THE CALFER PROPERTY FUND

ARSN 628 011 325

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

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THE CALFER PROPERTY FUND
ARSN 628 011 325

RESPONSIBLE ENTITY REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors of the Responsible Entity, Vasco Trustees Limited, present their report on The Calfer Property Fund ("the Fund") for the year ended 30 June 2021. In order to comply with the provisions of the *Corporations Act 2001* the Directors report as follows:

1. Directors

The names of Directors of the Responsible Entity in office at any time during the financial year were:

Craig Mathew Dunstan

Fiona Jean Dunstan (retired on 31 December 2020)

Jonathan William Martin

Reginald Bancroft

2. Principal Activities

The principal activity of the Fund is to invest in a portfolio of regionally based motels through the Calfer Property Trust ('the Trust') to provide investors with long term capital growth and income returns. The Fund is an unlisted registered managed investment scheme, incorporated and domiciled in Australia. Calfer Pty Ltd is the trustee and Investment Manager of the Trust.

The Fund was established on 16 August 2018 and commenced operations on 26 October 2018.

3. Operating Results

The operating profit of the Fund for the financial year ending 30 June 2021 was $2,289,382 (2020: $354,522).

4. Review of Operations

The Fund acquired all units in the Trust on 26 October 2018 and unitholders were transferred from the Trust to the Fund. The Fund has 11,063,028 units on issue as a result of the transfer.

The Fund is the only unitholder of the Trust. The NAV of the Trust as at the end of the reporting period was $4,250,532 (2020: $2,667,910).

The Trust invests in Australian motels which broadly comprise facilities that provide accommodation for travellers with lodging and free parking facilities. The Trust focuses on Australian motel investments of $1 million to $5 million in regional centres, primarily in regional towns and cities in Victoria, New South Wales and Queensland. The Trust's portfolio is made up of thirteen motels. Four of the motels are operated by Calfer Pty Ltd and nine have been leased to third parties.

The Trust experienced a significant increase in profit during the financial year due to profits generated by the motels the Trust operates which increased the valuations of a number of these motels. This was also due to easing of government restrictions in respect of COVID-19. The Country Roads Motor Inn Gayndah was repossessed during the December quarter and is now being run by Calfer Pty Ltd, which resulted in bad debts being recognised as well as significant repairs and maintenance expenses being incurred, however the motel has generated profits following these initial large costs.

As at 30 June 2021 the Fund's investments comprised the following:

Investment	**$**
Units in Calfer Property Trust	4,276,569
Total	**4,276,569**

5. Review of Performance

Unit Class	2021 % p.a.	2020 % p.a.
Ordinary units	59.28	12.21

6. Unit Redemption Prices

Unit redemption prices (quoted ex-distribution and exclusive of exit fees) are shown as follows:

	2021 $	2020 $
At 30 June	0.3842	0.2412
High during year	0.3842	0.3713
Low during year	0.2412	0.2412

The availability and timing of redemptions is subject to the terms of the Fund's Constitution.

7. Distributions Paid or Recommended

In accordance with the Replacement Product Disclosure Statement of the Fund, distributions, if any, will be paid only where there is cash available from operations. Distributions of income are intended to be paid quarterly and will depend on whether there is sufficient cash available. Distributions to unitholders take into account the number of units held by the unitholders and the number of days units were held at the time of the distribution calculation.

The Fund declared a distribution of $706,760 (2020: $595,060) for the period ended 30 June 2021.

8. Applications Held

As at 30 June 2021, there were no pending applications.

9. Redemption Arrangements

As detailed in the Fund’s Constitution the Responsible Entity is not under any obligation to buy back, purchase or redeem units from unitholders. Consequently, no units were redeemed by the Responsible Entity during the reporting period.

As detailed in the Fund’s Replacement Product Disclosure Statement there is no right for unitholders to withdraw from the Fund or to have their units redeemed.

10. Options

No options over issued units or interests in the Fund were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The Directors and executives of the Responsible Entity hold no options over interests in the Fund.

11. Proceedings on Behalf of the Fund

No person has applied to the court for leave to bring proceedings on behalf of the Fund, or to intervene in any proceedings to which the Fund is a party, for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings.

12. Value of Scheme Assets

The Gross Asset Value of the Fund's assets at the end of the reporting period was $5,990,246 (2020: $4,012,497). The Net Asset Value at the end of the reporting period was $4,250,532 (2020: $2,667,910).

13. Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this Report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

14. After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years other than as disclosed in this report.

15. Future Developments

In September 2021, the Calfer Property Trust made a payment of $300,000 to the Fund as partial consideration of the outstanding FY2019 and FY2020 Distribution receivable.

In September 2021, a pro-rata payment of $300,000, was paid to investors as partial payment of previous year's accrued Distribution Payable.

During FY2022 it is envisaged that the current responsible entity will seek to retire with another Vasco group entity, Vasco Responsible Entity Services Limited being appointed as responsible entity. Unitholders will be provided further details in due course. Any change of responsible entity will be subject to the approval of the Australian Securities & Investments Commission.

There are no other future developments to report on which are not otherwise disclosed in this report.

16. Indemnifying Officers or Auditor

During or since the end of the financial year, the Responsible Entity has paid insurance premiums to insure each of the aforementioned Directors as well as officers of the Responsible Entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of the Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer or auditor of the Responsible Entity or of any related body corporate against a liability incurred as such an officer or auditor.

17. Fees, Commissions or Other Charges by the Responsible Entity, Investment Manager or Related Parties

Fees of $60,000 (plus GST) were accrued and paid by the Fund to the Responsible Entity for the period. Fees of $16,144 (plus GST) were accrued and paid by the Fund to the Administration Manager.

18. Units held by the Responsible Entity, Investment Manager or Related Parties

As at 30 June 2021, 3,470,528 units were held by directors of the trustee of the Trust or their related parties. Vasco Trustees Limited holds 11,063,028 units in the Calfer Property Trust in its capacity as Responsible Entity for The Calfer Property Fund.

19. Interests in the Fund

The movement of units on issue in the Fund during the year is set out in Note 10 to the financial statements.

The value of the Fund's assets and liabilities is disclosed on the balance sheet and derived using the basis set out in Note 1 to the financial statements.

20. Environmental Issues

The operations of the Fund are not subject to any particular or significant environmental regulations under a law of the Commonwealth or of a State or Territory in Australia.

23. Lead auditor's declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on the following page.

Signed in accordance with a resolution of the Board of Directors of Vasco Trustees Limited by:

Craig Dunstan

Craig Dunstan

Director

Date: 28 October 2021

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Auditor's Independence Declaration

To the Unitholders of the Calfer Property Fund

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of the Calfer Property Fund the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

Darren Scammell
Partner – Audit & Assurance

Melbourne, 28 October 2021

THE CALFER PROPERTY FUND
ARSN 628 011 325
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		$	$
Revenue and other income			
Distribution income	2 (a)	831,775	732,811
Other income	2 (b)	102	294
Fair value adjustment to financial assets held at fair value through profit or loss		1,581,909	(251,645)
Total revenue and other income		**2,413,786**	**481,460**
Expenses			
Responsible entity fees	3	60,000	59,579
Administration fees	3	16,144	15,375
Audit fee	11	19,500	22,533
Other expenses	4	10,472	11,235
Custodian fees	5	18,288	18,216
Total expenses		**124,404**	**126,938**
Operating gains attributable to unitholders		**2,289,382**	**354,522**
Finance costs attributable to unitholders			
Distribution expenses		**(706,760)**	**(595,060)**
Total comprehensive income attributable to unitholders	10 (b)	**1,582,622**	**(240,538)**

THE CALFER PROPERTY FUND
ARSN 628 011 325
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021	2020
		$	$
Current assets			
Cash and cash equivalents	6 (a)	16,279	2,947
Accounts receivable	6 (b)	3,429	3,920
Distribution receivable	6 (c)	1,693,969	1,310,970
Total current assets		**1,713,677**	**1,317,837**
Non-current assets			
Investments	7	4,276,569	2,694,660
Total non-current assets		**4,276,569**	**2,694,660**
Total assets		**5,990,246**	**4,012,497**
Current liabilities			
Other expenses payable	8	3,150	4,657
Fees payable	9	32,739	42,865
Distribution payable		1,703,825	1,297,065
Total current liabilities		**1,739,714**	**1,344,587**
Total liabilities		**1739,714**	**1,344,587**
Net assets		**4,250,532**	**2,667,910**
Represented by:			
Issued units	10 (a)	3,315,840	3,315,840
Undistributed profit/(loss) attributable to unitholders	10 (b)	934,692	(647,930)
Total equity		**4,250,532**	**2,667,910**

