



INCENTIVISE
INVESTMENT FUND

Incentivise Investment Fund

ARSN 657 944 100

FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2022

INCENTIVISE INVESTMENT FUND
ARSN 657 944 100
RESPONSIBLE ENTITY REPORT
FOR THE PERIOD ENDED 30 JUNE 2022

The Directors of the Responsible Entity, Vasco Responsible Entity Services Limited, present their report on the Incentivise Investment Fund ('the Fund') for the period ended 30 June 2022.

1. Directors

The names of Directors of the Responsible Entity in office from 22 March 2022 to 30 June 2022 were:

Craig Mathew Dunstan

Jonathan William Martin

Reginald Bancroft

2. Principal Activities

The Fund was registered on 22 March 2022 but did not commence activities until after the reporting date. The Fund will be investing in ownership of special purpose vehicles (SPVs) set up for specific development projects (Projects). This will include off market properties and targeted site identification, comprehensive financial feasibility, attentive and prudent development management and a strong exit strategy through an integrated sales and marketing approach.

3. Operating Results and Review of Operations

The Fund has not yet commenced operations at 30 June 2022 and as a result has incurred neither a profit or a loss for the period then ended.

4. Unit Redemption Prices

The availability and timing of redemptions is subject to the terms of the Fund's Constitution. Further fees may apply upon redemption.

5. Distributions Paid or Recommended

As the Fund has not yet commenced operations, no distributions have been paid or recommended.

6. Applications Held

The Fund has no pending applications as at 30 June 2022.

7. 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.

8. 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.

9. Proceedings on Behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund or 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. The Fund was not a party to any such proceedings during the period.

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10. 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.

11. After Reporting Date Events

As at the date of this report, the Fund has not yet issued any units or commenced operations. No other matters or circumstances have arisen since the end of the financial year 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 years other than as disclosed in this report.

12. Future Developments

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

13. Indemnifying Officers or Auditor

During or since the end of the financial period, 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 willful 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 period 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.

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

As at 30 June 2022, the amounts accrued and paid to the Responsible Entity, Investment Manager or other related parties were \$nil. No fees are payable by the Fund, per the Product Disclosure Statement, until units are issued and the Fund commences operations until which time all fees will be paid directly by the Investment Manager.

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

As at 30 June 2022, no related parties own any units in the Fund.

16. Environmental Issues

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

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FOR THE PERIOD ENDED 30 JUNE 2022**

17. 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 and forms part of the Responsible Entity's report for the period ended 30 June 2022.

Signed in accordance with a resolution of the Board of Directors of Vasco Responsible Entity Services Limited by:

Craig Dunstan

Craig Dunstan

Director

Date: 3 November 2022

Auditor's Independence Declaration to the Directors of the Responsible Entity

In accordance with section 307C of the *Corporations Act 2001* (the Act), in relation to our audit of the financial report of Incentivise Investment Fund for the financial period ended 30 June 2022, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct.



PKF



Steven Bradby
Partner

Melbourne, 3 November 2022

INCENTIVISE INVESTMENT FUND
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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2022

	Notes	Period ended 2022 \$
Revenue and other income		
Investment income		-
Total revenue and other income		-
Expenses		
Other expenses		-
Total expenses		-
Net profit attributable to unitholders		-
Other comprehensive income for the period		-
Total comprehensive income		-

The accompanying notes form part of these financial statements

**INCENTIVISE INVESTMENT FUND
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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	2022 \$
Current assets		
Cash and cash equivalents		-
Total current assets		-
Total assets		-
Liabilities		
Fees payable		-
Total liabilities		-
Net assets		-
Represented by:		
Issued units		-
Net assets attributable to unitholders	4	-

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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

	Issued Units	Retained Earnings	Total
	\$	\$	\$
Total comprehensive income for the period	-	-	-
Distributions for the period	-	-	-
Balance as at 30 June 2022	-	-	-

**INCENTIVISE INVESTMENT FUND
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**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2022**

	Period ended 2022 \$
Cash flows from operating activities	
Net cash provided by/ (used in) operating activities	-
Cash flows from investing activities	
Net cash provided by/ (used in) investing activities	-
Cash flows from financing activities	
Net cash provided by financing activities	-
Net increase in cash and cash equivalents	-
Cash and cash equivalents at the beginning of period	-
Cash and cash equivalents at the end of period	-

INCENTIVISE INVESTMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022

Reporting Entity

The financial report is for the entity Incentivise Investment Fund ('the Fund') as an individual entity. The Fund is an open-ended unlisted registered managed investment scheme structured as a unit trust established by the Responsible Entity pursuant to the Constitution and is governed by Australian law. The Responsible Entity of the Fund is Vasco Responsible Entity Services Limited.

NOTE 1: 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 financial report of the Fund complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

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

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Going Concern

The financial report has been prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001 which are based on the Fund continuing as a going concern. The going concern basis has been reviewed by the Directors.

