



**CROMWELL**  
PROPERTY GROUP

# **Cromwell Property Trust 12**

ARSN 166 216 995

## **Half-Year Financial Report**

**31 December 2018**

Responsible entity:  
Cromwell Funds Management Limited  
ABN 63 114 782 777 AFSL 333214  
Level 19, 200 Mary Street  
Brisbane QLD 4000

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## DIRECTORY

### *Responsible entity:*

Cromwell Funds Management Limited  
ABN 63 114 782 777  
AFSL 333214  
Level 19, 200 Mary Street  
Brisbane QLD 4000  
Tel: +61 7 3225 7777  
Fax: +61 7 3225 7788  
Email: [invest@cromwell.com.au](mailto:invest@cromwell.com.au)  
Web: [www.cromwell.com.au](http://www.cromwell.com.au)

### *Custodian:*

The Trust Company Limited  
Angel Place, Level 18  
123 Pitt Street  
Sydney NSW 2000  
Tel: 02 9229 9000  
Web: [www.perpetual.com.au](http://www.perpetual.com.au)

### *Auditor:*

Pitcher Partners  
Level 38, Central Plaza One  
345 Queen Street  
Brisbane QLD 4000  
Tel: +61 7 3222 8444  
Fax: +61 7 3221 7779  
Web: [www.pitcher.com.au](http://www.pitcher.com.au)

# Directors' Report

The Directors of Cromwell Funds Management Limited, the responsible entity of Cromwell Property Trust 12 (the "Trust"), present their report at the end of the half-year ended 31 December 2018.

## The responsible entity and its Directors

Cromwell Funds Management Limited has been the responsible entity of the Trust since its registration. Cromwell Funds Management Limited is part of Cromwell Property Group, a global real estate investment manager with \$11.5 billion of assets under management. The responsible entity undertakes management and administrative duties for the Trust and monitors the Custodian, The Trust Company Limited, which holds the Trust's assets on behalf of the unitholders.

The responsible entity's Directors are as follows:

Ms MA McKellar	Non-executive Director
Ms JA Tongs	Non-executive Director
Mr WRL Foster	Non-executive Director
Mr PL Weightman	Executive Director

## Review of operations and results

### Financial performance

The Trust recorded a statutory profit of \$4,274,000 for the half-year ended 31 December 2018 (2017: statutory profit of \$3,865,000).

The statutory profit includes a number of items which are non-cash in nature, or occur infrequently and/or relate to realised or unrealised changes in the values of assets and liabilities and in the opinion of the Directors of the responsible entity, need to be adjusted for in order to allow unitholders to gain a better understanding of the Trust's underlying operating profit. Operating profit is considered by the Directors to reflect the underlying earnings of the Trust. It is a key metric taken into account in determining distributions for the Trust.

The Trust recorded an operating profit for the half-year of \$3,213,000 (2017: \$3,137,000). Operating profit is not calculated in accordance with International Financial Reporting Standards ("IFRS") and has not been audited or reviewed by the Trust's auditor. A reconciliation of operating profit for the Trust, as assessed by the Directors, to the reported profit for the half-year is as follows:

	Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000
<b>Operating profit</b>	<b>3,213</b>	3,137
<i>Reconciliation to profit for the year</i>		
Fair value net gains / (losses):		
Investment properties	<b>942</b>	(115)
Derivative financial instrument	<b>22</b>	148
Non-cash property investment income:		
Straight-line lease income	<b>999</b>	1,111
Amortisation of loan transaction costs	<b>(45)</b>	(45)
Performance fee	<b>(857)</b>	(371)
<b>Profit for the half-year</b>	<b>4,274</b>	3,865

Rental income, excluding straight-line lease income, which is a non-cash item, was \$5,232,000 (2017: \$5,115,000).

	Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000
Base rent and recoverable outgoings	<b>5,232</b>	5,115
Straight-line lease income	<b>999</b>	1,111
<b>Rental income and recoverable outgoings</b>	<b>6,231</b>	6,226

The increase in base rent and recoverable outgoings is largely due to annual increases in rent received from the tenants at the properties.

# Directors' Report

Operating profit per unit for the half-year was 4.2 cents (2017: 4.1 cents). Distributions paid/payable per unit for the half-year was 4.4 cents (2017: 4.3 cents).

	Half-year ended	
	31 December 2018 cents	31 December 2017 cents
Operating profit per unit <sup>(1)</sup>	4.2	4.1
Profit per unit	5.6	5.1
Distribution per unit	4.4	4.3

(1) Based upon operating profit disclosed on page 3.

