

CALFER PROPERTY TRUST

ABN 51 034 818 389

FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2022

**CALFER PROPERTY TRUST**  
**TRUSTEE REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

The Directors of the Trustee, Calfer Pty Ltd present their report on the Calfer Property Trust ('the Fund') for the year ended 30 June 2022.

**1. Directors**

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

Anahita Esbati

Graham Grant Singleton

William Stanley Gurnett

Alan Philip Bailey

The Directors have been in office to the date of this report unless otherwise stated.

**2. Operating Results**

The operating profit of the Fund for the financial year ending 30 June 2022 was \$1,350,978 (2021: \$1,335,267).

**3. Applications Held**

As at 30 June 2022, the value of pending unit allocations was nil.

**4. 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 Trustee hold no options over interests in the Fund.

**5. 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.

**6. Value of Scheme Assets**

The Gross Asset Value of the Fund's assets at the end of the reporting period was \$25,378,680 (2021: \$24,929,207). The Net Asset Value at the end of the reporting period was \$4,520,495 (2021: \$4,276,569).

**7. 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.

**8. 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.

**CALFER PROPERTY TRUST**  
**TRUSTEE REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9. Future Developments**

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

**10. Number of Interests on Issue**

As at 30 June 2022, the number of units on issue in the Fund was 11,063,028.

**11. Rounding of Amounts**

The Fund is of a kind referred to in the *Australian Securities and Investments Commission's Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*. Consequently, amounts in the financial statements have been rounded to the nearest dollar in accordance with that legislative instrument, or in certain cases, the nearest thousand dollars.

**12. 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.

Signed in accordance with a resolution of the Board of Directors of Calfer Pty Ltd



**William Gurnett**

Director

Date: 20 September 2022

# CALFER PROPERTY TRUST

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
<b>Revenue and other income</b>			
Capital income	2 (a)	-	200,000
Rental income	2 (b)	1,637,294	1,618,422
Business profits (motels)	2 (c)	735,859	619,626
Other income	2 (d)	303,643	327,835
<b>Total revenue and other income</b>		<b>2,676,796</b>	<b>2,765,883</b>
<b>Expenses</b>			
Management fees	3	177,529	170,645
Interest expense	4	538,195	561,654
Other expenses	5	610,094	698,316
<b>Total expenses</b>		<b>1,325,818</b>	<b>1,430,615</b>
<b>Net profit attributed to unitholders</b>		<b>1,350,978</b>	<b>1,335,268</b>
<b>Other comprehensive income</b>			
Fair value profit or (loss) on investments	6	(186,206)	1,078,417
<b>Total other comprehensive income</b>		<b>1,164,772</b>	<b>2,413,684</b>
Distribution expenses	17	920,846	831,775
<b>Total comprehensive income for the year attributable to unitholders net of distributions</b>		<b>243,926</b>	<b>1,581,909</b>

The accompanying notes form part of these financial statements

# CALFER PROPERTY TRUST

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	7	1,806,821	1,418,708
Trade and other receivables	8	404,136	288,214
Other current assets	9	72,723	127,285
<b>Total current assets</b>		<b>2,283,680</b>	<b>1,834,207</b>
<b>Non-current assets</b>			
Fixed assets	10	23,095,000	23,095,000
<b>Total non-current assets</b>		<b>23,095,000</b>	<b>23,095,000</b>
<b>Total assets</b>		<b>25,378,680</b>	<b>24,929,207</b>
<b>Current liabilities</b>			
Interest payable	11	-	3,601
Distribution payable		1,906,113	1,693,969
Rental bonds held	12	63,828	78,740
Other current liabilities	13	318,244	258,917
<b>Total current liabilities</b>		<b>2,288,185</b>	<b>2,035,227</b>
<b>Non-current liabilities</b>			
Related party loans	14	2,345,000	2,347,411
Bank loans	15	16,225,000	16,270,000
<b>Total non-current liabilities</b>		<b>18,570,000</b>	<b>18,617,411</b>
<b>Total liabilities</b>		<b>20,858,185</b>	<b>20,652,638</b>
<b>Net assets</b>		<b>4,520,495</b>	<b>4,276,569</b>
<b>Represented by:</b>			
Issued units	16 (a)	11,063,028	11,063,028
Undistributed profit/(loss) attributable to unitholders	16 (b)	(6,542,533)	(6,786,459)
<b>Net assets attributable to unitholders</b>		<b>4,520,495</b>	<b>4,276,569</b>