THE CALFER PROPERTY FUND
ARSN 628 011 325
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Issued Units	Undistributed profit/(loss) attributable to unitholders	Total Equity
		$	$	$
Balance at 1 July 2019		**3,315,840**	**(407,392)**	**2,908,448**
Issue of share capital		-	-	-
Total comprehensive income for the year		-	(240,538)	(240,538)
Balance at 30 June 2020		**3,315,840**	**(647,930)**	**2,667,910**
Balance at 1 July 2020		3,315,840	(647,930)	2,667,910
Issue of share capital		-	-	-
Total comprehensive income for the year		-	1,582,622	1,582,622
Balance at 30 June 2021		**3,315,840**	**934,692**	**4,250,532**

THE CALFER PROPERTY FUND
ARSN 628 011 325
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021	2020
		$	$
Cash flows from operating activities			
Bank interest		102	294
Distribution received		448,775	395,324
Fund expenses paid		(135,546)	(136,316)
Net cash provided by operating activities	12	**313,332**	**259,302**
Cash flows from financing activities			
Distributions paid		(300,000)	(300,000)
Net cash used in financing activities		**(300,000)**	**(300,000)**
Net increase in cash and cash equivalents		13,332	(40,698)
Cash and cash equivalents at the beginning of year		2,947	43,645
Cash and cash equivalents at the end of year	6 (a)	**16,279**	**2,947**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial report is for the entity The Calfer Property Fund ("the Fund") and its controlled entities. The Fund is an open-ended registered managed investment scheme established and domiciled in Australia. The Responsible Entity of the Fund is Vasco Trustees Limited.

Basis of Preparation

(a) Statement of compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were approved by the Board of Directors of the Responsible Entity.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following material items in the statement of financial position:

Investment assets are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Fund's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires the Directors of the Responsible Entity to undertake a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Fair value measurement

When an asset is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell the asset 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 assuming they act in their economic best interests.

The fair value of assets in an inactive or unquoted market are determined by the use of valuation techniques which require significant judgement.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies

(a) Financial instruments

Financial assets are recognised on the Fund's Statement of Financial Position when the Fund becomes a party to the contractual provisions of the instrument.

(i) Measurement

The Fund's financial assets comprise of equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as held at fair value through other comprehensive income upon initial recognition.

Under this approach, financial assets are measured initially at fair value including any transaction costs that are directly attributable to acquisition.

Subsequent to initial recognition, financial assets are measured at fair value with changes in their fair value recognised in other comprehensive income.

AASB 7 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- 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

Fair value in an active market

The fair value of financial assets traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices on the reporting date, while financial liabilities are priced at current offer prices.

Fair value in an inactive or unquoted market

The fair values of financial assets that are not traded in an active market are determined through the valuation policy identified in the Information Memorandum for the Fund.

(ii) De-recognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition in accordance with AASB 9. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, when applicable, are shown with short-term borrowings in current liabilities in the statement of financial position.

(c) Trade Receivables

Trade receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(d) Impairment

Financial assets that are stated at cost or amortised cost are reviewed each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decreases can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(e) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Fund that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST, and accruals are shown exclusive of GST.

(g) Provisions

Provisions are recognised when the Fund has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue is deferred when fees are received upfront but where associated services are yet to be performed. Any consideration deferred for more than one year is treated as a financing arrangement and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of Goods and Services Tax (GST).

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income tax

Under current legislation, the Fund is not liable for income tax provided its taxable income is fully distributed to unitholders.

(j) Equity

The Fund issues units which have a limited life under the Fund's Constitution and are classified as equity in accordance with *AASB 132 Financial Instruments: Presentation* as amended by *AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation*.

Should the terms or conditions of the units change such that they no longer comply with the criteria for classification as equity in the revised *AASB 132*, the units would be reclassified to a financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying amount of the equity instrument and the fair value of the liability at the date of reclassification would be recognised in equity.

Where the Fund buys back any of its units from unitholders, the consideration paid, including any directly attributable incremental costs are recognised as a reduction in equity attributable to the Fund's unitholders.

(k) Foreign Exchange

Items included in the financial records are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Australian dollars, which is the presentation currency of the Fund.

