

CALFER PROPERTY TRUST

ABN 51 034 818 389

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2023

CALFER PROPERTY TRUST
TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The Directors of the Trustee, Calfer Pty Ltd present their report on the Calfer Property Trust ('the Fund') for the year ended 30 June 2023.

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 profit attributable to unitholders of the Fund for the financial year ending 30 June 2023 was \$1,479,849 (2022: \$1,350,978).

3. Applications Held

As at 30 June 2023, 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 at the end of the reporting period was \$31,059,715 (2022: \$25,378,680). The Net Asset Value at the end of the reporting period was \$11,012,860 (2022: \$4,520,495).

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.

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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 2023, the number of units on issue in the Fund was 11,063,028 (2022: 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: 19 September 2023

CALFER PROPERTY TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
Revenue and other income			
Capital income	2 (a)	477,075	-
Rental income	2 (b)	1,677,165	1,637,294
Business profits (motels)	2 (c)	1,021,808	735,859
Other income	2 (d)	25,361	303,643
Total revenue and other income		3,201,409	2,676,796
Expenses			
Management fees	3	186,892	177,529
Interest expense	4	915,924	538,195
Other expenses	5	618,744	610,094
Total expenses		1,721,560	1,325,818
Net profit attributed to unitholders		1,479,849	1,350,978
Other comprehensive income			
Fair value profit or (loss) on investments	6	6,070,413	(186,206)
Total other comprehensive income		7,550,262	1,164,772
Distribution expenses	16	1,057,898	920,846
Total comprehensive income for the year attributable to unitholders net of distributions		6,492,364	243,926

The accompanying notes form part of these financial statements

CALFER PROPERTY TRUST

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	7	1,117,401	1,806,821
Trade and other receivables	8	128,723	404,136
Other current assets	9	386,722	72,723
Total current assets		1,632,846	2,283,680
Non-current assets			
Fixed assets	10	29,426,869	23,095,000
Total non-current assets		29,426,869	23,095,000
Total assets		31,059,715	25,378,680
Current liabilities			
Distribution payable	16	1,304,011	1,906,113
Rental bonds held	11	64,030	63,828
Other current liabilities	12	418,962	318,244
Total current liabilities		1,787,003	2,288,185
Non-current liabilities			
Related party loans	13	2,094,852	2,345,000
Bank loans	14	16,165,000	16,225,000
Total non-current liabilities		18,259,852	18,570,000
Total liabilities		20,046,855	20,858,185
Net assets		11,012,860	4,520,495
Represented by:			
Issued units	15 (a)	11,063,028	11,063,028
Undistributed (loss) attributable to unitholders	15 (b)	(50,168)	(6,542,533)
Net assets attributable to unitholders		11,012,860	4,520,495

The accompanying notes form part of these financial statements

CALFER PROPERTY TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

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 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Rental income	2(b)	1,677,165	1,653,223
Trust operated motels' profits	2(c)	1,021,808	735,859
Other income		300,773	171,792
Fees paid		(186,892)	(177,529)
Interest paid		(915,924)	(541,796)
Other expenses		(832,025)	(496,205)
Rental bond held		202	(14,912)
Net cash provided by operating activities		1,065,107	1,330,432
Cash flows from investing activities			
Proceeds from fixed assets		215,620	(186,205)
Net cash provided by / (used in) investing activities		215,620	(186,205)
Cash flows from financing activities			
Loan repayment		(310,147)	(47,411)
FY 2022 Distributions		(674,733)	(408,702)
FY 2021 Distributions		(831,775)	(32,864)
FY 2020 Distributions		(153,492)	(267,136)
Net cash (used in) financing activities		(1,970,147)	(756,113)
Net (decrease) / increase in cash and cash equivalents		(689,420)	388,113
Cash and cash equivalents at the beginning of year		1,806,821	1,418,708
Cash and cash equivalents at the end of year	7	1,117,401	1,806,821

The accompanying notes form part of these financial statements

CALFER PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 19 September 2023.

(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 2023

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 2023

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 2022 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 2023, 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 2023

NOTE 2: REVENUE

The Funds revenue may be analysed under the following categories:

(a) Capital income

	2023	2022
	\$	\$
Lease extension – Longreach Motor Inn	477,075	-
	477,075	-

(b) Rental income

	2023	2022
	\$	\$
Burke and Wills	354,363	330,000
Country Ayr	166,021	157,417
Bioela	138,095	271,798
Gayndah	93,333	-
Narrandera	65,023	59,288
Orbost	72,377	69,018
St Arnaud	50,292	49,729
Warracknabeal	61,838	61,838
Longreach	416,209	393,572
Barrier Reef	259,614	244,634
	1,677,165	1,637,294

(c) Business profits

	2023	2022
	\$	\$
Alara Motor Inn	17,471	184,416
Gunyndah	80,523	133,397
Dysart Country Roads Motor Inn	366,770	130,210
Ayr Traveller's Motel	357,952	287,836
Sun Valley	199,092	-
	1,021,808	735,859

(d) Other income

	2023	2022
	\$	\$
Insurance claims	3,732	19,259
Interest	15,932	888
Miscellaneous	5,697	15,242
Rates reimbursed	-	268,254
	25,361	303,643

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: MANAGEMENT AND ADMINISTRATION FEES

	2023	2022
	\$	\$
Rod & Nola Place	36,313	35,488
GMG Financial Group	16,464	13,745
Alan Bailey Nominees Pty Ltd	24,546	10,909
Administration fees	5,933	5,650
William Gurnett	48,000	48,000
Anahita Esbati	12,000	12,000
Lonmace Pty Ltd	43,636	51,737
	186,892	177,529

