

PENNINGTON CLIFFS PROPERTY TRUST

ABN 49 869 805 893

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2021

PENNINGTON CLIFFS PROPERTY TRUST

TRUSTEE REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors of the Trustee, Vasco Custodians Pty Ltd present their report on the Pennington Cliffs Property Trust ('the Fund') for the year ended 30 June 2021.

1. Directors

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

Craig Matthew Dunstan

Fiona Jean Dunstan

2. Principal Activities

The Fund will provide Investors the opportunity to invest in what is expected to be one of the world's best destination golf locations and to enjoy the returns that comes with the ownership of such a quality asset.

The Fund is an unlisted unregistered managed investment scheme structured as a unit trust and established and governed by the Trust Deed which regulates the relationship between the Trustee and Investors.

3. Operating Results

The operating loss of the Fund for the financial year ending 30 June 2021 was \$18,479 (2020: \$11,651).

4. Review of Operations

During the period since inception the Fund has issued 100 units. During the financial year no units were issued or redeemed.

The KIL Unit Trust (Trust) was established on 31 July 2016 pursuant to a unit trust deed (Trust Deed). The Trust Deed was replaced with a new constitution on 30 April 2021 and the name of the Fund was changed to Pennington Cliffs Property Trust. At this time, Kangaroo Island Links Pty Ltd (Outgoing Trustee) retired as trustee of the Trust and replaced by Vasco Custodians Pty Ltd (Trustee).

Pennington Cliffs Management Pty Ltd was appointed as Investment Manager of the Fund on 3 May 2021.

On 5 May 2021, the Fund acquired the issued capital of Kangaroo Island Links Pty Ltd (the previous Trustee of the Fund) for \$2.

As at 30 June, 2021 the Fund had a non-interest-bearing loan of \$174,471 from Cliffs Kangaroo Pty Ltd and a loan of \$1,796,845 from Finance Dom. Interest of \$224,982 was paid on the loan by Cliffs Kangaroo Pty Ltd for which they will seek reimbursement.

5. Distributions Paid or Recommended

In accordance with the Information Memorandum of the Fund issued on 20 May 2021, distributions are generally paid to Investors within 30 days of the end of each distribution calculation period. However, Investors should note that distributions calculated as at the end of each financial year, being 30 June of each year, are likely to be paid by 30 September of each year, following the finalisation of the Fund's annual accounts.

No distributions were paid or recommended during the period.

PENNINGTON CLIFFS PROPERTY TRUST

TRUSTEE REPORT FOR THE YEAR ENDED 30 JUNE 2021

6. Applications Held

As at 30 June 2021, the value of pending applications was nil.

7. 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. The Investment Manager will attempt to provide Investors with an opportunity to realise their investment through the completion of a withdrawal request form. Remaining existing investors will have first right to acquire the units and facilitate the withdrawal. Investors will have an opportunity to vote on whether to sell the Property and realise the proceeds in the 9th year prior to the commencement of a new lease renewal or where an unsolicited bid is received by the Investment Manager.

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 Trustee hold no options over interests in the Fund.

9. 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.

10. Value of Scheme Assets

The Gross Asset Value of the Fund's assets at the end of the reporting period was \$8,501,568 (2020: \$3,654,696). The Net Asset Value at the end of the reporting period was \$6,285,758 (2020: \$1,683,380).

11. 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.

12. After Balance Date Events

On 12 November the Fund entered into a loan agreement for the amount of \$4 million for an initial term of one year with funds to be utilized to assist in the development of the golf course.

As at 30 June 2021 Cliffs Kangaroo Pty Ltd had incurred expenses of \$1.4 million in the development of the golf course project for which it will seek reimbursement in due course. These costs comprise of interest paid, professional services, rent and income.

No other 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.

13. Future Developments

It is anticipated that post 30 June 2021 that the current debt held by the Fund will be either converted to equity or refinanced. As a result of the issue of a new Information Memorandum, the Fund is seeking to raise additional equity to finance the construction of the Pennington Cliffs Golf

PENNINGTON CLIFFS PROPERTY TRUST

TRUSTEE REPORT FOR THE YEAR ENDED 30 JUNE 2021

13. Future Developments (continued)

Course. Consequently, the Trustee will undertake a unit split so as bring the price back to approximately \$1.00 prior to the processing of new applications.

14. Indemnifying Officers or Auditor

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

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

In accordance with the Information Memorandum of the Fund issued on 20 May 2021, the Trustee is entitled to the following ongoing fees:

- An annual fee of 0.1% per annum of the gross asset value of the Fund, subject to a minimum annual fee of \$25,000.
- A regulator levy fee of \$1,000 plus \$60 per \$1m of gross asset value payable annually.

The Administration Manager is entitled to:

- an annual fee of \$15,000 per annum provided there are less than 25 investors in the Fund and \$25,000 per annum where the number of Investors in the Fund is 25 or more.
- \$5,000 per annum to administer any additional unit classes if established.