## Financial position

	As at	
	31 December 2018	30 June 2018
Total assets (\$'000)	147,953	146,236
Net assets (\$'000)	100,624	99,674
Net debt (\$'000) <sup>(1)</sup>	38,125	37,712
Gearing (%) <sup>(2)</sup>	26%	26%
Units issued ('000)	76,000	76,000
NTA per unit	\$1.32	\$1.31
NTA per unit (excluding interest rate derivative)	\$1.33	\$1.32

(1) Borrowings less cash and cash equivalents.

(2) Net debt divided by total tangible assets less cash and cash equivalents.

NTA per unit is a key measure of the underlying value of the Trust's assets. This was \$1.32 per unit at half-year end compared with \$1.31 per unit at the end of the last financial year.

## Subsequent events

No matter or circumstance has arisen since 31 December 2018 that has significantly affected or may significantly affect:

- the Trust's operations in future financial years; or
- the results of those operations in future financial years; or
- the Trust's state of affairs in future financial years.

## Rounding of amounts

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars, or in certain cases to 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* (Cth) accompanies this report on page 5.

This report is made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



PL Weightman  
Director  
27 February 2019  
Brisbane

Level 38, 345 Queen Street  
Brisbane, Queensland 4000

Postal Address  
GPO Box 1144  
Brisbane, Queensland 4001

Tel +61 7 3222 8444  
Fax +61 7 3221 7779

[www.pitcher.com.au](http://www.pitcher.com.au)  
[info@pitcherpartners.com.au](mailto:info@pitcherpartners.com.au)

The Directors  
Cromwell Funds Management Limited  
As Responsible Entity for Cromwell Property Trust 12  
Level 19  
200 Mary Street  
BRISBANE QLD 4000

Dear Directors

### Auditor's Independence Declaration

As lead auditor for the review of the financial report of Cromwell Property Trust 12 for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

PITCHER PARTNERS



WARWICK FACE  
Partner  
Brisbane, Queensland  
27 February 2019

Ken Ogden  
Nigel Fischer  
Mark Nicholson

Peter Camenzuli  
Jason Evans  
Ian Jones

Kylie Lamprecht  
Norman Thurecht  
Brett Headrick

Warwick Face  
Nigel Batters  
Cole Wilkinson

Simon Chun  
Jeremy Jones  
Tom Splatt

James Field  
Daniel Colwell

# Statement of Comprehensive Income

For the half-year ended 31 December 2018

	Notes	Half-year ended	
		31 December 2018 \$'000	31 December 2017 \$'000
<b>Revenue and other income</b>			
Rental income and recoverable outgoings		6,231	6,226
Interest		30	23
Fair value net gains from:			
Investment properties	3	942	-
Derivative financial instrument		22	148
<b>Total revenue and other income</b>		<b>7,225</b>	<b>6,397</b>
<b>Expenses</b>			
Property expenses and outgoings		729	692
Management and administration costs		1,382	882
Finance costs	4(c)	840	843
Fair value net loss from investment properties	3	-	115
<b>Total expenses</b>		<b>2,951</b>	<b>2,532</b>
<b>Profit for the half-year</b>		<b>4,274</b>	<b>3,865</b>
Other comprehensive income for the half-year		-	-
<b>Total comprehensive income for the half-year</b>		<b>4,274</b>	<b>3,865</b>

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

# Statement of Financial Position

As at 31 December 2018

	Notes	As at	
		31 December 2018 \$'000	30 June 2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents		2,718	3,086
Receivables		27	117
Other current assets		258	33
<b>Total current assets</b>		<b>3,003</b>	3,236
<b>Non-current assets</b>			
Investment properties	3	144,950	143,000
<b>Total non-current assets</b>		<b>144,950</b>	143,000
<b>Total assets</b>		<b>147,953</b>	146,236
<b>Current liabilities</b>			
Trade and other payables		555	706
Distribution payable		561	548
Derivative financial instrument	5	299	298
Unearned income		613	588
<b>Total current liabilities</b>		<b>2,028</b>	2,140
<b>Non-current liabilities</b>			
Borrowings	4	40,843	40,798
Derivative financial instrument	5	274	297
Provisions	6	4,184	3,327
<b>Total non-current liabilities</b>		<b>45,301</b>	44,422
<b>Total liabilities</b>		<b>47,329</b>	46,562
<b>Net assets</b>		<b>100,624</b>	99,674
<b>Equity</b>			
Contributed equity	7	74,682	74,682
Retained earnings		25,942	24,992
<b>Total equity</b>		<b>100,624</b>	99,674

