of all controlled entities for the year then ended. RAM Australia Retail Property Fund and its controlled entities together are referred to in these financial statements as the 'Fund'.

The Fund controls an entity when the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The controlled entities are fully consolidated from the date on which control is transferred to the Fund. They are de-consolidated from the date that control ceases.

Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable net of the amount of goods and services tax ("GST") levied. Revenue is recognised for the major business activities as follows:

Rent from investment properties

Rent from investment properties is recognised in the Profit and Loss on a straight-line basis over the lease term. Rent not received at balance date is reflected in the Statement of Financial Position as a receivable or if paid in advance, as rents in advance. Lease incentives granted are recognised over the lease term, on a straight line basis, as a reduction of rent.

Note 2. Summary of significant accounting policies (continued)

Interest Income
Interest income is recognised in the Profit and Loss as it accrues using the effective interest method and, if not received at balance date, is reflected in the Statement of Financial Position as a receivable.

Income tax
Under current Australian income tax legislation, the Trust and the consolidated entity are not liable for income tax, provided that the taxable income (including any assessable component of any capital gains from the sale of investment assets) is fully distributed to Unitholders each year. Tax allowances for building, plant and equipment depreciation are distributed to Unitholders in the form of tax preferred components of distributions.

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.

Trade and other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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 Fund 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.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The Fund 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 Fund'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 Fund. 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.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

Note 2. Summary of significant accounting policies (continued)

Excess of Current Liabilities over Current Assets
As at 30 June 2021, the Fund's current liabilities $186,228,000 exceed its current assets $14,037,000 by $172,191,000.

The major contributor to this deficiency is the Commonwealth Bank of Australia senior debt facility to the Fund which expires on the 7th of June 2022.

The Directors of the Trustee company secured a new financing facility with the Commonwealth Bank of Australia on the 25th of September as disclosed in Note 26. It is on this basis that the Directors of the Trustee Company believe it appropriate the financial report be prepared on a going concern basis.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Fund prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs to external parties include interest, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Finance costs to external parties are recognised as an expense in the Profit and Loss on an accruals basis, and if not paid at balance date, are reflected in the Statement of Financial Position as a liability.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 2. Summary of significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Unitholder's funds
Units within the Fund have been classified as equity as the units are redeemable on liquidation. The life of the trust is indefinite and the Trustee determines the level of distributions on a discretionary basis as the Unitholders are entitled to a pro rata share of the entity's net assets on termination.

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

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

Comparatives
Comparatives are consistent with prior years, unless otherwise stated.

Rounding of amounts
The Trust is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy
The Fund 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.

Note 4. Other income

	Consolidated	
	2021	2020
	$'000	$'000
Dividends from REIT investments	57	19

Note 5. Auditor's remuneration

	Consolidated	
	2021	2020
	$'000	$'000
Auditor's Remuneration	40	51

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2021	2020
	$'000	$'000
Cash at bank	4,011	9,114
Cash on deposit	2,552	61
	6,563	9,175

Note 7. Current assets - trade and other receivables

	Consolidated	
	2021	2020
	$'000	$'000
Trade receivables	1,034	2,295
Less: Allowance for expected credit losses	(47)	(881)
	987	1,414
Other receivables	3,184	792
Goods and services tax receivable	340	142
	3,524	934
	4,511	2,348

Note 7. Current assets - trade and other receivables (continued)

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2021	2020	2021	2020	2021	2020
Consolidated	%	%	$'000	$'000	$'000	$'000
Not overdue	45%	6%	3,574	761	-	48
0 to 3 months overdue	36%	17%	361	289	-	48
3 to 6 months overdue	14%	24%	153	205	21	48
Over 6 months overdue	5%	37%	470	1,974	26	737
			4,558	3,229	47	881

Note 8. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	2021	2020
	$'000	$'000
REIT Investments	864	722

Refer to note 21 for further information on fair value measurement.