The accompanying notes form part of these financial statements

**CALFER PROPERTY TRUST**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or the end of the financial year.

# CALFER PROPERTY TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Rental income		1,653,223	1,637,169
Trust operated motels' profits		735,859	619,626
Other income		171,792	262,031
Fees paid		(177,529)	(170,645)
Interest paid		(541,796)	(601,935)
Other expenses		(496,205)	(545,935)
Rental Bond Held		(14,912)	8,582
Net cash provided by operating activities		<b>1,330,432</b>	<b>1,208,893</b>
<b>Cash flows from investing activities</b>			
Proceeds from fixed assets		-	183,417
Fair value (loss) on investments		(186,205)	-
Net cash (used in) / provided by investing activities		<b>(186,205)</b>	<b>183,417</b>
<b>Cash flows from financing activities</b>			
Loan repayment		(47,411)	(464,686)
FY 2022 Distributions	17	(408,702)	(448,776)
FY 2021 Distributions	17	(32,864)	-
FY 2020 Distributions	17	(267,136)	-
Net cash (used in) financing activities		<b>(756,113)</b>	<b>(913,462)</b>
Net increase in cash and cash equivalents		388,113	478,847
Cash and cash equivalents at the beginning of year		1,418,708	939,861
<b>Cash and cash equivalents at the end of year</b>	7	<b>1,806,821</b>	<b>1,418,708</b>

The accompanying notes form part of these financial statements

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The financial report is for the Calfer Property Trust ('the Fund'). The Fund is an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Calfer Pty Ltd.

#### Basis of Preparation

##### (a) Statement of compliance

The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*).

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. Calfer Property Trust 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 Trustee on 20 September 2022.

##### (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 property is 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 Trustee 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.

##### (i) Fair value estimation

Investment properties are carried at values that are based on assumptions and estimates. If any of these assumptions or estimates were not correct this could have a material impact on the carrying amounts in the statement of financial position.



# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Financial instruments

Financial assets and financial liabilities 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

Financial assets and financial liabilities are held at fair value through profit or loss.

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

Subsequent to initial recognition, all financial instruments are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

##### *Fair value in an active market*

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

##### (ii) Categorisation

The Fund's investments are categorised as follows:

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### *Financial liabilities and equity*

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

##### *Issued units*

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.

# **CALFER PROPERTY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(b) 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.

#### **(c) Income tax**

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

#### **(d) Critical judgements and significant accounting estimates**

The preparation of financial statements requires the Directors of the Trustee 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.

#### **(e) Comparatives**

As the Fund commenced operations prior to 1 July 2017, comparative numbers exist for the prior year ending 30 June 2022.

#### **(f) 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 2021 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 2022, 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.

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 2: REVENUE

The Funds revenue may be analysed under the following categories:

#### (a) Capital income

	2022	2021
	\$	\$
Lease extension – Longreach Motor Inn	-	200,000
	<u>-</u>	<u>200,000</u>

#### (b) Rental income

	2022	2021
	\$	\$
Burke and Wills	330,000	330,000
Country Ayr	157,417	146,143
Bioela	271,798	264,237
Gayndah	-	29,077
Narrandera	59,288	48,944
Orbost	69,018	69,018
St Arnaud	49,729	49,729
Warracknabeal	61,838	61,838
Longreach	393,572	378,916
Barrier Reef	244,634	240,521
	<u>1,637,294</u>	<u>1,618,422</u>

#### (c) Business profits

	2022	2021
	\$	\$
Alara Motor Inn	184,416	126,465
Gunyndah	133,397	(18,855)
Dysart Country Roads Motor Inn	130,210	353,872
Ayr Traveller's Motel	287,836	158,144
	<u>735,859</u>	<u>619,626</u>

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 2: REVENUE (continued)

#### (d) Other income

	2022	2021
	\$	\$
Insurance claims	19,259	8,944
Interest	888	203
Miscellaneous	15,242	500
Rates reimbursed	268,254	268,188
ATO JobKeeper	-	50,000
	<b>303,643</b>	<b>327,835</b>