NOTE 4: INTEREST PAID

	2023	2022
	\$	\$
Commonwealth Bank	845,603	456,725
Alan Bailey Family Trust #1	58,134	46,953
Alan Bailey Family Trust #2	12,187	34,517
	915,924	538,195

NOTE 5: OTHER EXPENSES

	2023	2022
	\$	\$
Accountancy	15,275	14,180
Administration expenses	9,185	2,155
Bank fees	1,540	456
Bad debts write off	339,060	-
Borrowing costs amortisation	43,882	66,564
Consultants	30,290	18,587
Depreciation	1,129	1,342
Fees and registrations	773	-
Filing fees	580	552
Insurance	47,390	25,707
Land tax	50,494	48,301
Rates	2,759	270,941
Repairs and maintenance	48,463	142,371
Legal fees	15,112	18,507
Travel expenses	12,812	431
	618,744	610,094

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6: OTHER COMPREHENSIVE INCOME

As at 30 June 2023 the Fund's other comprehensive income comprised:

	2023	2022
	\$	\$
Gain/(Loss) on revaluation of properties	6,070,413	(186,206)
	6,070,413	(186,206)

NOTE 7: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Calfer Property Trust	878,045	1,487,852
Cash at bank - Alara	23,760	74,540
Cash at bank – Ayr Traveller	66,816	102,689
Cash at bank – Dysart	102,780	73,527
Cash at bank – Gayndah	-	65,576
Sun valley	46,000	-
Cash on hand	-	2,637
	1,117,401	1,806,821

NOTE 8: TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
Accounts receivable	27,476	322,125
Trade debtors	101,247	66,237
Beneficiary loans	-	15,774
	128,723	404,136

Beneficiary loans	2023	2022
	\$	\$
Graham Singleton	-	15,774
	-	15,774

NOTE 9: OTHER CURRENT ASSETS

	2023	2022
	\$	\$
Stock on hand	77,451	39,229
Prepaid borrowing expenses	33,231	32,454
Bond - 4/59 Queen Elizabeth Drive	1,040	1,040
Loan receivable	275,000	-
	386,722	72,723

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10: FIXED ASSETS

Plant and equipment

	2023	2022
	\$	\$
Plant and equipment	785,980	540,664
Less: Depreciation	(242,553)	(238,340)
	543,427	302,324

Freehold land and buildings

	2023	2022
	\$	\$
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 Innisfall	1,894,570	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	1,433,506	1,413,154
Ayr Traveller	3,535,714	3,535,713
Country Ayr	1,814,393	1,814,395
Less Building write off claims	(1,628,572)	(1,628,572)
Directors' revaluations	(3,078,970)	(9,149,384)
	28,883,442	22,792,676

NOTE 11: BONDS HELD

	2023	2022
	\$	\$
Gayndah	12,833	-
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
Warracknabeal	4,286	4,285
	64,030	63,828

CALFER PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 12: OTHER CURRENT LIABILITIES

	2023	2022
	\$	\$
Accounts payable	3,280	3,412
PAYG withholding	32,617	19,291
Superannuation payable	45,495	37,417
Creditors	142,578	133,968
GST payable	154,657	124,156
Rent in advance	40,335	-
	418,962	318,244

NOTE 13: RELATED PARTY LOANS

	2023	2022
	\$	\$
Alan Bailey Family Trust #1	2,094,852	1,854,126
Alan Bailey Family Trust #2	-	490,874
	2,094,852	2,345,000

NOTE 14: BANK LOANS

	2023	2022
	\$	\$
CBA Market Rate Facility	16,165,000	16,225,000
	16,165,000	16,225,000

NOTE 15: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(a) Issued units in \$

	2023	2022
	\$	\$
Opening balance	11,063,028	11,063,028
Closing balance	11,063,028	11,063,028

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

	2023	2022
	\$	\$
Opening balance	(6,542,533)	(6,786,459)
Net operating profit attributable to unitholders	1,479,849	1,350,978
Fair value profit / (loss) on investment	6,070,414	(186,206)
Distribution expenses	(1,057,898)	(920,846)
Closing balance	(50,168)	(6,542,533)

CALFER PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 15: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

(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 16: DISTRIBUTIONS

	2023	2022
	\$	\$
Beginning balance	1,906,113	1,693,969
FY2023 Distribution declared	1,057,898	920,846
FY 2022 Distribution paid	(674,733)	(408,702)
FY 2021 Distribution paid	(831,775)	(32,864)
FY 2020 Distribution paid	(153,492)	(267,136)
Ending balance	<u>1,304,011</u>	<u>1,906,113</u>

NOTE 17: 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 \$48,000 (2022: \$48,000) were paid to William Gurnett and \$12,000 (2022: \$12,000) paid to 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 one loan (2022: two loans) to the Fund. The loans total was \$2,094,852 (2022: \$2,345,000) as at 30 June 2023.

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 \$36,313 (2022: \$35,488) (plus GST).

Rod and Nola Place are related parties of the Trustee.

CALFER PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17: RELATED PARTY TRANSACTIONS (continued)

(d) Lonmace Pty Ltd

Management fees paid to Lonmace Pty Ltd for services provided during the financial year were \$48,000, which includes the GST component (2022: \$56,910 including 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 18: CONTINGENT LIABILITIES

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

NOTE 19: 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.

NOTE 20: 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.

CALFER PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 20: RISK MANAGEMENT (continued)

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.

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 21: 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 2023 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

19 September 2023