Note 9. Current assets - Other current assets

	Consolidated	
	2021	2020
	$'000	$'000
Accrued Income	639	310
Prepayments	1,589	548
Provision for doubtful debts - Covid deferred income	(129)	-
	2,099	858

The provision for doubtful debts is in respect of deferred rent relief provided to tenants as a consequence of the Covid-19 pandemic.

Note 10. Non-current assets - Investment properties

	Consolidated 2021 $'000	Consolidated 2020 $'000
Ballina Central Shopping Centre, Ballina NSW	44,737	47,500
Yeronga Village Shopping Centre, Yeronga QLD	22,585	20,800
Broadway Plaza, Punchbowl NSW	52,514	53,500
Mowbray Market Place, Mowbray TAS	44,145	44,300
Springfield Fair, Springfield QLD	35,930	33,100
The Hub Westlake, Westlake QLD	10,550	10,000
Windaroo Village, Windaroo QLD	7,180	9,500
Coomera Square, Coomera QLD	73,519	66,350
Night Owl Convenience Centre, North Lakes QLD	8,003	-
Keppel Bay Plaza, Yeppoon QLD	28,606	-
Gunnedah Shopping Centre, Gunnedah NSW	15,312	14,015
Rutherford Shopping Centre, Rutherford NSW	21,207	19,185
Tanilba Bay Shopping Centre, Tanilba Bay NSW	19,999	18,910
	384,287	337,160

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

	2021 $'000	2020 $'000
Opening fair value	337,160	320,350
Capital expenditure	19,077	13,696
Acquisitions	31,258	-
Revaluation increase	1,553	4,476
Impairment of assets	(4,761)	(1,362)
Closing fair value	384,287	337,160

On the 5th of June 2021, the investment property Windaroo Village, Windaroo QLD was subject to a fire resulting in the damage to a number of tenancies. As a result, the property has been impaired to $7,180,000 which reflects the "as is" value of the property at 30 June 2021. A receivable of $2,620,000 has been recorded in other current assets reflecting the insurance proceeds confirmed to repair the property.

Lessor commitments

	Consolidated 2021 $'000	Consolidated 2020 $'000
Minimum lease commitments receivable but not recognised in the financial statements:		
1 year or less	28,787	26,174
Between 1 and 2 years	26,203	22,291
Between 2 and 3 years	23,124	20,760
3 year or more	97,617	93,393
	175,731	162,618

Note 11. Non-current assets - intangibles

	Consolidated 2021 $'000	Consolidated 2020 $'000
Goodwill	3,808	-

Refer to Note 24. Business combinations

Note 12. Non-current assets - Other non-current assets

Other non-current assets relates to the straight-lining and smoothing adjustments for rent from investment properties.

	Consolidated 2021 $'000	Consolidated 2020 $'000
Other non-current assets	2,173	1,510

Note 13. Current liabilities - Trade and other payables

	Consolidated 2021 $'000	Consolidated 2020 $'000
Trade payables	711	2,005
Accrued expenses	4,777	2,856
Fees payable to related parties	5,574	1,463
Revenue received in advance	993	705
Bonds held	114	114
Distributions payable	2,302	1,798
	14,471	8,941

Refer to note 20 for further information on financial instruments.

Note 14. Current liabilities - Interest bearing loans and borrowings

The Fund has a senior debt Facility with Commonwealth Bank of Australia. The Facility is due to expire 7th of June 2022.

On the 4th of March 2021, the Fund entered into an additional debt facility with the Commonwealth Bank of Australia with a principal of $35.8m. This facility has a termination date of 7th of June 2022 and as at 30 June 2021, $6.0m had been drawn.

	Consolidated 2021 $'000	Consolidated 2020 $'000
Loan Facility Drawn	172,199	-
Less Attributable transaction costs	(442)	-
	171,757	-

Refer to note 20 for further information on financial instruments.

