

# BBX Property Investment Fund Limited ABN 17 118 847 108

## Interim Financial Report

### DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2012.

#### Directors

The names of directors who held office during or since the end of the half-year:

Michael Touma

Barry Dawes

Carolyn Macdonald

#### Review of Operations

The consolidated loss of the economic entity after providing for income tax and eliminating minority equity interests is \$6,576,803.

The Company has passed a resolution to begin the orderly realisation of Company assets and the eventual distribution of capital. As such, the going concern basis of accounting has not been applied and all assets have been classified as current and valued at their estimated net realisable value.

#### Auditor's Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 2 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

Director .....

Michael Touma

Dated

05/12/13

**LACHLAN PARTNERS**

Chartered Accountants, Business &amp; Financial Advisors

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**AUDITORS INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BBX PROPERTY INVESTMENT FUND LIMITED**

I declare that to the best of my knowledge and belief, during the period ended 31 December 2012, there have been:

1. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

**Lachlan Nielson Partners Pty Limited**

**Anthony Rose**

**Date 5 December 2013**



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# BBX Property Investment Fund Limited ABN 17 118 847 108

## Interim Financial Report

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR HALF-YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31.12.2012	31.12.2011
	\$	\$
Revenue from ordinary activities	34,027	95,279
Other income	2,757	-
Interest paid	(60,206)	(149,966)
Loss on sale of property	(1,760)	-
Directors fee	-	(2,167)
Share registration expense	(34,118)	(23,689)
Management fee	(72,936)	-
Other expenses	(37,653)	(92,598)
Impairment of trade dollars	(6,182,964)	(18,986)
(Loss)/Gain on revaluation of property	(223,950)	95,783
Loss before income tax	(6,576,803)	(96,344)
Income tax expense relating to ordinary activities	-	-
Loss for the period	(6,576,803)	(96,344)
Other comprehensive income	-	-
Total comprehensive income for the period	(6,576,803)	(96,344)
<b>Earnings per Share</b>		
Basic earnings per share (cents per share)	(0.36)	(0.52)
Diluted earnings per share (cents per share)	(0.36)	(0.52)

*These reviewed financial statements should be read in conjunction with the accompanying notes.*

# BBX Property Investment Fund Limited ABN 17 118 847 108

## Interim Financial Report

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		Consolidated Group	
	Note	31.12.2012	30.06.2012
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		102,682	676,354
Trade and other receivables		40,289	42,228
Land & buildings held for sale		1,071,000	1,775,100
Intangible Assets	2	-	9,189,875
<b>TOTAL CURRENT ASSETS</b>		<u>1,213,971</u>	<u>11,683,557</u>
<b>TOTAL ASSETS</b>		<u>1,213,971</u>	<u>11,683,557</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		153,380	181,821
Financial liabilities		1,125,065	1,571,304
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,278,445</u>	<u>1,753,125</u>
<b>TOTAL LIABILITIES</b>		<u>1,278,445</u>	<u>1,753,125</u>
<b>NET (LIABILITIES)/ASSETS</b>		<u>(64,474)</u>	<u>9,930,432</u>
<b>EQUITY</b>			
Issued capital		13,900,020	17,318,122
Accumulated losses		(13,964,494)	(7,387,690)
<b>TOTAL EQUITY</b>		<u>(64,474)</u>	<u>9,930,432</u>

*These reviewed financial statements should be read in conjunction with the accompanying notes.*

# BBX Property Investment Fund Limited ABN 17 118 847 108

## Interim Financial Report

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR HALF-YEAR ENDED 31 DECEMBER 2012

	Share Capital Ordinary	Accumulated Losses	Total
	\$	\$	\$
<b>Balance at 30.06.2011</b>	17,318,122	(6,597,897)	10,720,225
Loss for the year	-	(96,344)	(96,344)
<b>Balance at 31.12.2011</b>	<b>17,318,122</b>	<b>(6,694,241)</b>	<b>10,623,881</b>
 <b>Balance at 30.06.2012</b>	 17,318,122	 (7,387,690)	 9,930,432
Returns of capital	(3,418,102)	-	(3,418,102)
Loss for the year	-	(6,576,803)	(6,576,803)
<b>Balance at 31.12.2012</b>	<b>13,900,020</b>	<b>(13,964,493)</b>	<b>(64,474)</b>

*These reviewed financial statements should be read in conjunction with the accompanying notes.*

