

Aspen Property Trust

ARSN: 104 807 767

**INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 December 2020**

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Aspen Property Trust

For the period ended 31 December 2020

Trust particulars

The various services providers for the Aspen Property Trust ("the Trust") are detailed below:

<u>Service</u>	<u>Provider</u>
Responsible Entity (RE)	Evolution Trustees Limited
Investment Manager	Aspen Funds Management Limited
Custodian	Perpetual Corporate Trust Limited
Statutory Auditor	Deloitte Touche Tohmatsu ("Deloitte")

Directors

The following persons held office as Directors of Evolution Trustees Limited for the period ended 31 December 2020:

David Grbin	Non-executive Chairman
Alexander Calder	Non-executive Director
Rupert Smoker	Executive Director
Ben Norman	Alternate Director

The following persons held office as Directors of Aspen Funds Management Limited for the period ended 31 December 2020:

Clive Appleton	Non-executive Chairman
Guy Farrands	Non-executive Director
John Carter	Executive Director
David Dixon	Executive Director

Registered Offices

Evolution Trustees Limited

Suite 703B, 7th Floor
1 York Street
Sydney NSW 2000, Australia
Telephone: (61 2) 8866 5150
Email: info@evolutiontrustees.com.au
Web Address: www.evolutiontrustees.com.au

Aspen Funds Management Limited

21 Oxford Street
Bondi Junction
Sydney NSW 2022, Australia
Telephone: (61 2) 9151 7500
Email: homemail@aspengroup.com.au
Web Address: www.aspengroup.com.au

Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Stock Exchange Listing

The Trust's units are listed on the Australian Securities Exchange ("ASX") through Aspen Group Limited ("AGL") under the ASX code APZ (stapled securities). Each stapled security comprises one unit in the Trust and one share in AGL. The Trust and AGL (and their controlled entities) form the consolidated entity ("Aspen Group" or "Group"). The Trust and its wholly owned subsidiary, Midland Property Trust ("MPT"), form the "Consolidated Trust".

Aspen Property Trust

For the period ended 31 December 2020

Directors' report

The Directors of Evolution Trustees Limited ("ET") as responsible entity of the Trust present their report together with the condensed consolidated interim financial statements which comprises the Trust and its subsidiary (collectively referred to as The Consolidated Trust), for the period ended 31 December 2020, and the auditor's review report thereon.

Operating and financial review

The Consolidated Trust recorded a profit attributable to unit holders of \$6.367 million for the period ended 31 December 2020 (\$1.600 million for the period ended 31 December 2019).

Ordinary distributions declared during the period were as follows:

Half-year ended	Record date	Amount per unit 2020	Amount per unit 2019
31 December	31 December	3.10 cents	2.75 cents

Aspen's distribution policy considers the profitability of the Group, the taxable income of the Trust, capital expenditure requirements, forecast cash flows and the terms and conditions of its debt facility.

On 18 December 2020, the Trust announced an estimated distribution of 3.10 cents per security in respect of the half-year ended 31 December 2020. This distribution is payable to securityholders on or around 25 February 2021.

Review of financial conditions

Property portfolio

During the period, Aspen Karratha Village was revalued to \$16.000 million based on an independent valuation report (30 June 2020: \$11.000 million). There were no other disposals, acquisitions, or movement in net fair value across the property portfolio for the half-year ended 31 December 2020.

Capital management and financial position

At 31 December 2020, the Consolidated Trust had a shared \$71.000 million finance facility with AGL, comprised of a \$65.000 million (30 June 2020: \$65.000 million) cash advance facility, a \$5.000 million bank overdraft facility (30 June 2020: \$5.000 million) and a \$1.000 million bank guarantee facility (30 June 2020: \$1.000 million). At 31 December 2020, the Consolidated Trust's portion of the drawn debt was \$4.292 million (30 June 2020: \$22.292 million) and the gearing ratio was 3.9% (30 June 2020: 16.7%).

During the period, AGL repaid \$18.000 million of its intercompany loan to APT. The receipt was used to reduce the Consolidated Trust's portion of the drawn debt by \$18.000 million.

Likely developments

The Consolidated Trust will look to pursue growth opportunities that may arise in the accommodation sector, which meet the Group's strategic focus on affordable accommodation.

Significant changes in the state of affairs

Other than noted elsewhere in this Interim Financial Report, there were no significant changes in the state of affairs of the Consolidated Trust that occurred during the period under review.

Directors' report (continued)

Safety and environment

No significant accidents or injuries involving employees of the Group were recorded during the period.

Principal activities

The principal activities of the Consolidated Trust during the period is to invest into the accommodation sector.

There was no significant change in the nature of the activities of the Consolidated Trust during the period.