### NOTE 3: MANAGEMENT AND ADMINISTRATION FEES

	2022	2021
	\$	\$
Rod & Nola Place	35,488	33,208
GMG Financial Group	13,745	14,127
Alan Bailey Nominees Pty Ltd	10,909	9,546
Farwest Pty Ltd	-	20,017
Administration fees	5,650	6,256
William Gurnett	48,000	37,500
Anahita Esbati	12,000	10,500
Lonmace Pty Ltd	51,737	39,491
	<b>177,529</b>	<b>170,645</b>

### NOTE 4: INTEREST PAID

	2022	2021
	\$	\$
BF & EO Teelow Family Trust	-	1,167
BF & EO Teelow Super Fund	-	2,258
Commonwealth Bank	456,725	467,059
Alan Bailey Family Trust #1	46,953	43,815
Alan Bailey Family Trust #2	34,517	47,355
	<b>538,195</b>	<b>561,654</b>

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

<b>NOTE 5: OTHER EXPENSES</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Accountancy	14,180	18,200
Administration expenses	2,155	-
Bank fees	456	7
Bad debts write off	-	63,427
Borrowing costs amortisation	66,564	48,241
Consultants	18,587	10,888
Depreciation	1,342	1,603
Fees and registrations	-	1,193
Filing fees	552	546
Insurance	25,707	24,739
Land tax	48,301	43,935
Rates	270,941	270,849
Repairs and maintenance	142,371	18,899
Legal fees	18,507	194,684
Travel expenses	431	1,105
	<b>610,094</b>	<b>698,316</b>

### NOTE 6: OTHER COMPREHENSIVE INCOME

As at 30 June 2022 the Fund's other comprehensive income comprised:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Gain/(Loss) on revaluation of properties	(186,206)	1,078,417
	<b>(186,206)</b>	<b>1,078,417</b>

### NOTE 7: CASH AND CASH EQUIVALENTS

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Calfer Property Trust	1,487,852	1,185,083
Cash at bank - Alara	74,540	43,770
Cash at bank – Ayr Traveller	102,689	79,600
Cash at bank – Dysart	73,527	60,379
Cash at bank – Gayndah	65,576	48,391
Cash on hand	2,637	1,485
	<b>1,806,821</b>	<b>1,418,708</b>

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 8: TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Accounts receivable	322,125	158,455
Trade debtors	66,237	79,891
Beneficiary loans	15,774	33,939
Rent deferrals	-	15,929
	<b>404,136</b>	<b>288,214</b>

<b>Beneficiary loans</b>	2022	2021
	\$	\$
Alan Bailey Nominees Pty Ltd	-	(3,547)
Anahita Esbati	-	5,529
AP Bailey Retirement Fund	-	(2,300)
BE & HA Ryman Super Fund	-	2,456
BF & EO Teelow Family Trust	-	6,012
Brian Murphy	-	10,406
Coral Davis	-	(525)
Graham Singleton	15,774	26,598
John Rogers Family Trust	-	4,001
M & J Gladman Super Fund	-	(1,105)
Marnie Shepherdson	-	167
Mealofa Super Fund	-	(10,517)
PC & CJ Payne Family Trust	-	167
Richards Superannuation Fund	-	335
Ryman Business Trust	-	(2,909)
Timothy Treadrea	-	(553)
William Gurnett	-	(276)
	<b>15,774</b>	<b>33,939</b>

The beneficiary loans have been netted off from the distributions paid from the Calfer Property Trust to unitholders in The Calfer Property Fund during July and August 2019. The balances reflect an overall overpayment or underpayment of distributions to unitholders throughout the years.