Note 15. Non-current liabilities - Other payables

	Consolidated	
	2021 $'000	2020 $'000
Fees payable to related parties	-	3,024
Bonds held	62	68
	62	3,092

Note 16. Non-current liabilities - Interest bearing loans and borrowings

The Fund has a senior debt Facility with Commonwealth Bank of Australia. The Facility is due to expire 7th of June 2022.

	Consolidated	
	2021 $'000	2020 $'000
Bank loans	-	147,950
Less: Attributable transaction costs	-	(588)
	-	147,362

Refer to note 20 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2021 $'000	2020 $'000
Bank loans	172,199	147,950
Less: Attributable transaction costs	(442)	(588)
	171,757	147,362

Note 17. Unitholder's Funds - issued units

	Consolidated			
	2021 Units	2020 Units	2021 $'000	2020 $'000
Ordinary units - fully paid	215,833,655	189,534,458	214,424	188,766

Note 17. Unitholder's Funds - issued units (continued)

Movements in Ordinary Equity

Details	Date	Total Units	Subscription $'000	Issue Cost $'000	Total $'000
Balance	30-Jun-20	189,534,458	191,491	(2,725)	188,766
Ordinary Units - Tranche 54	01-Jul-20	143,057	145	(1)	144
Ordinary Units - Tranche 55	12-Aug-20	5,094	5	-	5
Ordinary Units - Tranche 56	14-Sep-20	(21,310)	(22)	(86)	(108)
Ordinary Units - Tranche 57	01-Oct-20	159,325	161	-	161
Ordinary Units - Tranche 58	02-Oct-20	987,459	1,000	(25)	975
Ordinary Units - Tranche 59	12-Oct-20	987,459	1,000	(25)	975
Ordinary Units - Tranche 60	13-Oct-20	1,903,367	1,928	(8)	1,920
Ordinary Units - Tranche 61	20-Oct-20	987,459	1,000	(25)	975
Ordinary Units - Tranche 62	26-Oct-20	(740,594)	(750)	-	(750)
Ordinary Units - Tranche 63	18-Nov-20	1,487,063	1,500	(42)	1,458
Ordinary Units - Tranche 64	07-Dec-20	496,623	500	(11)	489
Ordinary Units - Tranche 65	08-Dec-20	496,623	500	(11)	489
Ordinary Units - Tranche 66	14-Dec-20	1,986,492	2,000	(61)	1,939
Ordinary Units - Tranche 67	17-Dec-20	(485,013)	(488)	-	(488)
Ordinary Units - Tranche 68	22-Dec-20	248,311	250	(5)	245
Ordinary Units - Tranche 69	01-Jan-21	147,172	150	-	150
Ordinary Units - Tranche 70	06-Jan-21	2,156,651	2,200	(56)	2,144
Ordinary Units - Tranche 71	19-Jan-21	(2,022,288)	(2,063)	(5)	(2,068)
Ordinary Units - Tranche 72	05-Feb-21	296,531	300	(5)	295
Ordinary Units - Tranche 73	09-Feb-21	1,210,833	1,225	(47)	1,178
Ordinary Units - Tranche 74	26-Feb-21	(795,000)	(804)	(1)	(805)
Ordinary Units - Tranche 75	04-Mar-21	54,338	55	-	55
Ordinary Units - Tranche 76	11-Mar-21	493,632	500	(2)	498
Ordinary Units - Tranche 77	12-Mar-21	1,193,940	1,209	(4)	1,205
Ordinary Units - Tranche 78	18-Mar-21	987,264	1,000	(24)	976
Ordinary Units - Tranche 79	25-Mar-21	394,906	400	(8)	392
Ordinary Units - Tranche 80	01-Apr-21	1,151,433	1,171	(26)	1,145
Ordinary Units - Tranche 81	09-Apr-21	196,663	200	-	200
Ordinary Units - Tranche 82	21-Apr-21	894,845	910	-	910
Ordinary Units - Tranche 83	30-Apr-21	(291,008)	(296)	(11)	(307)
Ordinary Units - Tranche 84	08-Jun-21	11,587,871	11,765	(504)	11,261
		215,833,656	218,142	(3,718)	214,424