Events subsequent to reporting date

The impacts of COVID-19 have continued into the first half of FY21 and the Aspen Group's operating conditions are largely unchanged from 2HFY20. Aspen's operating environment is expected to be mixed over the next 12 months and the likelihood that inbound migration and tourism remains restricted until COVID-19 is contained. The Group is being prudent and maintaining a relatively high level of longer stay patronage and exercising tight control of costs. The Directors believe Aspen can continue to perform relatively well in this environment as domestic households and tourists seek lower cost accommodation in attractive locations. Nonetheless the continued or further closures and restrictions introduced by state governments will impact local tourism and therefore Aspen's business. This may in turn negatively affect the Consolidated Trust's operating performance (as Landlord) and the valuation of its properties.

Other than as disclosed above, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of ET, to significantly affect the operations of the Consolidated Trust, the results of those operations, or the state of affairs of the Consolidated Trust, in future financial periods.

Auditor's independence declaration under Section 307C of the Corporations Act 2001

The auditor's independence declaration is included on page 6 and forms part of the Directors' report for the period ended 31 December 2020.

Rounding off

The Consolidated Trust is of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the half-year financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors.



Rupert Smoker

Director

SYDNEY, 25 February 2021

The Board of Directors of
Evolution Trustees Limited as the Responsible Entity for:
Aspen Property Trust
21 Oxford Street
Bondi Junction NSW 2022

25 February 2021

Dear Board Members

Auditor's Independence Declaration to Aspen Property Trust

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Board of Directors of Evolution Trustees Limited as the Responsible Entity for Aspen Property Trust.

As lead audit partner for the review of the financial report of Aspen Property Trust for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

Independent Auditor's Review Report to the Unitholders of Aspen Property Trust

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Aspen Property Trust (the "Trust") and its controlled entity (together referred to as the "Group"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2020, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity of the Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Responsible Entity of the Trust are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we

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would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 25 February 2021

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Aspen Property Trust

Condensed consolidated interim statement of profit or loss and other comprehensive income

For the period ended 31 December 2020

		Consolidated	
		31 December 2020	31 December 2019
	Note	\$ '000	\$ '000
Rent from investment properties		2,537	2,545
Change in fair value of investment properties		4,864	-
Operating expenses		(849)	(955)
Administration and general expenses		(66)	(88)
Profit from operating activities		6,486	1,502
Finance income		106	674
Finance expenses		(225)	(576)
Net finance income		(119)	98
Profit for the period before income tax		6,367	1,600
Income tax expense		-	-
Profit for the period		6,367	1,600
Other comprehensive income for the period		-	-
Total comprehensive income for the period		6,367	1,600
Profit attributable to:			
Unit holders of the Consolidated Trust	10	6,367	1,600
Profit for the period		6,367	1,600
Total comprehensive income attributable to:			
Unit holders of the Consolidated Trust	10	6,367	1,600
Total comprehensive income for the period		6,367	1,600
		Cents per unit	Cents per unit
Basic earnings per unit	10	5.47	1.66
Diluted earnings per unit	10	5.47	1.66

The Condensed consolidated interim statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

Aspen Property Trust

Condensed consolidated interim statement of financial position

For the period ended 31 December 2020

	Note	Consolidated	
		31 December 2020	30 June 2020
		\$ '000	\$ '000
Assets			
<i>Current assets</i>			
Cash at bank and on hand	12	88	96
Cash in term deposits	12	150	150
Trade and other receivables		92	97
Total current assets		330	343
<i>Non-current assets</i>			
Deferred finance costs		34	51
Receivables from related parties	5	552	20,757
Investment property	6	116,345	111,481
Total non-current assets		116,931	132,289
Total assets		117,261	132,632
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	7	3,737	3,876
Total current liabilities		3,737	3,876
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	8	4,292	22,292
Total non-current liabilities		4,292	22,292
Total liabilities		8,029	26,168
Net assets		109,232	106,464
Equity			
<i>Equity attributable to unit holders</i>			
Units on issue	9	351,008	351,000
Accumulated losses		(241,776)	(244,536)
Total equity		109,232	106,464

The Condensed consolidated interim statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

Aspen Property Trust

Condensed consolidated interim statement of changes in equity

For the period ended 31 December 2020

	Note	Units on issue \$ '000	Accumulated losses \$ '000	Total equity \$ '000
Balance at 1 July 2020		351,000	(244,536)	106,464
Profit for the period		-	6,367	6,367
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	6,367	6,367
Issue of units	9	8	-	8
Distributions to unit holders	9	-	(3,607)	(3,607)
Balance at 31 December 2020		351,008	(241,776)	109,232