The Fund was registered on 22 March 2022 but as of 30 June 2022, the Fund had not commenced operations. As at 30 June 2022, the Fund had issued a Product Disclosure Statement (PDS) dated 11 May 2022. The Fund's ability to continue as a going concern is dependent upon SD Investment Managers Pty Ltd as Investment Manager of the Fund, continuing to pay all the expenses related to the Fund until the Fund commences operations (see note 6).

The Directors believe that the Fund will continue as a going concern and consequently will realise assets and settle liabilities and commitments in the ordinary course of business and at the amounts stated in the financial report.

(d) Functional and presentation currency

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

(e) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

(a) 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.

(b) Income tax

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

(c) 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.

(d) New accounting standards and interpretations

The Fund has adopted all new standards, interpretations or amendments to existing standards relative to the financial period from the date of registration.

NOTE 3: RESPONSIBLE ENTITY AND ADMINISTRATION FEES

The Fund has finalised a Product Disclosure Statement however there are no investors in the Fund as at 30 June 2022, accordingly there have been no fees or costs charged to the Fund and all fees are paid by the Investment Manager.

**INCENTIVISE INVESTMENT FUND
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 4: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2022	2022
	Units	\$
(a) Issued units		
Units issued – applications	-	-
Closing balance	-	-

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

		2022
		\$
Operating profit/(loss) before finance costs attributable to unitholders	-	-
Distributions paid	-	-
Closing balance	-	-

(c) Capital management

The Fund regards total unitholders' interests as capital. The Fund's objective is to invest in ownership of special purpose vehicles (SPVs) set up for specific development projects (Projects). This will include off market properties and targeted site identification, comprehensive financial feasibility, attentive and prudent development management and a strong exit strategy through an integrated sales and marketing approach.

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

NOTE 5: PERFORMANCE FEES & INVESTMENT MANAGEMENT FEES

The Fund has finalised a Product Disclosure Statement however no fees or costs have been accrued at 30 June 2022 as the Fund has not issued any units at this date.

NOTE 6: RELATED PARTY TRANSACTIONS

(a) Investment Manager

The Investment Manager of the Fund is SD Investment Managers Pty Ltd. The Investment Manager has agreed to be responsible for all costs incurred on behalf of the Fund until 30 June 2022. This arrangement will be reviewed subsequent to the date of this financial report.

(b) Key management personnel

The Fund does not employ personnel in its own right. However, it has an incorporated Responsible Entity, Vasco Responsible Entity Services Limited, to manage the activities of the Fund. The Directors of the Responsible Entity are key management personnel of that corporate entity. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 7: OTHER FEES AND EXPENSES

(a) Remuneration of Auditors

The auditor of the Fund is PKF Melbourne Audit & Assurance Pty Ltd. The fees paid or agreed to be paid by the Investment Manager for the period ended 30 June 2022 are disclosed below.

	2022
	\$
Audit services	
Audit of financial report	1,500
Other regulatory audit services	5,000
	<u>6,500</u>
Other services	
Taxation services	600
	<u>600</u>

(b) Other fees and expenses

The Fund's Product Disclosure Statement states that a one-off fee of \$33,440 is payable to the Investment Manager upon establishment of the Fund. The Investment Manager has agreed to be responsible for this cost as at 30 June 2022.

NOTE 8: CONTINGENT LIABILITIES

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

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

As at the date of this report, the Fund has not yet issued any units or commenced operations. There have been no other events subsequent to the reporting date that require additional disclosure.

NOTE 10: 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 will hold investments in real estate, 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2022**

NOTE 10: FINANCIAL RISK MANAGEMENT (cont.)

(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 assets recognised at the reporting date.

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.

(c) 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 optimising the return on risk. Market risk is monitored by the Responsible Entity.

NOTE 11: RESPONSIBLE ENTITY DETAILS

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

Vasco Responsible Entity Services Limited

Level 4

99 William Street

Melbourne Victoria 3000

**INCENTIVISE INVESTMENT FUND
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DIRECTORS' DECLARATION

The Directors of Vasco Responsible Entity Services Limited, the Responsible Entity, declare that:

1. The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting obligations; and
 - (b) give a true and fair view of the Fund's financial position as at 30 June 2022 and of its performance for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the 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 Board of Directors and is signed for and on behalf of the Directors of Vasco Responsible Entity Services Limited by:

Craig Dunstan

Craig Dunstan

Director

Date: 3 November 2022

Independent Auditor's Report to the Members of Incentivise Investment Fund and the Directors of the Responsible Entity

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Incentivise Investment Fund (the Fund), which comprises the statement of financial position as at 30 June 2022, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration.

In our opinion, the 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 2022 and of its financial performance for the period then ended; and
- (b) complying with Australian Accounting Standards 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the auditor independence requirements of 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.

Responsibility of the Directors of the Responsible Entity for the financial report

The Directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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 relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Scheme 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF
Melbourne, 3 November 2022



Steven Bradby
Partner