



**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
ABN 60 594 160 653**

**FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2022**

**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
TRUSTEE REPORT
FOR THE PERIOD ENDED 30 JUNE 2022**

The Directors of the Trustee, Vasco Custodians Pty Ltd present their report on the ICFM Development Fund Greenvale Investment Option ('the Fund') for the period ended 30 June 2022. On 1 October 2021, Vasco Trustees Ltd retired as trustee of the Fund and Vasco Custodians was appointed as the new trustee of the Fund.

1. Directors of Vasco Custodians Pty Ltd for the period 1 October 2021 to 30 June 2022

The names of Directors of the Trustee in office at any time during the period from 1 July 2021 to 30 June 2022 are:

Craig Mathew Dunstan

Fiona Jean Dunstan

Directors of Vasco Trustees Limited for the period 1 July 2021 to 1 October 2021

The name of the Directors of the Trustee in office at any time during 1 July 2021 to 1 October 2021 are:

Craig Mathew Dunstan

Jonathan William Martin

Reginald Bancroft

2. Principal Activities

The ICFM Development Fund was established on 29 July 2019. As at 30 June 2022, there were four investment projects active in the ICFM Development Fund: the Sunbury Investment Option, the Bayvale Officer Investment Option the Greenvale Investment Option and the Sunbury South Investment Option. This report is for the ICFM Development Fund Greenvale Investment Option only.

The principal activities of the Fund are to subscribe 55% of the units in the Greenvale Investment Option Unit Trust (Greenvale Trust), a property development unit trust established and operated by the Investment Manager and finance the Greenvale Trust by providing a unitholder loan. The Fund was established on 9 September 2021 and issued the first units on the commencement date of 25 October 2021.

The Greenvale Investment Option had raised \$1,800,000 and will raise another \$2,200,000 from investors on a commitment basis. Each investor has paid 22.5% of their commitment up front and a further 22.5% on 25 January 2022. The final capital call is expected in January 2023. The expected timing of the Capital Calls is set out below:

	Call Date	Payable	Percentage	Total Amount
Initial Application	25 October 2021	On Application	22.5%	\$ 900,000
First Capital Call	15 January 2022	25 January 2022	22.5%	\$ 900,000
Final Capital Call	15 January 2023	25 January 2023	55%	\$ 2,200,000
			100%	\$ 4,000,000

All Capital Calls must be strictly complied with by Investors.

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3. Operating Results

The operating profit of the Fund for the financial period ending 30 June 2022 was \$94.

4. Review of Operations

During the period dated 25 October 2021 the Fund issued 1,800,000 units. In line with the Information Memorandum, the Fund issued its first capital call in February 2022 for \$900,000. The investment has a potential term of two and a half years, and will be expected to be completed around August 2024.

As at 30 June 2022, the Fund held 55% of the units in the Greenvale Trust.

As at 30 June 2022, the total unitholders' loan to Greenvale Trust was \$1,880,632. The first drawdown was on 19 November 2021.

In accordance with the Unitholders Agreement, interest income will be accrued at a rate of 10% p.a., compounding monthly on the amount of each advance provided to the Greenvale Trust. The loan and loan interest accrued is to be repaid on the windup of the Greenvale Trust before any distribution of income and capital of the Trust.

5. Review of Performance

Unit Class	2022 % p.a.
Ordinary units	5.04%*

*annualised based on the target distribution rate as per the Information Memorandum

6. Distributions Paid or Recommended

In accordance with the Information Memorandum of the Fund, no distributions are expected for Investors in the Greenvale Investment Option until the completion of the project.

The amount of distribution income (if any) paid is based on the number of units held in the Greenvale Investment Option at the end of each distribution period.

Distributions are generally paid within 30 days of the end of a distribution period.

7. Applications Held

As at 30 June 2022, there were no pending applications.

8. Redemption Arrangements

As detailed in the Fund's Constitution the Trustee is not under any obligation to buy back, purchase or redeem units from unitholders.

Withdrawals and redemption requests are only processed at the absolute discretion of the Trustee. Investors have no right to withdraw, redeem or otherwise exit from their investment in the Greenvale Investment Option.

The Trustee will redeem Investors on wind-up of the Greenvale Investment Option subsequent to receipt of all amounts realised through the Greenvale Fund.

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9. Options

No options over issued units or interests in the Fund were granted during or since the end of the financial period 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.

10. 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.

11. Value of Scheme Assets

The Gross Asset Value (GAV) of the Fund's assets at the end of the reporting period was \$1,890,781 The Net Asset Value (NAV) at the end of the reporting period was \$1,800,000.