	Note	Units on issue \$ '000	Accumulated losses \$ '000	Total equity \$ '000
Balance at 1 July 2019 - restated		367,168	(243,573)	123,595
Profit for the period		-	1,600	1,600
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	1,600	1,600
Distributions to unit holders		-	(2,649)	(2,649)
Reallocation of capital	9	(29,860)	-	(29,859)
Balance at 31 December 2019 - restated		337,308	(244,622)	92,687

The Condensed consolidated interim statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

Aspen Property Trust

Condensed consolidated interim statement of cash flows

For the period ended 31 December 2020

	Note	Consolidated	
		31 December 2020	31 December 2019
		\$ '000	\$ '000
Cash flows from operating activities			
Cash receipts from customers (inclusive of GST)		-	3
Cash payments to suppliers and employees (inclusive of GST)		(25)	(56)
Net cash used in operating activities		(25)	(53)
Cash flows from investing activities			
Proceeds from sale of assets held for sale, net of selling costs		-	-
Acquisition of investment property, including acquisition costs		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		-	9,792
Loan to related entity		(357)	(10,746)
Proceeds from repayment of related entity loan (i)		4,365	4,174
Distributions paid		(3,776)	(2,607)
Borrowing and financing costs		(215)	(517)
Net cash generated from financing activities		17	96
Net increase/(decrease) in cash and cash equivalents		(8)	43
Cash and cash equivalents at beginning of period		246	198
Cash and cash equivalents at end of period	12	238	241
<u>Cash and cash equivalents comprised of:</u>			
Cash at bank and on hand		88	91
Cash in term deposits		150	150
		238	241

- (i) This excludes the non-cash flow impact of the loan repayment to reduce the Consolidated Trust's portion of the drawn debt by \$18.000 million in the period ending 31 December 2020 and capital reallocation and related loan repayment of \$29.859 million in period ending 31 December 2019.

The Condensed consolidated interim statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements

For the period ended 31 December 2020

1. Reporting entity

Aspen Property Trust (the “Trust”) is an Australian resident trust. The address of the Trust’s registered office is Suite 703B, 7th Floor 1 York Street, Sydney, New South Wales 2000. The Trust forms part of Aspen Group’s stapled security structure consisting of one share in Aspen Group Limited (“AGL”) and one unit in the Trust. The consolidated financial statements of the Trust (the “Consolidated Trust”) as at and for the half-year ended 31 December 2020 comprise the Trust and its subsidiary. The Trust is a for-profit entity and is primarily involved in the investment in income-producing accommodation property.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial report is a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements do not include all the information required for the full annual financial statements prepared in accordance with Australian Accounting Standards and these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcement made by the Consolidated Trust during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These condensed consolidated interim financial statements were authorised for issue by the Board of Evolution Trustees Limited, the Responsible Entity of the Trust, on 25 February 2021.

(b) Use of key estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, significant judgements made by management in applying the Consolidated Trust’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

(c) Financial position

During the period ended 31 December 2020, the Consolidated Trust recorded a profit of \$6.367 million (31 December 2019: profit of \$1.600 million). At 31 December 2020, the Consolidated Trust had net assets of \$109.232 million (30 June 2020: \$106.464 million) and a working capital deficiency of \$3.407 million (30 June 2020: \$3.533 million). The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The RE Board expects the distributions payable at 31 December 2020 of \$3.607 million to be funded from existing cash reserves held by the Trust’s stapled entity, AGL, or if required, through the drawdown of available financing facilities.

(d) Comparative information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current period amounts and other disclosures.

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2020

3. Significant accounting policies

With the exception of the changes in accounting policies outlined at Note 17, all other accounting policies applied by the Consolidated Trust in these condensed consolidated interim financial statements are the same as those applied by the Consolidated Trust in its consolidated financial statements as at and for the year ended 30 June 2020 and the prior corresponding interim reporting period.

4. Operating segments

The Consolidated Trust operated in only one segment, being investment in properties within Australia for the periods ended 31 December 2020, 30 June 2020, and 31 December 2019.

5. Receivables from related parties

	31 December 2020	30 June 2020
	\$ '000	\$ '000
Non-Current		
Amounts receivable from AGL	552	20,757
At 31 December / 30 June	552	20,757

Notes:

The Consolidated Trust has an intercompany loan agreement with AGL. The maturity date of the loan is 1 July 2024. The Investment Manager considers the loan to be recoverable and that no material expected credit loss provision is required.

During the period, AGL repaid \$20.0 million of its intercompany loan. The receipt was primarily used to reduce the Consolidated Trust's portion of the drawn debt by \$18.0 million.