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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	<b>Consolidated Group</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	34,792	91,160
Payments to suppliers and employees	(169,842)	(65,719)
Interest received	2,754	2,194
Finance costs	(62,458)	(151,390)
Net cash used by operating activities	(194,754)	(123,755)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investment property	480,700	-
Net cash provided by investing activities	480,700	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
Proceeds from borrowings	-	-
Repayment of borrowings	(446,117)	-
Returns of capital	(413,501)	-
Net cash used by financing activities	(859,618)	-
Net (decrease) in cash held	(573,672)	(123,755)
Cash at beginning of period	676,354	242,868
Cash at end of period	102,682	119,113

# **BBX Property Investment Fund Limited ABN 17 118 847 108**

## **Interim Financial Report**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

#### **NOTE 1: BASIS OF PREPARATION**

This general purpose interim financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2000*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by BBX Property Investment Fund Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### **Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis.

#### **Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below:

#### **Classification of Assets**

All assets have been classified as Current as the Directors of the Company have resolved to realise all assets and repay all liabilities within the next 6 months.

#### **Going Concern**

The Company has passed a resolution to begin the orderly realisation of Company assets and the eventual distribution of capital. As such, the going concern basis of accounting has not been applied and all assets have been valued at their estimated net realisable value.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2012 financial report.

# BBX Property Investment Fund Limited ABN 17 118 847 108

## Interim Financial Report

### NOTE 2: INTANGIBLE ASSETS

The following assets are denominated in BBX Trade Dollars	31/12/2012	30/06/2012
Intangible Assets	\$	\$
Barter IT (Barter Trade Exchange Account)	10,121,482	13,128,393
Less: Accumulated impairment of Trade dollars	(10,121,482)	(3,938,518)
	<u>-</u>	<u>9,189,875</u>

The above assets are denominated in BBX Trade Dollars.

The asset has been classified as current as the going concern basis has not been applied.

3,006,911 BBX Trade dollars were distributed to shareholders during the period for no consideration.

The Directors of the Company have decided to fully impair the balance of Barter Trade Exchange Account.

### NOTE 3: ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There are no acquisitions or disposals during the period.

### NOTE 4: PROFIT FROM ORDINARY ACTIVITIES

All significant revenue and expense items for the periods are disclosed on the face of the income statement.

### NOTE 5: SEGMENT INFORMATION

The entity operates in one business segment and in one geographical area, being the management of the BBX Property Investment Fund in NSW.

### NOTE 6: CONTINGENT LIABILITIES

There are no contingent liabilities at 31 December 2012.

### NOTE 7: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

	31/12/2012	30/06/2012
Current account balances with related parties are:	\$	\$
Receivables		
BBX Management No 2 unit trust	37,391	
Payables		
BBX Funds Management Limited	27,232	
Management fees paid to BBX Funds Management Limited	72,936	

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**NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE**

The sale of land for the following property has been settled subsequent to balance date:

11/8 Wainwright Road, Mount Druitt	25/02/2013	\$300,000
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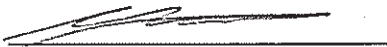
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**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 9 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company 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 the Board of Directors.

  
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Michael Touma

Dated 05 / 12 / 13



**LACHLAN PARTNERS**

Chartered Accountants, Business & Financial Advisors

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
BBX PROPERTY INVESTMENT FUND LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half year financial report of BBX Property Investment Fund Limited and controlled entities ('the consolidated company'), which comprises the consolidated condensed statement of financial position as at 31 December 2012, consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information notes and the directors' declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors' of BBX Property Investment Fund Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the BBX Property Investment Fund Limited and controlled entities financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the BBX Property Investment Fund Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This review report relates to the financial report of the BBX Property Investment Fund Limited and controlled entities for the half-year ended 31 December 2012 included on the website of BBX Property Investment Fund Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of BBX Property Investment Fund Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- ii. complying with AASB 134 *Interim Financial Reporting and the Corporation Regulations 2001*.

### **Going Concern and Asset Values**

Without modification to our opinion expressed above, attention is drawn to the following matter:

On 2 September 2011, a resolution was passed at an extraordinary general meeting that authorised the directors to conduct an orderly realisation of the group's assets and distribute the proceeds to shareholders. These financial statements have been impacted by this resolution in the following ways:-

#### **(a) Going Concern**

As set out in Note 1 the going concern assumption has not been applied. All assets and liabilities have been stated at the directors' estimates of their net realisable values.

(b) Classification of Assets and Liabilities

All assets are expected to be realised and all liabilities extinguished within the next 12 months. Therefore all assets and liabilities have been classified as current.

**Lachlan Nielson Partners Pty Limited**



**Anthony Rose**

**Date 5 December 2013**