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 9: OTHER CURRENT ASSETS

	2022	2021
	\$	\$
Stock on hand	39,229	28,269
Prepaid borrowing expenses	32,454	99,016
Bond - 4/59 Queen Elizabeth Drive	1,040	-
	<b>72,723</b>	<b>127,285</b>

### NOTE 10: FIXED ASSETS

#### Plant and equipment

	2022	2021
	\$	\$
Plant and equipment	540,664	315,160
Less: Depreciation	(238,340)	(199,043)
	<b>302,324</b>	<b>116,117</b>

#### Freehold land and buildings

	2022	2021
	\$	\$
Alara	5,958,289	5,958,289
Burke and Wills	6,460,798	6,460,798
Dysart	6,085,541	6,085,541
Longreach Motor Inn	2,929,529	2,929,529
Barrier Reef Motel Innisfail	1,894,569	1,894,569
Orbost	461,627	461,627
St Arnaud	460,790	460,790
Narrandera	604,952	604,952
Gayndah	1,466,632	1,466,632
Warracknabeal	484,643	484,643
Sun Valley Motor Inn	1,413,154	1,413,154
Ayr Traveller	3,535,713	3,535,713
Country Ayr	1,814,395	1,814,395
Less Building write off claims	(1,628,572)	(1,628,572)
Directors' revaluations	(9,149,384)	(8,963,178)
	<b>22,792,676</b>	<b>22,978,883</b>

# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 11: INTEREST

	2022	2021
	\$	\$
Alan Bailey Family Trust #1	-	3,601
	<u>-</u>	<u>3,601</u>

### NOTE 12: BONDS HELD

	2022	2021
	\$	\$
Gayndah	-	14,912
Longreach	35,091	35,091
Narrandera	5,000	5,000
St Arnaud	3,208	3,208
Orbost	3,612	3,612
Sun Valley	12,632	12,632
Warracknabeal	4,285	4,285
	<u>63,828</u>	<u>78,740</u>

### NOTE 13: OTHER CURRENT LIABILITIES

	2022	2021
	\$	\$
Accounts payable	3,412	1,260
PAYG Withholding	19,291	15,813
Superannuation payable	37,417	33,253
Creditors	133,968	98,896
GST payable	124,156	109,695
	<u>318,244</u>	<u>258,917</u>

### NOTE 14: RELATED PARTY LOANS

	2022	2021
	\$	\$
Alan Bailey Family Trust #1	1,854,126	1,565,254
Alan Bailey Family Trust #2	490,874	782,157
	<u>2,345,000</u>	<u>2,347,411</u>

### NOTE 15: BANK LOANS

	2022	2021
	\$	\$
CBA Market Rate Facility	16,225,000	16,270,000
	<u>16,225,000</u>	<u>16,270,000</u>



# CALFER PROPERTY TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 16: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

#### (a) Issued units in \$

	2022	2021
	\$	\$
Opening balance	11,063,028	11,063,028
<b>Closing balance</b>	<b>11,063,028</b>	<b>11,063,028</b>

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

	2022	2021
	\$	\$
Opening balance	(6,786,459)	(8,368,368)
Net operating profit attributable to unitholders	1,350,978	1,335,268
Fair value (loss) / profit on investment	(186,206)	1,078,417
Distribution expenses	(920,846)	(831,776)
<b>Closing balance</b>	<b>(6,542,533)</b>	<b>(6,786,459)</b>

#### (c) Capital management

The Fund regards total equity as capital. The objective of the Fund is to provide unitholders with capital growth over the longer term. The Fund aims to achieve this objective through the leasing and operation of motels.

The Fund aims to invest to meet the Fund's investment objectives while maintaining sufficient liquidity to meet its commitments, including unitholder redemptions. The Investment Manager regularly reviews the performance of the Fund, including asset allocation strategies, investment and risk management.

### NOTE 17: DISTRIBUTIONS

	2022	2021
	\$	\$
Distribution Payable	512,144	382,999
Distribution Paid from Trust to Unitholders	-	-
Distribution Paid	408,702	448,776
	<b>920,846</b>	<b>831,775</b>

## **CALFER PROPERTY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

#### **NOTE 18: 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) Trustee**

The Trustee of the Calfer Property Trust is Calfer Pty Ltd.

No fees were paid to Calfer Pty Ltd for its role as Trustee for the period.

Management fees of \$60,000 were paid to both William Gurnett and Anahita Esbati during the financial year. William Gurnett and Anahita Esbati are Directors of the Trustee.

##### **(b) Alan Bailey Family Trust**

Alan Bailey Family Trust has made two loans to the Fund. The loans total was \$2,345,000 as at 30 June 2022.

Alan Bailey Family Trust is a related party of the Trustee.