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

# Statement of Changes in Equity

For the half-year ended 31 December 2018

<b>31 December 2018</b>	Note	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2018		<b>74,682</b>	<b>24,992</b>	<b>99,674</b>
Total comprehensive income for the half-year		-	<b>4,274</b>	<b>4,274</b>
<i>Transactions with unitholders in their capacity as unitholders:</i>				
Distributions paid / payable	2	-	<b>(3,324)</b>	<b>(3,324)</b>
<b>Balance at 31 December 2018</b>		<b>74,682</b>	<b>25,942</b>	<b>100,624</b>

31 December 2017	Note	Contributed equity \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2017		74,682	21,927	96,609
Total comprehensive income for the half-year		-	3,865	3,865
<i>Transactions with unitholders in their capacity as unitholders:</i>				
Distributions paid / payable	2	-	(3,230)	(3,230)
Balance at 31 December 2017		74,682	22,562	97,244

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

# Statement of Cash Flows

For the half-year ended 31 December 2018

	Half-year ended	
	<b>31 December 2018 \$'000</b>	31 December 2017 \$'000
<b>Cash flows from operating activities</b>		
Receipts in the course of operations	<b>5,761</b>	5,786
Payments in the course of operations	<b>(2,056)</b>	(1,598)
Interest received	<b>31</b>	23
Finance costs paid	<b>(784)</b>	(792)
<b>Net cash provided by operating activities</b>	<b>2,952</b>	3,419
<b>Cash flows from investing activities</b>		
Payments for investment properties	<b>(9)</b>	(5)
<b>Net cash used in investing activities</b>	<b>(9)</b>	(5)
<b>Cash flows from financing activities</b>		
Payment of distributions	<b>(3,311)</b>	(3,219)
<b>Net cash used in financing activities</b>	<b>(3,311)</b>	(3,219)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(368)</b>	195
Cash and cash equivalents at 1 July	<b>3,086</b>	2,948
<b>Cash and cash equivalents at 31 December</b>	<b>2,718</b>	3,143

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

# Notes to the Financial Statements

For the half-year ended 31 December 2018

## 1 Basis of preparation

This general purpose financial report of Cromwell Property Trust 12 (the "Trust") for the half-year reporting period ended 31 December 2018 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). The financial report is designed to provide an update on the Trust's financial performance and financial position since the last annual financial report was issued. This financial report therefore does not include all the notes normally included in an annual financial report and needs to be read in conjunction with the annual report for the year ended 30 June 2018. The Trust is a for-profit entity for the purposes of preparing financial statements.

The accounting policies adopted, other than those outlined below under *New and amended standards adopted by the Trust*, are consistent with those of the previous financial year and corresponding half-year reporting period.

### *Rounding of amounts*

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars, or in certain cases to the nearest dollar.

### *New and amended standards adopted by the Trust*

During the half-year reporting period ended 31 December 2018, the following new accounting standards and interpretations were adopted by the Trust:

	<b>Application date of Standard</b>	<b>Application date for the Trust</b>
AASB 9 <i>Financial Instruments</i>	1 Jan 2018	1 Jul 2018
AASB 15 <i>Revenue from Contracts with Customers</i>	1 Jan 2018	1 Jul 2018

The impact of adoption of the new standards for the half-year reporting period is summarised below.

### *AASB 9 Financial Instruments*

AASB 9 addresses the classification, measurement and derecognition of financial assets that are classified as available-for-sale or are designated at fair value through profit or loss, as well as financial liabilities designated at fair value through profit or loss. The standard also introduces new rules for hedge accounting, to align more closely with an entity's risk management practices.

As noted in the Trust's annual financial report for the year ended 30 June 2018, the Trust does not carry such financial assets or financial liabilities, and currently does not apply hedge accounting. As a result, adoption of the new accounting standard from 1 July 2018 will not have a material impact on the accounting for financial assets or financial liabilities, nor will it have a material impact on the Trust's hedging arrangements in the half-year reporting period ended 31 December 2018. Comparative results have not been restated.

### *AASB 15 Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 *Revenue*, which currently covers contracts for goods and services, and AASB 111 *Construction Contracts* which covered construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

As noted in the Trust's annual financial report for the year ended 30 June 2018, the standard does not change the recognition of the Trust's primary revenue item, being rental income and recoverable outgoings. As a result, adoption of the new accounting standard from 1 July 2018 will not have a material impact on the Trust. Comparative results have not been restated.

The Trust has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### *Continuous disclosure*

Continuous disclosure and updates on the Trust's performance and events significant to the Trust are provided on Cromwell's webpage at [www.cromwell.com.au/c12](http://www.cromwell.com.au/c12).

## 2 Distributions

### (a) Overview

The Trust's distribution policy is to distribute an amount which is no more than 100% of expected profits available for distribution over the medium term. Profits available for distribution exclude fair value gains or losses.