Note 18. Unitholder's Funds - undistributed profits

	Consolidated 2021 $'000	Consolidated 2020 $'000
Undistributed profits at the beginning of the financial year	3,612	5,580
Adjustment for business combinations	1,888	-
Undistributed profits at the beginning of the financial year - restated	5,500	5,580
Profit for the year	8,680	8,505
Dividends paid (note 19)	(10,589)	(10,473)
Undistributed profits at the end of the financial year	3,591	3,612

Note 19. Unitholder's Funds - distributions

Quarter Ended	Distribution per unit	FY20 $'000
Ordinary Units		
30-Sep-20	0.0152	2,758
31-Dec-20	0.0142	2,823
31-Mar-21	0.0128	2,589
30-Jun-21	0.1121	2,419
		10,589

Note 20. Financial instruments

Financial risk and capital management
The Fund's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Fund'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 Fund.

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

The bank loans outstanding totalling $172,199,000 (2020: $147,950,000) are interest payment loans. An official increase/decrease in interest rates of 100 basis points (2020: 100 basis points) would have an (adverse)/favourable effect on profit before tax of ($1,269,000) / $1,269,000 (2020: ($729,500) / $729,500) per annum.

Credit risk
Credit risk is the risk that a customer or counterparty to a financial instrument will default on their contractual obligations resulting in a financial loss to the consolidated entity.

The consolidated entity has no significant concentrations of credit risk and has policies to review the aggregate exposure of tenancies across its portfolio. The consolidated entity also has policies to ensure that leases are made to customers with an appropriate credit history.

As at 30 June 2021, for the Fund, the ageing analysis of total trade receivables is as follows:

	Trade Receivables $	Impairment $	Net Receivables $
Not past due	389,902	-	389,902
0-30 days past due	250,269	-	250,269
31-60 days past due	110,536	-	110,536
61-90 days past due	117,798	-	117,798
+91 days past due	165,373	(46,757)	118,616
	1,033,878	(46,757)	987,121

Liquidity risk
Vigilant liquidity risk management requires the Fund 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 Fund 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.

Note 20. Financial instruments (continued)

Financial liabilities due for payment: 2021	Within 1 Year $'000	1-5 Years $'000	Over 5 Years $'000	Total $
Trade & Other Payables	12,170	62	-	12,232
Distribution Payable	2,302	-	-	2,302
Loan Facility	172,199	-	-	172,199
	186,671	62	-	186,733

Capital Management
The Fund's objective when managing capital is to safeguard the ability to continue as a going concern, whilst providing returns for Unitholders and benefits for other stakeholders and to maintain a capital structure to minimise the cost of capital.

The Responsible Entity can alter the capital structure of the consolidated entity by adjusting the amount of distributions paid to Unitholders and adjusting the timing of development and capital expenditure.

In this context, the consolidated entity considers capital to include interest-bearing loans and borrowings and Unitholders' funds.

Fair Value of financial assets and financial liabilities
The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables as disclosed in the Statement of Financial Position reflect the fair value of these financial assets and liabilities as at 30 June 2021.

Note 21. Fair value measurement

Fair value hierarchy
The following tables detail the Fund'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

Consolidated - 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment properties	-	384,287	-	384,287
REIT Investments	864	-	-	864
Total assets	864	384,287	-	385,151

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Direct property assets are valued in accordance with Fund Property Valuation Policy.

This Policy requires that all direct property assets be valued at Fair Value at each balance date. Fair Value is determined at least once every two years by an appropriately qualified independent valuer.

In the intervening periods Fair Value is determined by Trustee, acting in good faith, after considering all relevant market-based information and circumstances.