The Investment Manager is entitled to:

- An annual fee of 0.5% per annum of the gross asset value of the Fund.
- A performance fee of: 20% of Fund realised returns in excess of 8% per annum calculated annually plus 25% of sale proceeds received above a completed asset value of \$21.7million.

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

As at 30 June 2021, the Trustee or Investment Manager and their related parties held no units in the Fund.

17. Interests in the Fund

The movement of units on issue in the Fund during the year is set out in Note 11 to the financial statements.

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

PENNINGTON CLIFFS PROPERTY TRUST

**TRUSTEE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

18. 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.

19. 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: 24 January 2022

PENNINGTON CLIFFS PROPERTY TRUST

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Revenue and other income			
Bank interest	2	-	-
		<u>-</u>	<u>-</u>
Total revenue and other income			
Expenses			
Investment Manager fee	3	6,870	-
Trustee and administration fees	4	8,066	-
Other expenses	5	3,543	11,651
		<u>18,479</u>	<u>11,651</u>
Total expenses			
		<u>(18,479)</u>	<u>(11,651)</u>
Net profit (loss) attributed to unitholders			
Other comprehensive income			
Fair value profit or (loss) on investments	11(b)	4,620,857	-
		<u>4,620,857</u>	<u>-</u>
Total other comprehensive income			
Distribution expense		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to unitholders net of distributions			
		<u>4,602,378</u>	<u>(11,651)</u>

The accompanying notes form part of these financial statements

PENNINGTON CLIFFS PROPERTY TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	6	-	376
Sundry debtor	7	1,566	431
Total current assets		1,566	807
Non-current assets			
Freehold land at fair value	8	6,389,280	1,543,169
Land development	8	2,110,720	2,110,720
Kangaroo Island Links Pty Ltd		2	-
Total non-current assets		8,500,002	3,653,889
Total assets		8,501,568	3,654,696
Liabilities			
Loan	9	1,971,316	1,971,316
Sundry creditors	10	244,494	-
Total liabilities		2,215,810	1,971,316
Net assets		6,285,758	1,683,380
Represented by:			
Issued units	11 (a)	1,708,252	1,708,252
Undistributed profit/(loss) attributable to unitholders	11(b)	4,577,506	(24,872)
Net assets attributable to unitholders		6,285,758	1,683,380

The accompanying notes form part of these financial statements

PENNINGTON CLIFFS PROPERTY TRUST

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

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.

PENNINGTON CLIFFS PROPERTY TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Payments to suppliers		376	
Bank Interest		-	
Net cash provided by/ (used in) operating activities		<u>(376)</u>	<u></u>
Cash flows from investing activities			
Payment for the purchase of investment assets		-	
Net cash provided by/ (used in) investing activities		<u>-</u>	<u></u>
Cash flows from financing activities			
Proceeds from the issue of units			
Payments for the redemption of units			
Distribution paid		-	-
Net cash provided by/ (used in) financing activities		<u>-</u>	<u></u>
Net increase/ (decrease) in cash and cash equivalents		(376)	
Cash and cash equivalents at the beginning of year		376	
Cash and cash equivalents at the end of year	6	<u>-</u>	<u>376</u>

The accompanying notes form part of these financial statements

PENNINGTON CLIFFS PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial report is for the Pennington Cliffs Property Trust ('the Fund'). The Fund is an unregistered managed investment scheme established and domiciled in Australia. The Trustee of the Fund is Vasco Custodians Pty Ltd, and Pennington Cliffs 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*. Pennington Cliffs 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 24 January, 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 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.

PENNINGTON CLIFFS PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 recognized 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.

PENNINGTON CLIFFS PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

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

PENNINGTON CLIFFS PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE

Bank interest

	2021	2020
	\$	\$
Bank interest	-	-
	<u>-</u>	<u>-</u>

NOTE 3: INVESTMENT MANAGER FEES

	2021	2020
	\$	\$
Investment Manager fees	6,870	-
	<u>6,870</u>	<u>-</u>

The Investment Manager is entitled to:

- An annual fee of 0.5% per annum of the gross asset value of the Fund.
- A performance fee of 20% of Fund realised returns in excess of 8% per annum calculated annually plus 25% of sale proceeds received above a completed asset value of \$21.7million.

For the 2021 financial year the fee comprises only the annual fee on a pro rata basis from the date of appointment on 3 May 2021.

NOTE 4: TRUSTEE AND ADMINISTRATION FEES

	\$	\$
Trustee fees	4,236	-
Administration fees	3,830	-
	<u>8,066</u>	<u>-</u>

In accordance with the Information Memorandum of the Fund issued on 20 May 2021, the Trustee is entitled to the following ongoing fees:

- An annual fee of 0.1% per annum of the gross asset value of the Fund, subject to a minimum annual fee of \$25,000.
- A regulator levy fee of \$1,000 plus \$60 per \$1m of gross asset value payable annually.

