

For personal use only



MUSTERA

PROPERTY GROUP LTD

ACN 142 375 522

ASX Appendix 4E
Preliminary Final Report

For the year ended 30 June 2021
(incorporating information pursuant to ASX Listing Rule 4.3A)

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

The following information is provided to the ASX under listing rule 4.3A. The Appendix 4E should be read in conjunction with the annual financial report of Mustera Property Group Ltd for the year ended 30 June 2021.

1. Details of the reporting period and the previous corresponding period.

Reporting Period	Year ended 30 June 2021
Previous Corresponding Reporting Period	Year ended 30 June 2020

2. Results for announcement to the market

2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

\$ Revenue from Ordinary Activities - current period	\$'000	5,409
\$ Revenue from Ordinary Activities - previous period	\$'000	2,646
\$ change in Revenue from Ordinary Activities	\$'000	2,763
% change from previous corresponding reporting period	% UP	104%

2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

\$ Profit (loss) from ordinary activities after tax - current period	\$'000	(2,491)
\$ Profit (loss) from ordinary activities after tax - previous period	\$'000	(1,066)
\$ change in profit (loss) from ordinary activities after tax	\$'000	(1,425)
% change from previous corresponding reporting period	% UP	134%

2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

\$ Net profit (loss) attributable to members - current period	\$'000	(2,415)
\$ Net profit (loss) attributable to members - previous period	\$'000	(1,040)
\$ change in net profit (loss) attributable to members	\$'000	(1,375)
% change from previous corresponding reporting period	% UP	132

2.4 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

It is not proposed to pay dividends.

2.5 The record date for determining entitlements to the dividends (if any).

Not applicable.

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

Please refer to the review of operations in section 14.

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

3. A statement of comprehensive income together with notes to the statement, prepared in compliance with AASB 101 'Presentation of Financial Statements' or the equivalent foreign accounting standard.

	2021 \$	2020 \$
Revenue	5,352,010	2,601,741
Cost of sales	(2,897,355)	-
Gross Profit	2,454,655	2,601,741
Other income	57,439	43,885
Property expenses and outgoings	(1,106,953)	(1,266,276)
Property development costs	(1,063,091)	(87,710)
Employee benefits expenses	(974,818)	(363,599)
Administration and overhead costs	(667,559)	(607,647)
Amortisation and depreciation	(113,845)	(2,740)
Other Income and Expenses	(3,926,266)	(2,284,087)
Finance income	633	126,913
Finance costs	(555,031)	(904,502)
(Increase)/Decrease in net assets attributable to unitholders	(491,453)	(626,269)
Net Finance Costs	(1,045,851)	(1,403,858)
Profit/(loss) before income tax	(2,460,023)	(1,086,204)
Income tax benefit/(expense)	(30,638)	20,268
Net profit/(loss) for the year	(2,490,661)	(1,065,936)
Other comprehensive income		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income/(loss) for the year attributable to the ordinary equity holders of the Company	(2,490,661)	(1,065,936)
Total comprehensive income for the period is attributable to:		
Ordinary equity holders of the parent	(2,414,686)	(1,040,107)
Non-controlling interest	(75,975)	(25,829)
	(2,490,661)	(1,065,936)
Earnings/(loss) per share (cents)		
Basic earnings/(loss) per share for the financial year (cents)	(2.23)	(1.07)
Diluted earnings/(loss) per share for the financial year (cents)	N/A*	N/A*

*Diluted loss per share is not shown as all potential ordinary shares on issue would decrease the loss per share and are thus not considered dilutive.

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

4. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each significant class of asset, liability, and equity element with appropriate sub-totals.

	2021 \$	2020 \$
CURRENT ASSETS		
Cash and cash equivalents	421,449	281,321
Trade and other receivables	387,135	211,264
Inventories	1,189,419	1,486,774
Other current assets	49,220	15,197
Total Current Assets	2,047,223	1,994,556
NON-CURRENT ASSETS		
Trade and other receivables	2,500	2,500
Inventories	22,253,488	24,133,525
Investment property	17,425,091	17,359,827
Deferred tax assets	157,723	188,362
Property, plant & equipment	123,947	19,343
Right of use assets	24,624	-
Total Non-Current Assets	39,987,373	41,703,557
TOTAL ASSETS	42,034,596	43,698,113
CURRENT LIABILITIES		
Trade and other payables	1,435,190	952,573
Income tax payable	6,524	108,471
Employee benefits	14,425	17,066
Lease liability	19,988	-
Borrowings	11,655,000	15,358,183
Net assets attributable to property fund unitholders	5,441,692	7,017,669
Total Current Liabilities	18,572,819	23,453,962
NON-CURRENT LIABILITIES		
Other payables	2,500	2,500
Lease liability	5,125	-
Employee benefits	31,886	-
Borrowings	9,900,000	8,531,000
Total Non-Current Liabilities	9,939,511	8,533,500
TOTAL LIABILITIES	28,512,330	31,987,462
NET ASSETS	13,522,266	11,710,651
EQUITY		
Contributed equity	16,131,071	11,980,795
Other reserves	687,494	308,019
Accumulated losses	(3,475,753)	(1,061,067)
Non-controlling interest	179,454	482,904
TOTAL EQUITY	13,522,266	11,710,651

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each significant form of cash flow and comply with the disclosure requirements of AASB 107 'Statement of Cash Flows', or for foreign entities, the equivalent foreign accounting standard.