12. 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 period.

13. After Balance Date Events

No matters or circumstances have arisen since the end of the financial period 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 periods other than as disclosed in this report.

14. Future Developments

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

15. Indemnifying Officers or Auditor

During or since the end of the financial period, the Trustee has paid insurance premiums to insure each of the aforementioned Directors as well as officers of the Trustee 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 Trustee, other than conduct involving a wilful breach of duty in relation to the Trustee.

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

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

16. Fees, Commissions or Other Charges by the Trustee, Investment Manager or Related Parties

All fees disclosed in the Information Memorandum of the Fund were paid by the Investment Manager through the Greenvale Trust during the Financial period. Therefore, nominal fees were charged to the Fund during the Financial period.

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17. Units held by the Trustee, Investment Manager or Related Parties

As at 30 June 2022, one investment trust owned by a director of Infinity Capital Funds Management Pty Ltd, the Investment Manager of the Fund, holds 180,000 units in the Fund.

18. Interests in the Fund

The movement of units on issue in the Fund during the period is set out in Note 8 to the financial statements.

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

19. 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.

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.

Signed in accordance with a resolution of the Board of Directors of Vasco Custodians Pty Ltd by

Craig Dunstan

Craig Dunstan

Director

Date: 28 September 2022

ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	2022 \$
Revenue and other income		
Bank interest	2 (a)	94
Loan interest income	2 (b)	90,632
Total revenue and other income		90,726
Expenses		
Distribution Expense		90,632
Other expenses	3	94
Total expenses		90,726
Net profit attributed to unitholders		-
Total comprehensive income for the year attributable to unitholders net of distributions		-

The accompanying notes form part of these financial statements

**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	2022 \$
Current assets		
Cash and cash equivalents	4 (a)	10,094
Total current assets		10,094
Non-current assets		
Investment assets (loan)	5 (a)	1,880,632
Equity investment – Greenvale Trust	5 (a)	55
Total non-current assets		1,880,687
Total assets		1,890,781
Liabilities		
Sundry creditor	6	149
Distributions payable	7(b)	90,632
Total liabilities		90,781
Net assets		1,800,000
Represented by:		
Issued units	7 (a)	1,800,000
Net assets attributable to unitholders		1,800,000

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
FOR THE PERIOD 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.

**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	2022 \$
Cash flows from operating activities		
Bank interest	2	94
Net cash provided by operating activities		<u>94</u>
Cash flows from investing activities		
Unitholder Loan		900,000
Funding Call drawdown		890,000
Net cash (used in) investing activities		<u>(1,790,000)</u>
Cash flows from financing activities		
Proceeds from issue of units		900,000
Capital Call		900,000
Net cash provided by financing activities		<u>1,800,000</u>
Net increase in cash and cash equivalents		10,094
Cash and cash equivalents at the beginning of period		-
Cash and cash equivalents at the end of period	4 (a)	<u><u>10,094</u></u>

The accompanying notes form part of these financial statements

**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial report is for the ICFM Development Fund Greenvale Investment Option ('the Fund'). The Fund is an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund during the period ended 30 June 2022 was Vasco Custodians Pty Ltd, and Infinity Capital Funds Management Pty Ltd is appointed as the Investment Manager of the Fund.

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*).

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*. ICFM Development Fund Greenvale Investment Option 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.

(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 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.

**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

(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 a liability in accordance with *AASB 132 Financial Instruments: Presentation*.

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 liability attributable to the Fund's unitholders.

**ICFM DEVELOPMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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) 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 period 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.

**ICFM DEVELOPMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2: REVENUE

The Funds revenue may be analysed under the following categories

(a) Bank interest

	2022
	\$
Macquarie Bank	94
	94

NOTE 2: REVENUE (continued)

(b) Loan interest income

Interest will accrue at a rate of 10% per annum, compounding monthly on the amount of each advance provided to the Greenvale Trust. The loan and loan interest accrued will be repaid on the windup of the Greenvale Trust before any distribution of income and capital of the Trust.

	2022
	\$
Loan interest income	90,632
	90,632

NOTE 3: OTHER EXPENSES

	2022
	\$
Reclassification for the transfer of bank interest	94
	94

NOTE 4: CASH AND CASH EQUIVALENTS

(a) Cash at bank

	2022
	\$
Macquarie Bank	10,094
	10,094

**ICFM DEVELOPMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5: INVESTMENTS

(a) Investment held

As at 30 June 2022 the Fund's investments comprised:

	2022
	\$
Unitholder Loan to The Greenvale Trust	1,880,632
Units in The Greenvale Trust	55
	<u>1,880,687</u>

NOTE 6: SUNDRY CREDITOR

Sundry creditor reflects the other expenses line item in the Income Statement which reclassifies the bank interest income to bring the net profit of the Fund to nil and maintain the unit price at \$1.00 as per IM. Additionally, it also includes the \$55 spent to acquire units from Greenvale Unit Trust.