##### **(c) Rod and Nola Place**

Management fees paid to Rod and Nola Place for services provided during the financial year were \$35,488 (plus GST).

Rod and Nola Place are related parties of the Trustee.

##### **(d) Lonmace Pty Ltd**

Management fees paid to Lonmace Pty Ltd for services provided during the financial year were \$51,736 (plus GST).

Lonmace Pty Ltd is a related party to director Graeme Singleton.

##### **(e) Key management personnel**

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Calfer Pty Ltd to manage the activities of the Fund. The Directors of the Trustee are key management personnel of those corporate entities. Payments made by the Fund to the Trustee do not specifically include any amounts attributable to the compensation of key management personnel.

#### **NOTE 19: CONTINGENT LIABILITIES**

There are no contingent liabilities at the end of the period.

#### **NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE**

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

## **CALFER PROPERTY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

#### **NOTE 21: RISK MANAGEMENT**

##### **a) Financial Risk**

The Fund's financial instruments consist of deposits with banks, accounts receivable and accounts payable.

The Trustee does not consider that the Fund is exposed to any significant financial risk. The Trustee's overall risk management strategy seeks to assist the Fund in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The risk management policies are approved and reviewed by the Trustee on a regular basis.

##### **b) Market Risk**

The value of direct real property may fluctuate from time to time due to market and other conditions. Factors relevant to determining value include supply and demand dynamics in a particular market, rental, occupancy levels and expected yield, and these may change significantly over time for a variety of reasons. Valuations represent only the analysis and opinion of qualified experts at a certain date. Valuations are not guarantees of present or future values.

The valuation of a property may be materially higher than the amount that can be obtained from the sale of a property in certain circumstances, such as under a distressed or liquidation sale.

##### **c) Volatility of Returns**

Investors will be paid their returns quarterly from rental incomes in the Fund's property assets. Whether there is any return is dependent upon the property occupancy rate which may vary from time to time.

##### **d) Income and Capital Risk**

The Fund is an investment trust which has as its primary assets investments in direct real property. The Responsible Entity does not warrant or guarantee the income or the repayment of capital by investing in the Fund. The Responsible Entity does not warrant or guarantee that there will be a capital gain or that the Fund's property will not decrease in value.

There is therefore a risk that there may be no income earned or distributions made and there is a risk that the value of the Fund's property may decline in value and therefore the ability of the Responsible Entity to make income distributions or repay the capital on termination of the Fund.

##### **e) Funding Risk**

The acquisition of the Fund's property will be partly funded by debt. There is a risk that at the end of the term of the debt, the Responsible Entity may not be able to refinance that debt. In such event the Fund's property may have to be sold to repay that debt which may result in a loss on the sale due to the requirement of a quick sale.

##### **f) Interest Rate Risk**

Interest rates may fluctuate from time to time which will have an effect on the amount of income available for distribution to Unit Holders where the Fund has borrowed monies to fund any acquisition. A general increase in interest rates will have an adverse effect on the amount of income available because funds will be used to pay the interest on the Fund's borrowings. If the Fund's lenders increase the interest rate charged on borrowings, then the financial performance of the Fund may decline.

## **CALFER PROPERTY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

#### **NOTE 21: RISK MANAGEMENT (continued)**

If there are insufficient funds for the Fund to meet its interest payments, the Fund's lenders may want to enforce their security and sell the Fund's property. However, the Fund's lenders will not be able to ask Unit Holders to contribute any more than their initial investment. The Responsible Entity manages this interest rate risk by having the Investment Manager monitor and report on the interest rate on the Fund's loans and determining when and if the interest rate should be variable or fixed.

#### **NOTE 22: TRUSTEE DETAILS**

The registered office and the principal place of business of the Trustee are:

Calfer Pty Ltd

12-14 Pritchard Street

Swan Hill, Victoria 3585

Australia

## CALFER PROPERTY TRUST

### DIRECTORS' DECLARATION

In the opinion of the Directors of Calfer Pty Ltd:

- (a) The financial statements and notes of Calfer Property Trust are in accordance with the *Corporations Act 2001*, including
  - (i) Giving a true and fair view of its financial position as at 30 June 2022 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 Calfer Property Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**William Gurnett**

Director

20 September 2022