Where the Trustee believes that there have been significant changes in the value of the direct property assets, an appropriately qualified independent valuer will be engaged at each reporting period in consultation with the scheme auditor to value the direct property assets in accordance with ordinary commercial practice and AIFRS.

The balance of the Fund's properties were valued by the Trustee using best practice market methodologies including discounted cash flow, capitalisation and comparison methodologies.

Note 22. Related parties

RAM Property Funds Management Limited ("RAM") is the responsible entity of the Fund.

	2021 Consolidated $'000	2020 Consolidated $'000
Real Asset Management Pty Limited		
The Investment Management Fees are calculated at 0.65%p.a. of the gross assets of the Fund.	2,555	2,225
The Administration Fees are calculated at 0.50% of the aggregate income distributions payable to unitholders	338	205
Registry Fees	50	50
	2,943	2,480
RAM Property Funds Management Limited		
The Responsible Entity Fee is calculated at 0.075%p.a. of the gross assets of the Fund	270	255
RAM Australia Property Services Pty Limited		
Asset Management Fees are calculated at 0.35%p.a. of the gross assets of the Fund.	1,503	1,198
Performance Fees are calculated at 35% payable on all returns in excess of a 8% hurdle rate in each three year period.	1,904	4,408
Trust Accounting Services	52	11
Property Accounting Services	236	47
Finance Facilitation Fees	85	-
Development Management Fees	25	-
Leasing Fees	184	-
	3,989	5,664

	2020 Consolidated $'000	2019 Consolidated $'000
Amounts payable to related parties		
The following balances are outstanding at the reporting date in relation to fees payable to related parties:		
RAM Australia Property Services Pty Ltd	5,453	105
RAM Property Funds Management Limited	26	12
Real Asset Management Pty Limited	95	181
	5,574	298

Note 23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2021 $'000	Parent 2020 $'000
Profit	10,720	10,202
Total comprehensive income	10,720	10,202

Note 23. Parent entity information (continued)

Statement of financial position

	Parent	
	2021	2020
	$'000	$'000
Total current assets	5,422	9,910
Total assets	216,559	192,299
Total current liabilities	2,182	715
Total liabilities	2,182	3,712
Unitholder's Funds		
Issued units	214,424	188,766
Accumulated losses	(47)	(179)
Total unitholder's funds	214,377	188,587

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021.

Note 24. Business combinations

North Lakes No. 1 Trust
On 7 May 2021, the Fund acquired 100% of the ordinary units of North Lakes No. 1 Trust for the total consideration transferred of $3,980,000. The Trust is the owner of the Night Owl Convenience Shopping Centre in Queensland. Goodwill of $927,000 represents consideration paid in addition of the Trust's net asset value. The acquired business contributed profit of $146,000 to the Fund for the period from acquisition to year end. If the acquisition occurred on 1 July 2020, a full year loss of $667,000 would have been attributed to the Fund.

Details of the acquisition are as follows:

	Fair value
	$'000
Cash and cash equivalents	51
Trade receivables	7
Prepayments	11
Land and buildings	7,445
Other intangible assets	193
Security deposits	(27)
Trade payables	(17)
Accrued expenses	(43)
Deferred revenue	(40)
Bank loans	(4,204)
Other liabilities	(323)
Net assets acquired	3,053
Goodwill	927
Acquisition-date fair value of the total consideration transferred	3,980

Note 24. Business combinations (continued)

Keppel Bay Plaza Trust
On 8 June 2021, the Fund acquired 100% of the ordinary units of Keppel Bay Plaza Trust for the total consideration transferred of $16,575,165. The Trust is the owner of the Keppel Bay Plaza shopping centre in Queensland. Goodwill of $2,881,000 represents consideration paid in addition of the Trust's net asset value. The acquired business contributed profit of $41,000 to the Fund for the period from acquisition to year end. If the acquisition occurred on 1 July 2020, a full year loss of $1,055,000 would have been attributed to the Fund.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	1,171
Other receivables	39
Prepayments	51
Land and buildings	27,045
Other intangible assets	129
Accrued expenses	(297)
Deferred revenue	(21)
Bank loans	(14,385)
Other liabilities	(38)
Net assets acquired	13,694
Goodwill	2,881
Acquisition-date fair value of the total consideration transferred	16,575