(l) Critical judgements and significant accounting estimates

The preparation of financial statements requires the Directors of the Responsible Entity to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(m) New accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Coronavirus (COVID-19) impact

In preparing its financial statements the Responsible Entity has considered the current and ongoing impact the COVID-19 pandemic has had on its business operations. In assessing such impact the Trustee has relied upon certain key estimates from the Investment Manager of the Trust to evaluate current and future business operations. Inherent in any estimate is a level of uncertainty. In particular, due to COVID-19, estimation uncertainty is heightened this year. Estimation uncertainty is associated with:

- The extent and duration of the disruption to the business of the motels arising from the actions by governments, businesses and consumers to contain the spread of the virus;
- The extent and duration of the expected economic downturn, including:
  - The disruption to capital markets;
  - Deteriorating credit and liquidity concerns;
  - Increasing unemployment and declines in consumer discretionary spending; and
  - Percentage of population vaccinated and effectiveness of vaccines which the Responsible Entity will continue to monitor and adapt as new information is available;
- The effectiveness of government and central bank measures that have and will be put in place to support businesses and consumers through this disruption and economic downturn; and
- Judgements in property valuations such as letting up time, incentives provided and vacancy.

COVID-19 mandated temporary trading restrictions and closures over the period impacted revenue.

The impact of COVID-19 has been considered on the independent valuations. In response to increased estimation uncertainty the Responsible Entity has assessed the carrying values of its assets and liabilities in light of COVID-19.

There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Responsible Entity. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected and the effect of those differences may significantly impact accounting estimates in this report.

NOTE 2: REVENUE

The Fund's revenue may be analysed under the following categories:

(a) Distribution income

	2021	2020
	$	$
Distribution from the Calfer Property Trust	831,875	732,812
	831,875	**732,812**

(b) Other income

	2021	2020
	$	$
Bank interest	102	294
	102	**294**

Bank interest
Cash on deposit is held by the Custodian (One Managed Investment Funds Limited) with St George Bank.

NOTE 3: RESPONSIBLE ENTITY & ADMINISTRATION FEES

	2021	2020
	$	$
Responsible Entity fees	60,000	59,579
Administration fees	16,144	15,375
	76,144	**74,954**

In accordance with the Constitution, Vasco Trustees Limited as Responsible Entity is entitled to receive an annual fee equal to the greater of 0.3% of the GAV or $60,000 (plus GST). The responsible entity fee is calculated and paid monthly in arrears.

In accordance with the Administration Agreement, Vasco Fund Services Pty Ltd as Administration Manager is entitled to receive an annual fee of $15,000 (plus GST) p.a. The administration fee is subject to an annual increase of 5% per annum on 1 January each year.

NOTE 4: OTHER EXPENSES

	2021	2020
	$	$
Tax return fees	2,900	3,750
Other administration expenses	900	900
Accounting fees (FY2020 include reversal of over-accrual as at 30 June 2019)	-	(1,750)
ASIC fees	2,058	2,340
Registry fees	-	1,236
GST expense (non-claimable)	4,609	4,755
Bank fees	5	4
	10,472	**11,235**

NOTE 5: CUSTODIAN FEES

	2021	2020
	$	$
Custodian fees	18,288	18,216
	18,288	**18,216**

In accordance with the Custodian Agreement the custodian will be entitled to a monthly fee of $1,500 (plus GST) calculated and payable quarterly in arrears subject to a CPI increase applied annually.

NOTE 6: CURRENT ASSETS

(a) Cash and cash equivalents

	2021	2020
	$	$
St George Bank	16,279	2,947
	16,279	**2,947**

Cash on deposit is held by the Custodian with St George Bank.

(b) Accounts receivable

	2021	2020
	$	$
RITC receivable	3,429	3,920
	3,429	**3,920**

(c) Distribution receivable

	2021	2020
	$	$
Distribution from Calfer Property Trust FY2019	267,135	715,911
Distribution from Calfer Property Trust FY2020	595,059	595,059
Distribution from Calfer Property Trust FY2021	831,775	-
	1,693,969	**1,310,970**

NOTE 7: INVESTMENTS

(a) Investment in Calfer Property Trust

	2021	2020
	$	$
Units: Calfer Property Trust	4,276,569	2,694,660
	4,276,569	**2,694,660**

The Fund holds a 100% interest in the Calfer Property Trust, an unregistered managed investment scheme and established and domiciled in Australia. The Trustee of the Calfer Property Trust is Calfer Pty Ltd.