### (b) Distributions paid / payable

Distribution rates per unit since inception of the Trust were as follows:

From inception:	7.75 cents
1 July 2015 to 30 June 2016:	8.00 cents
1 July 2016 to 30 June 2017:	8.25 cents
1 July 2017 to 30 June 2018:	8.50 cents
Since 1 July 2018:	8.75 cents

# Notes to the Financial Statements

For the half-year ended 31 December 2018

Distributions increased by 13% since the inception of the Trust in October 2013. The distribution rate for the half-year was 8.75 cents per annum and is paid monthly. The annual distribution increases since inception of the Trust were made possible by annual rent increases from the Trust's investment property.

Total distributions paid / payable during the half-year were as follows:

	Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000
<b>Distributions paid / payable</b>	<b>3,324</b>	3,230

## 3 Investment properties

### (a) Overview

The Trust holds two investment properties, 11 – 13 Robinson St in Victoria and the Rand Distribution Centre in South Australia. The Victoria property is 91% leased to the ATO until September 2030 and the Rand Distribution Centre is 100% leased to Rand Transport, a subsidiary of ASX listed group Automotive Holdings Group Limited, until August 2035.

	Independent valuation date	Independent valuation		Carrying amount		Fair value adjustment	
		As at		As at		For the half-year ended	
		31-Dec 2018 \$'000	30-Jun 2018 \$'000	31-Dec 2018 \$'000	30-Jun 2018 \$'000	31-Dec 2018 \$'000	31-Dec 2017 \$'000
11 – 13 Robinson St, VIC	30-Sep-2018	95,200	94,000	95,200	94,000	711	408
Rand Distribution Centre	31-Mar-2018	49,750	49,000	49,750	49,000	(250)	(523)
<b>Total investment properties</b>		<b>144,950</b>	143,000	<b>144,950</b>	143,000	<b>461</b>	(115)

### (b) Movements in investment properties

A reconciliation of the carrying amounts of investment properties at the beginning and the end of the financial period is set out below:

	Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000
Balance at 1 July	143,000	139,000
<i>Additions at cost:</i>		
Improvements	9	4
Straight-line lease income	999	1,111
Net gain / (loss) from fair value adjustments	942	(115)
<b>Total investment properties</b>	<b>144,950</b>	140,000

## 4 Borrowings

### (a) Overview

The Trust has borrowed funds from a financial institution to partly fund the acquisition of the Trust's investment property at 11 – 13 Robinson St, Victoria. This note provides further details about the Trust's debt facility and relating finance costs incurred during the year.

	As at	
	31 December 2018 \$'000	30 June 2018 \$'000
<i>Secured – non-current:</i>		
Bank loan – investment property	41,000	41,000
Less: Unamortised transaction costs	(157)	(202)
<b>Total borrowings – non-current</b>	<b>40,843</b>	40,798

### (b) Borrowing details

#### Bank loan – investment property

This bank loan facility is secured by a first registered mortgage over the Trust's investment properties located at 11 – 13 Robinson St, Victoria and Rand Distribution Centre, SA. The loan bears interest at a variable rate plus a margin. The loan has a maturity date of September 2020. The Trust has no unused finance facilities.

# Notes to the Financial Statements

For the half-year ended 31 December 2018

Due to the Trust having a swap contract for an amount equal to the bank loan facility and under the contract receiving payments equal to the variable rate from the counterparty, the impact is equal to the loan interest being the fixed rate of 2.66% plus the margin.

## (c) Finance costs

	Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000
Interest	795	798
Amortisation of loan transaction costs	45	45
<b>Total finance costs</b>	<b>840</b>	843

## 5 Derivative financial instrument

### (a) Overview

The Trust manages its cash flow interest rate risk by using a floating-to-fixed interest rate swap contract. In this contract the Trust agrees with the counterparty to exchange, at specified intervals (usually 30 days), the difference between the contract rate and the floating-rate interest amounts calculated by reference to the agreed notional principal amount.

Under the contract, the Trust will effectively pay interest on a notional swap amount of \$41,000,000 until October 2020 at a fixed rate of 2.66% (30 June 2018: at fixed rate of 2.66%) with the counterparty paying at the variable 30 day BBSY rate which at balance date was 2.045% (30 June 2018: 1.93%).

	As at	
	31 December 2018 \$'000	30 June 2018 \$'000
<i>Current liabilities:</i>		
Interest rate swap contract	299	298
<i>Non-current liabilities:</i>		
Interest rate swap contract	274	297

## 6 Provisions

### (a) Overview

Under the constitution of the Trust the responsible entity is entitled to a performance fee payable as soon as possible after the sale of the relevant property in addition to its ongoing management fee.