	2021 \$	2020 \$
Cash flows from operating activities		
Receipts in the course of operations	5,331,161	2,682,539
Receipts from repayment of vendor finance loan	-	3,410,300
Other receipts	58,176	43,148
Payments in the course of operations	(3,113,316)	(2,930,904)
Payments for property held for development	(719,963)	(305,802)
Interest received	213	126,913
Interest paid	(295,924)	(734,904)
Income tax refund/(paid)	(101,947)	(325,181)
Net cash inflow/(outflow) from operating activities	1,161,658	1,966,109
Cash flows from investing activities		
Payments for property, plant and equipment	(204,929)	(5,055)
Payments for leasehold improvements	(65,264)	-
Payments for purchase of units in the Fund	-	(250,000)
Payments for purchase of units in the Fund	(2,900,000)	-
Proceeds from sale of units in the Fund	1,250,000	-
Payments for transactions with non controlling interests	(425,000)	-
Net cash (outflow)/ inflow from investing activities	(2,345,193)	(255,055)
Cash flows from financing activities		
Distributions – property fund	(417,430)	(655,143)
Proceeds from borrowings	5,458,805	3,275,000
Repayment of borrowings	(7,792,988)	(4,909,433)
Cash allocated to term deposits	(60,000)	(83,746)
Payment of lease liabilities	(15,000)	-
Proceeds from share issue	4,150,276	-
Net cash inflow/(outflow) from financing activities	1,323,663	(2,373,322)
Net increase/(decrease) in cash and cash equivalents	140,128	(662,268)
Cash and cash equivalents at 1 July 2020	281,321	943,589
Cash and cash equivalents at 30 June 2021	421,449	281,321

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

6. A statement of retained earnings, or a statement of changes in equity, showing movements.

	Contributed Equity \$	Other Reserves \$	Accumulated Losses \$	Total \$	Non- controlling interests \$	Total Equity \$
Balance at 1 July 2019	11,980,795	308,019	(20,961)	12,267,853	508,733	12,776,586
Loss for the year	-	-	(1,040,107)	(1,040,107)	(25,829)	(1,065,936)
Total comprehensive loss for the year	-	-	(1,040,107)	(1,040,107)	(25,829)	(1,065,936)
Balance at 30 June 2020	11,980,795	308,019	(1,061,067)	(11,227,747)	482,904	11,710,651
Balance at 1 July 2020	11,980,795	308,019	(1,061,067)	(11,227,747)	482,904	11,710,651
Loss for the year	-	-	(2,414,686)	(2,414,686)	(75,975)	(2,490,661)
Total comprehensive loss for the year	-	-	(2,414,686)	(2,414,686)	(75,975)	(2,490,661)
Transactions with equity holders in their capacity as equity holders:						
Shares issued, net of costs	4,150,276	-	-	4,150,276	-	4,150,276
Performance rights issue	-	577,000	-	577,000	-	577,000
Transactions with non controlling interests	-	(197,525)	-	(197,525)	(227,475)	(425,000)
Balance at 30 June 2021	16,131,071	687,494	(3,475,753)	13,342,812	179,454	13,522,266

7. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable and (if known) the amount per security of foreign source dividend or distribution.

Nil.

8. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

Nil.

9. Net tangible assets per security with the comparative figure for the previous corresponding period.

Net tangible assets per security	Cents	11.6 cents
Previous corresponding period	Cents	11.8 cents

10. Details of entities over which control has been gained or lost during the period, including the following.

10.1 Name of the entity.

The Company has not gained or lost control of any entity during the year.

10.2 The date of the gain or loss of control.

Not Applicable.

10.3 Where material to an understanding of the report - the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Not applicable.

11. Details of associates and joint venture entities including the following.

11.1 Name of the associate or joint venture entity.

Nil.

11.2 Details of the reporting entity's percentage holding in each of these entities.

Not applicable.

11.3 Where material to an understanding of the report – aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Not applicable.

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Not applicable.

13. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).

Not applicable.

14. A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to discussion of the following.

REVIEW OF OPERATIONS

The Group recorded a loss of \$2,490,661 for the financial year (2020: loss of \$1,065,936).

Mustera continued with its core business during the year including the development of residential apartments and funds management. Revenue of \$5.35m was recorded during the year received from rental income, fund management fees and the sale of inventory. No new projects reached completion during the year.

During the year, the Company progressed with its flagship project, Forbes Residences in Applecross. The Company commenced with its marketing campaign in Q4 2020 and at 30 June 2021 had 32 apartments under contract including two penthouse apartments. Strong interest levels have been from owner occupiers downsizing locally who recognise the boutique nature of the project as well as the green and sustainable initiatives driven through its international design practices.