NOTE 7: INVESTMENTS (continued)

(b) Reconciliation of movement in balance

	2021	2020
	$	$
Investment at cost	3,315,840	3,315,840
Fair value adjustment through profit or loss	960,729	(621,180)
	4,276,569	**2,694,660**

The Fund's investment in the Calfer Property Trust is a level 2 in the fair value hierarchy. Level 2 fair values utilise inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly.

Valuation inputs for Level 2 investments
The fair value of the units held in the Calfer Property Trust have been valued based on the Net Asset Value of the Trust.

NOTE 8: OTHER EXPENSES PAYABLE

	2021	2020
	$	$
Other Administration expenses	-	450
Other accrued expenses	3,150	4,207
	3,150	**4,657**

NOTE 9: FEES PAYABLE

	2021	2020
	$	$
Administration fees payable	-	2,625
Custodian fees payable	4,500	4,500
Responsible entity fees payable	5,000	10,000
Financial audit fees payable	15,000	17,500
Compliance audit fees payable	4,500	4,500
ASIC annual fees payable	1,239	1,240
Provision for tax return fees	2,500	2,500
	32,739	**42,865**

NOTE 10: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(a) Issued units

	2021 Units	2021 $	2020 Units	2020 $
Opening balance	11,063,028	3,315,840	11,063,028	3,315,840
Closing balance	**11,063,028**	**3,315,840**	**11,063,028**	**3,315,840**

As stipulated in the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right to the underlying assets of the Fund.

(b) Undistributed profit/(loss) attributable to unitholders after distributions

	2021 $	2020 $
Opening balance	(647,930)	(407,392)
Net operating profit/(loss) attributable to unitholders	2,289,382	354,522
Distributions	(706,760)	(595,060)
Closing balance	**934,692**	**(647,930)**

(c) Capital management

The Fund regards total equity as capital. The objective of the Fund is to provide unitholders with income distributions and capital growth over the longer term. The Fund aims to achieve this objective mainly through investing in regionally based motels through the Calfer Property Trust.

The Fund aims to invest to meet the Fund’s investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions.

NOTE 11: REMUNERATION OF AUDITORS

The auditor of the Fund for the financial year ending 30 June 2021 was Grant Thornton.

The fees paid or agreed to be paid by the Fund are disclosed below.

	2021 $	2020 $
Remuneration of Auditors:		
Audit services		
Audit of financial report	15,000	17,500
Other regulatory audit services	4,500	4,500
Adjustment for under-accrued audit fees for FY2019	-	533
	19,500	**22,533**

NOTE 12: CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with profit/ (loss) for the year

	2021	2020
	$	$
Gain / (Loss) for the year	1,582,622	(240,538)
Adjustments:		
Change in value of financial assets held at fair value through profit or loss	(1,581,909)	251,645
Distribution to unitholders	706,760	595,060
Adjustment to FY19 distribution to unitholders for distributions paid from the Trust to unitholders in July and August 2018	-	(55,315)
Changes in assets and liabilities:		
(Increase) in distribution receivable	(383,000)	(282,173)
(Decrease) in payables	(11,141)	(9,377)
Cash flows from operating activities	**313,332**	**259,302**

NOTE 13: RELATED PARTY TRANSACTIONS

The Fund's related parties include those described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(a) Responsible Entity

The Responsible Entity of The Calfer Property Fund is Vasco Trustees Limited.

Fees of $60,000 (plus GST) were accrued and paid by the Fund to Vasco Trustees Limited for its role as Responsible Entity for the period (2020: $57,097), of which $3,300 (2020: $3,140) is claimable by the Fund as RITC.

The Responsible Entity held 100% of the units issued in the Calfer Property Trust in their capacity as Responsible Entity of The Calfer Property Fund.

(b) Administration Manager

The Administration Manager of The Calfer Property Fund is Vasco Fund Services Pty Limited.

Administration fees of $16,144 (plus GST) were accrued and paid by the Fund to Vasco Fund Services Pty Limited for its role as Administration Manager of the Fund (2020: $15,375), of which $1,210 (2020: $1,153) is claimable by the Fund as RITC.

Vasco Fund Services Pty Limited is a related party of the Responsible Entity.

Vasco Fund Services Pty Limited also provide Fund Administration services to the Calfer Property Trust, that the Fund is 100% invested in. Vasco Fund Services Pty Ltd received fees of $5,381 for the financial year from the Trust.