For the 2021 financial year, the Trustee fee comprises pro rata annual fee from the date of appointment on 30 April 2021 plus the regulator levy of \$1,000 and the variable component based on the gross asset value on a pro rata basis.

The Administration Manager is entitled to:

- an annual fee of \$15,000 per annum provided there are less than 25 investors in the Fund and \$25,000 per annum where the number of Investors in the Fund is 25 or more.
- \$5,000 per annum to administer any additional unit classes if established.

For the 2021 financial year the Administration fee comprises the annual fee on a pro rata basis from the date of appointment on 30 April 2021.

PENNINGTON CLIFFS PROPERTY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 5: OTHER EXPENSES

	2021	2020
	\$	\$
Accountancy fees	-	3,534
Bank fees	159	180
GST expense (non-claimable)	584	7,337
Other administration expenses	-	600
Tax return fees	2,800	-
	3,543	11,651

NOTE 6: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
CBA transaction account	-	276
Cash on hand	-	100
	-	376

NOTE 7: SUNDERY DEBTOR

	2021	2020
	\$	\$
RITC benefit refundable by ATO	1,566	431
	1,566	431

NOTE 8: INVESTMENTS

Investment held

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

	2021	2020
	\$	\$
Freehold land at fair value		
Freehold land at cost	1,543,169	1,543,169
Unrealised gain on freehold land at fair value	4,846,111	-
	6,389,280	1,543,169
Land Development		
Development and Statutory Holding costs	275,625	275,625
Interest and Finance Charges	325,095	325,095
Applications, Approvals and Regulatory Costs	1,380,000	1,380,000
Consulting Fees	130,000	130,000
	2,110,720	2,110,720

PENNINGTON CLIFFS PROPERTY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 9: Loan

	2021	2020
	\$	\$
Loan - The Cliffs Kangaroo Island Pty Ltd (Convertible Notes)	174,471	174,471
Loan - Finance Dom	1,796,845	1,796,845
	1,971,316	1,971,316

NOTE 10: Sundry creditors

	2021	2020
	\$	\$
Tax return fees	3,080	-
Investment Management fees	7,557	-
Trustee fees	4,660	-
Administration fees	4,213	-
Acquisition of Kangaroo Island Links Pty Ltd	2	-
	19,512	-

NOTE 11: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

(a) Issued units in \$

	2021	2021	2020	2020
	Units	\$	Units	\$
Opening balance	100	1,708,251	100	100
Units issued – applications	-	-	-	1,708,151
Closing balance	100	1,708,251	100	1,708,251

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

	2021	2020
	\$	\$
Opening balance	(24,872)	(13,221)
Unrealised fair value profit/(loss) on investment	4,620,857	-
Net operating profit/ (loss) attributable to unitholders	(18,479)	(11,651)
Closing balance	4,577,506	(24,872)

PENNINGTON CLIFFS PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(c) Capital management

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 12: 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 Pennington Cliffs Property Trust is Vasco Custodians Pty Ltd.

Fees of \$4,236 (plus GST) were accrued and paid by the Fund to Vasco Custodians Pty Ltd for its role as Trustee for the period, of which \$233 is claimable by the Fund as RITC.

NOTE 12: RELATED PARTY TRANSACTIONS (continued)

(b) Investment Manager

The Investment Manager of the Pennington Cliffs Property Trust is Pennington Cliffs Management Pty Ltd.

Fees of \$6,870 (plus GST) were accrued by the Fund to Pennington Cliffs Management Pty Ltd for its role as Investment Manager for the period, of which \$515 is claimable by the Fund as RITC.

(c) Administration Manager

The Administration Manager of the Pennington Cliffs Property Trust is Vasco Fund Services Pty Limited.

Administration fees of \$3,830 (plus GST) were accrued and paid by the Fund to Vasco Fund Services Pty Limited for its role as Administration Manager of the Fund, of which \$287 is claimable by the Fund as RITC.

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

(d) 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, Pennington Cliffs 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 13: CONTINGENT LIABILITIES

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

PENNINGTON CLIFFS PROPERTY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

On 12 November 2021 the Fund entered into a loan agreement for the amount of \$4 million for a term of one year with funds to be utilized to assist in the development of the golf course.

As at 30 June 2021 Cliffs Kangaroo Pty Ltd had incurred expenses of \$1.4 million in the development of the golf course project for which it will seek reimbursement in due course. These costs comprise of interest paid, professional services, rent and income.

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

NOTE 15: 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.

(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 recognized at the reporting date.

The Investment Manager manages the exposure to credit risk on an ongoing basis.

NOTE 16: 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 300

PENNINGTON CLIFFS PROPERTY TRUST

DIRECTORS' DECLARATION

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

- (a) The financial statements and notes of Pennington Cliffs 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 2021 and its performance for this financial year ended on that date; and
 - (ii) Complying with Australian Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that Pennington Cliffs 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.

Craig Dunstan

Craig Dunstan

Director

24 January 2022