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

After a competitive tender process, the Company appointed PACT Construction Pty Ltd to build its flagship project. They have a proven track record of delivering high quality projects and has successfully built numerous residential projects in Perth. The appointment of a builder is a major milestone for the Project and the Company are pleased to have a builder with the local expertise and proven track record on board. Construction is commencing in September 2021.

The Company also divested its Belmont property being considered a non-core asset in June 2021.

Mustera continued to focus on progressing its portfolio of development assets and delivering rental revenue and management fees through its investments during the year.

Further details of the Group's operating activities during the year are outlined below.

COMPLETED PROJECTS

Victoria Quarter, Lot 803 Foundry Road, Midland WA – One apartment was sold during the year and the remaining four apartments are currently under contract and will settle in September 2021.

FUTURE PROJECTS

10 Forbes Road, Applecross WA - Development Approval was issued in April 2020 for 57 apartments, food and beverage and commercial office space over 13 floors.

32 apartments are sold and under contract at 30 June 2021.

In May 2021 the Company appointed PACT Construction Pty Ltd as the contractor to construct the Forbes project. Construction is due to commence in September 2021 with an estimated completion in Q2 2023. The Company continues to market the apartments for sale.

75 Haig Park Circle, East Perth WA - The property comprises a 2,233m² site and is situated near the corner of Plain and Royal Street, 1.5 km from the Perth Central Business District. Improvements include an open air at-grade car park with fifty car bays. The property is currently leased for public parking.

The City of Perth has adopted design guidelines to introduce development standards for the property. The scheme amendment was approved by the Minister in May 2021.

Consistent with the Group's strategy, rental income is being generated from the leased property whilst development planning and approvals are being undertaken.

15 McCabe Street, North Fremantle WA – The property, with direct ocean and river views, comprises office improvements of approximately 2,000m² over two levels, on a 2,398m² site.

The Group has continued to progress with the preliminary design and planning for the development in anticipation of applying for planning approval in late 2021.

Consistent with the Group's strategy, rental income is being generated from the leased property whilst development planning is being undertaken.

Grace Quarter, Lot 801 Helena Street, Midland WA – The 2,390m² site is located on the corner of Helena Street and Yelverton Drive and forms a part of the Midland Railway Workshops precinct.

The Group continues to assess the market conditions in anticipation of reinstating the expired development approval. In addition, the Company is also looking at alternative development options for the property.

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

14.1 The earnings per security and the nature of any dilution aspects.

EARNINGS PER SHARE	2021	2020
	\$	\$
Loss after income tax attributable to ordinary shareholders	(2,414,686)	(1,040,107)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	111,532,525	99,399,020
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	111,532,525	99,399,020
	Cents	Cents
Basic earnings per share	(2.17)	(1.04)
Diluted earnings per share	N/A	N/A

14.2 Returns to shareholders including distributions and buy backs.

Nil.

14.3 Significant features of operating performance.

REVENUE	2021	2020
	\$	\$
Rental income and recoverable outgoings	2,439,607	2,601,741
Sale of inventory	2,912,403	-
	5,352,010	2,601,741

14.4 The results of segments that are significant to an understanding of the business as a whole.

SEGMENT INFORMATION

Identification of reportable operating segments

The consolidated entity has identified two reportable segments, being property investment and property development. The identification of reportable segments is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Accounting policies

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

Segment information

30 June 2021	Property Investment \$	Property Development \$	Other¹ \$	Group \$
Segment revenue and other income	1,591,320	3,761,323	57,439	5,410,082
Interest expenses	175,079	289,372	90,579	555,030
Segment result	718,351	(2,082,814)	(1,049,223)	(2,414,686)
Segment assets	17,359,827	22,405,209	2,269,560	42,034,596
Segment liabilities	15,341,692	11,908,676	1,261,963	28,512,331
30 June 2020				
Segment revenue and other income	1,672,203	929,538	43,885	2,645,626
Interest expenses	275,760	422,455	206,287	904,502
Segment result	713,235	(1,097,537)	(665,805)	(1,040,107)
Segment assets	17,359,827	24,158,916	2,179,370	43,698,113
Segment liabilities	16,917,669	14,139,890	931,903	31,987,462

Note:

1. This column includes head office and group services which are not allocated to any reportable segment.

14.5 A discussion of trends in performance.

Please refer to section 14.

14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including where the effect could not be quantified.

Not applicable.

15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.

This report is based on accounts that are in the process of being audited.

16. If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

Not applicable.

For personal use only

Appendix 4E
Preliminary Final Report to the Australian Securities Exchange
Mustera Property Group Ltd and Controlled Entities – ABN 13 142 375 522
Year ended 30 June 2021

17. If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.

Not applicable.

Dated at Perth, Western Australia this 31st day of August 2021.

Authorised for release by the Board of Directors.



Nicholas Zborowski

Executive Director

Mustera Property Group Ltd

For personal use only