	As at	
	31 December 2018 \$'000	30 June 2018 \$'000
<i>Non-current liability:</i>		
Provision for performance fee	4,184	3,327

### (b) Movement in provision

	\$'000
Balance at 1 July 2017	2,453
Adjustment of provision through profit or loss	371
Balance at 31 December 2017	2,824
Adjustment of provision through profit or loss	503
Balance at 30 June 2018	3,327
Adjustment of provision through profit or loss	857
<b>Balance at 31 December 2018</b>	<b>4,184</b>

# Notes to the Financial Statements

For the half-year ended 31 December 2018

## 7 Contributed equity

### (a) Overview

The Trust is closed and will not issue any more units. The Trust has an initial 7 year term to 31 October 2020 during which unitholders have no right of withdrawal.

	As at 31 December 2018		As at 30 June 2018	
	# '000	\$'000	# '000	\$'000
Issued units	76,000	74,682	76,000	74,682

## 8 Fair value disclosures – financial instruments

### (a) Overview

This note provides an update on the fair value measurements of financial instruments since the last annual financial report, including estimates and judgements made to determine the fair value of financial instruments.

### b) Fair value hierarchy

The Trust measures and recognises the following financial instruments at fair value on a recurring basis:

- Interest rate swap contract – derivative financial instrument.

AASB 13 *Fair Value Measurement* describes a hierarchy of fair value measurements depending on the type of inputs used to determine fair value. The levels of fair value measurement as described in the accounting standard are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification into different levels provides an indication about the reliability of the inputs used in determining fair value with level 1 measurements using the most reliable inputs and level 3 using the least reliable inputs as they are based on judgements and estimates.

The measurement of the fair value of the Trust's interest rate swap is a level 2 measurement. This is a "Vanilla" fixed to floating interest rate swap derivative (over-the-counter derivative). The fair value of the interest rate swap has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivative and counterparty or own credit risk. All counterparties to interest rate derivative are Australian financial institutions.

The Trust held no other financial instruments at fair value in the current or prior year and there were no transfers between levels of the fair value hierarchy during the period.

### c) Fair values of other financial instruments not measured at fair value

The carrying amounts of receivables, other current assets, trade and other payables and distributions payable are assumed to approximate their fair values due to their short-term nature. The fair value of non-current borrowings is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Trust for similar financial instruments. The fair value of these borrowings is not materially different from the carrying value.

## 9 Unrecognised items

### (a) Contingent liabilities

As disclosed in the Trust's 30 June 2018 annual financial report the Directors are not aware of any material contingent liabilities and the Directors are not aware of any material changes in contingent liabilities of the Trust since the last annual financial report.

### (b) Commitments

The Trust does not have any material expenditure commitments. There has been no change since the Trust's last annual financial report.

# Directors' Declaration

In the opinion of the Directors of Cromwell Funds Management Limited as responsible entity for Cromwell Property Trust 12 (collectively referred to as "the Directors"):

- (a) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements and notes are in accordance with the *Corporations Act 2001* (Cth), including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (Cth), and
  - (ii) giving a true and fair view of the Trust's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.

This report is made pursuant to section 303(5) of the *Corporations Act 2001* (Cth).



PL Weightman

Director

27 February 2019

Brisbane



Level 38, 345 Queen Street  
Brisbane, Queensland 4000

Tel +61 7 3222 8444  
Fax +61 7 3221 7779

Postal Address  
GPO Box 1144  
Brisbane, Queensland 4001

[www.pitcher.com.au](http://www.pitcher.com.au)  
[info@pitcherpartners.com.au](mailto:info@pitcherpartners.com.au)

## INDEPENDENT AUDITOR'S REVIEW REPORT

### To the Members of Cromwell Property Trust 12

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cromwell Property Trust 12, which comprises the balance sheet as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

The directors of the Cromwell Funds Management Limited (the responsible entity) 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, 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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the trust's financial position as at 31 December 2018 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 Cromwell Property Trust 12, 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.

#### *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 Cromwell Property Trust 12 is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the trust's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PITCHER PARTNERS

  
WARWICK FACE  
Partner

Brisbane, Queensland  
27 February 2019

Ken Ogden  
Nigel Fischer  
Mark Nicholson

Peter Camenzuli  
Jason Evans  
Ian Jones

Kylie Lamprecht  
Norman Thurecht  
Brett Headrick

Warwick Face  
Nigel Batters  
Cole Wilkinson

Simon Chun  
Jeremy Jones  
Tom Splatt

James Field  
Daniel Colwell