Note 25. Controlled entities

The following entities were controlled by the parent entity during the financial year:

	Ownership interest	
	2021	2020
Name	%	%
RAM Australia Retail Property No. 1 Trust	100.00%	100.00%
RAM Australia Retail Property No. 2 Trust	100.00%	100.00%
RAM Australia Retail Property No. 3 Trust	100.00%	100.00%
RAM Australia Retail Property No. 4 Trust	100.00%	100.00%
RAM Australia Retail Property No. 5 Trust	100.00%	100.00%
RAM Australia Retail Property No. 6 Trust	100.00%	100.00%
RAM Australia Retail Property No. 7 Trust	100.00%	100.00%
RAM Australia Retail Property No. 8 Trust	100.00%	100.00%
RAM Australia Retail Property No. 9 Trust	100.00%	100.00%
RAM Australia Keppel Bay Plaza Trust	100.00%	-
The North Lakes Centre No. 1 Trust	100.00%	-

Note 26. Events after the reporting period

The Fund entered into an Implementation Deed and Stapling Deed on the 30th of September 2021. The Fund is to be stapled to RAM Australia Medical Property Fund to form the Stapled Entity RAM Essential Services Property Fund.

On the 25th of October 2021, the Stapled Entity is to be listed on the Australian Stock Exchange as an Australian Real Estate Investment Trust (REIT). A Product Disclosure Statement was lodged with the ASX on the 30th of September 2021.

On the 3rd of September 2021, the Fund acquired 50% of the shares in RAM Essential Services FinCo Pty Ltd.

On the 24th of September 2021, RAM Essential Services Finco Pty Ltd entered into a Syndicated Facility Agreement with the Commonwealth Bank of Australia and CBA Corporate Services (NSW) Pty Ltd. The Facility will be used to refinance the existing debt facilities for the stapled entities, and to fund the planned acquisitions of the Fund. The facility limit is $250,000,000, with a Loan to Value covenant of 50% and an Interest Coverage Ratio covenant of 2.0 times EBITDA.

Note 27. Reconciliation of profit to net cash from operating activities

	Consolidated	
	2021	2020
	$'000	$'000
Profit for the year	8,680	8,505
Adjustments for:		
Depreciation and amortisation	2,140	1,345
Net fair value loss/(gain) on investments	(131)	270
Net gain on revaluation of investment property	(1,553)	(4,476)
Other non cash items	-	758
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,405)	(1,460)
Increase in other assets	(663)	(189)
Increase in trade and other payables	3,664	2,799
Increase in other liabilities	(1,481)	2,984
Net cash from operating activities	7,251	10,536

Significant Non-Cash Financing and Investing Activities
The Fund partly acquired its current year investments in Keppel Bay and North Lakes through the issuance of $11,765,165 of units.

RAM Australia Retail Property Fund
Directors' declaration
30 June 2021

In the directors' opinion:

- the Fund is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of RAM Australia Retail Property Fund;

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 2 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

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

SHutchinson

Suzanne Hutchinson	Scott Kelly
Director	Director

12 October 2021

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF RAM AUSTRALIA RETAIL PROPERTY FUND

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RAM Australia Retail Property Fund (the Fund) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
ii. complying with the Australian Accounting Standards to the extent described in Note 1 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and 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.

Responsibilities of Management and Directors of the Trustee Company for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

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Responsibilities of Management and Directors of the Trustee Company for the Financial Report (cont'd)

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

We also provide the management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PKF

PKF

M Matthews

MARTIN MATTHEWS
PARTNER

12 OCTOBER 2021
NEWCASTLE, NSW