NOTE 7: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(a) Issued units

	2022	2022
	\$	Units
Opening balance	-	-
Units issued – new applications	900,000	900,000
Units issued – First Call	900,000	900,000
Closing balance at 30 June	<u>1,800,000</u>	<u>1,800,000</u>

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
	\$
Distributions payable	90,632
	<u>90,632</u>

(c) Capital management

The Fund regards total unitholders' interests as its capital. The objective of the Fund is to provide unitholders with capital growth. The Fund aims to achieve this objective mainly through direct investment in a property development trust.

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.

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NOTE 8: 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 Fund at the year-end was Vasco Custodians Pty Ltd. The original Trustee, Vasco Trustee Limited retired on 1 October 2021 and were replaced with Vasco Custodians Pty Ltd. During the financial period the Trustee Fees were paid directly by the Investment Manager and the Greenvale Trust. During the year, payments totalling \$25,000 were made with Vasco Trustees Pty Ltd receiving \$6,250 and Vasco Custodians Pty Ltd receiving \$18,750.

(b) Administration Manager

The Administration Manager of the ICFM Development Fund Greenvale Investment Option is Vasco Fund Services Pty Limited. During the financial period, the Administration Manager Fees for the Fund, were paid directly by the Investment Manager and Greenvale Trust to the Administration Manager.

(c) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Trustee, Vasco Custodians Pty Ltd, and an Investment Manager, Infinity Capital Funds Management Pty Ltd, to manage the activities of the Fund. The Directors of the Trustee 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 Trustee or Investment Manager. Payments made by the Fund to the Trustee and Investment Manager do not specifically include any amounts attributable to the compensation of key management personnel.

NOTE 9: CONTINGENT LIABILITIES

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

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

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

NOTE 11: 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 loans, which are not considered to be assets that are readily realisable.

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

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11: FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) 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 interest revenue that is paid in arrears. The Fund's maximum exposure to credit risk is limited to the carrying amount of financial and loan assets recognised at the reporting date. The Investment Manager manages the exposure to credit risk on an ongoing basis. To date, the Fund has made a loan to a single borrower Greenvale Investment option.

(c) Property Market Risk

Investment properties form a significant part of the Fund's assets, and are carried at fair value within the accounts. As a result, the statement of comprehensive income of the Fund is exposed to movements in property valuations, year on year. These movements are unrealised, until the point that an investment property is sold. The property market is closely monitored by the Board and the decision to buy or sell a property is closely related to the state of the property market and expectations of future rental yield. In addition, in depth due diligence is performed over a property before it is purchased 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 periods. This includes the reluctance of business to commit to major new investments until sustained increase in demand are seen. The property market may also drop in value due to the recent changes in the interest rate environment. Interest rates are increasing rapidly, making it more difficult for individuals to repay their loans. During such market conditions, the demand for properties will get affected, resulting in a decline in property values. This may result in losses should properties be held as security be realised below the loan and receivable book values.

(d) Development and Construction Risk

The Fund will be investing in property development projects which are subject to risks which can affect the returns available to Investors. These risks may include the inability to obtain appropriate or sufficient government planning approval to undertake a successful development of a property; the risk of costs overruns and costs to complete any construction work may be more than forecast and additional capital or finance may need to be sourced.

Additional risks may cover areas such as the completion of buildings under contract could be delayed due to the fault of the developer or other unforeseen events; the development and construction can be subject to external influence over which the Fund has little or no control. There are also risks associated with the potential deterioration of material, labour and general market conditions.

NOTE 12: TRUSTEE DETAILS

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

Vasco Custodians Pty Ltd

Level 4

99 William Street

Melbourne Victoria 3000

**ICFM DEVELOPMENT FUND
GREENVALE INVESTMENT OPTION**

DIRECTORS' DECLARATION

In the opinion of the Directors of Vasco Custodians Pty Ltd:

- (a) The financial statements and notes of ICFM Development Fund Greenvale Investment Option 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 ICFM Development Fund Greenvale Investment Option will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Craig Dunstan

Craig Dunstan

Director

28 September 2022