(e) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Responsible Entity, Vasco Trustees Limited, to manage the activities of the Fund. The Directors of the Responsible Entity and Investment Manager are key management personnel of those corporate entities. No compensation is paid directly by the Fund to Directors or to any of the key management personnel of the Responsible Entity. Payments made by the Fund to the Responsible Entity do not specifically include any amounts attributable to the compensation of key management personnel.

NOTE 14: CONTINGENT LIABILITIES

As at 30 June 2021 there were no material contingent liabilities that the Directors are aware of (2020: Nil)

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

In September 2021, the Calfer Property Trust made a payment of $300,000 to the Fund as partial consideration of the outstanding FY2019 and FY2020 Distribution receivable.

In September 2021, a pro-rata payment of $300,000, was paid to investors as partial payment of previous year's accrued Distribution Payable.

During FY2022 it is envisaged that the current responsible entity will seek to retire with another Vasco group entity, Vasco Responsible Entity Services Limited being appointed as responsible entity. Unitholders will be provided further details in due course. Any change of responsible entity will be subject to the approval of the Australian Securities & Investments Commission.

As at the date of this report, there have been no other events subsequent to the reporting date that require additional disclosure.

NOTE 16: FINANCIAL RISK MANAGEMENT

(a) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund holds investments in property assets through a sub trust which are not considered to be assets that are readily realisable.

In order to address this risk, the Responsible Entity retains broad discretion to restrict distributions, withdrawals and/or redemptions.

(b) Market Risk

The Fund is exposed to market risk through its use of financial instruments and specifically to interest rate risk and property value risk, which results from both its operating and investing activities. Market risk is the risk that changes in market prices which will affect the Fund's income. Market risk embodies the potential for both loss and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Market risk is monitored by the Responsible Entity.

(c) Property Value Risk

Real estate assets form a significant part of the Calfer Property Trust, the Fund's sole investment, and are carried at the lower of cost and net realisable value within the accounts. The property market is closely monitored by the Board. In addition, in depth due diligence is performed over a property before it is developed and ongoing monitoring is undertaken as part of the compliance plan.

There are a number of uncertainties regarding the outlook for the Australian economy over the next few years. This includes the reluctance of business to commit to major new investments until sustained increase in demand are seen. Certain property sectors are experiencing all-time highs in market prices. Should conditions deteriorate, decline in property values may result in losses.

NOTE 16: FINANCIAL RISK MANAGEMENT (continued)

(d) Credit Risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Fund. The Fund is exposed to this risk for various financial instruments, for example, placing money at financial institutions or rental revenue that is paid in arrears. The Fund's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2021	2020
	$	$
Cash and cash equivalents	16,279	2,947
	16,279	**2,947**

The Responsible Entity manages the exposure to credit risk on an ongoing basis. The Fund's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

(e) Interest Rate Risk

The Fund's interest rate risk is monitored by the Responsible Entity.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At the reporting date the interest rate profile of the Fund's interest-bearing financial instruments was:

	2021	2020
	$	$
Cash and cash equivalents	16,279	2,947

An increase or decrease of 100 basis points in interest rates as at the reporting date would have an insignificant effect on the net assets attributable to unitholders and operating results.

NOTE 17: RESPONSIBLE ENTITY DETAILS

The registered office and the principal place of business of the Responsible Entity are:

Vasco Trustees Limited

Level 4

99 William Street

Melbourne Victoria 3000

THE CALFER PROPERTY FUND
ARSN 628 011 325

DIRECTORS' DECLARATION

In the opinion of the Directors of Vasco Trustees Limited:

(a) The financial statements and notes of The Calfer Property Fund are in accordance with the *Corporations Act 2001,* including

  (i) Giving a true and fair view of its financial position as at 30 June 2021 and its performance for this financial year ended on that date; and

  (ii) Complying with Australian Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) There are reasonable grounds to believe that The Calfer Property Fund 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 Directors.

Craig Dunstan

Craig Dunstan

Director

28 October 2021

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Independent Auditor's Report

To the Unitholders of the Calfer Property Fund

Report on the audit of the financial report

Opinion

We have audited the financial report of the Calfer Property Fund (the Fund), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Fund is in accordance with the *Corporations Act 2001*, including:

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

b complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 are independent of the Fund in accordance with the *Corporations Act 2001* and 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.

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

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Fund'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 the Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www .auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Darren Scammell

Darren Scammell
Partner – Audit & Assurance

Melbourne, 28 October 2021