6. Investment property

	31 December 2020	30 June 2020
	\$ '000	\$ '000
At 1 July	111,481	109,040
Fair value adjustments	4,864	2,441
At 31 December / 30 June	116,345	111,481

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2020

6. Investment property (continued)

The following table presents the individual property owned by the Consolidated Trust:

Property	Original acquisition date	Original acquisition costs \$ '000	Latest independent valuation date	Latest independent valuation \$ '000	Book value at 31 December 2020 \$ '000	Book value at 30 June 2020 \$ '000
Residential/Retirement/Tourism Properties						
Four Lanterns NSW	Jan 2015	6,986	May 2019	12,240	11,898	11,898
Mandurah WA	Jun 2015	7,525	Jun 2020	13,725	13,455	13,455
Sweetwater Grove NSW	Aug 2015	2,455	May 2019	10,500	8,763	8,763
Adelaide SA	Oct 2015	7,121	May 2020	11,900	11,031	11,031
Tween Waters	Dec 2016	6,800	Jun 2020	8,100	5,590	5,590
Barlings Beach	Jan 2017	13,250	May 2019	13,500	11,037	11,037
Koala Shores NSW	Sep 2017	4,341	May 2019	9,750	5,700	5,700
Darwin FreeSpirit NT	Dec 2017	13,875	May 2020	16,900	13,835	13,835
Highway 1 SA	Oct 2018	17,470	Oct 2018	23,000	19,172	19,172
Corporate						
Aspen Karratha Village WA	Jun 2005	28,881	Nov 2020	16,000	15,864	11,000
Total		108,704		135,615	116,345	111,481

Latest independent valuation is for the entire property, including the property, plant and equipment which are owned by AGL.

As at 31 December 2020, the above investment properties were pledged as security for the Consolidated Trust's and AGL's finance facilities. Refer to Note 8 for further details.

Fair value is determined on the basis of either an independent valuation prepared by external valuers as at the date of the balance sheet, or Directors' valuation. Independent valuations of property investments are obtained at intervals of not more than three years with Directors' valuations in intervening years. Independent valuations are performed by external, independent property valuers, having appropriate recognised professional qualifications and experience in the location and category of the property being valued.

As a result of the independent valuation received for Aspen Karratha Village, there was a net upward movement of \$4.864 million in the portfolio book value as at 31 December 2020.

The fair value measurement of \$116.345 million (30 June 2020: \$111.481 million) has been categorised as a Level 3 fair value, based on the unobservable inputs to the valuation technique used.

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2020

7. Trade and other payables

	31 December 2020	30 June 2020
	\$ '000	\$ '000
Current		
Distributions payable	3,711	3,852
Accrued liabilities	26	24
At 31 December / 30 June	3,737	3,876

8. Financing arrangements

The Consolidated Trust together with AGL have financing arrangements in place with a total limit of \$71.000 million comprising a revolver, a bank overdraft facility and a bank guarantee facility. These financing facilities are secured with first ranking registered real property mortgages over the Consolidated Trust's and AGL's directly owned properties, and a fixed and floating charge over AGL, Aspen Property Trust, Aspen Living Villages Pty Ltd, Aspen Property Developments Pty Ltd, Realise Residential WA Pty Ltd, Realise Residential WA 2 Pty Ltd, Realise Residential WA 3 Pty Ltd, Realise Residential WA 4 Pty Ltd, Nest QLD Pty Ltd and Footprint MB Pty Ltd.

Secured revolver

At 31 December 2020, the Consolidated Trust together with AGL had a secured revolver of \$65.000 million (30 June 2020: \$65,000 million), maturing in November 2022.

Secured bank overdraft facility

At 31 December 2020, the Consolidated Trust together with AGL had a secured bank overdraft facility of \$5.000 million (30 June 2020: \$5.000 million).

Secured bank guarantee facilities

At 31 December 2020, the Consolidated Trust together with AGL had secured bank guarantee facilities totalling \$1.000 million (30 June 2020: \$1.000 million).

	31 December 2020	30 June 2020
	\$ '000	\$ '000
Financing facilities		
Secured revolver	65,000	65,000
Secured overdraft facility	5,000	5,000
Secured bank guarantees	1,000	1,000
	71,000	71,000
Facilities utilised at reporting date		
Secured revolver – Consolidated Trust	4,292	22,292
Secured revolver – AGL	49,260	20,206
Secured bank guarantees – Consolidated Trust	243	243
	53,795	42,741
Facilities not utilised at reporting date		
Secured revolver	11,448	22,502
Secured overdraft facility	5,000	5,000
Secured bank guarantees	757	757
	17,205	28,259

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2020

9. Units on issue

For the six months period ended 31 December 2020

	31 December 2020	31 December 2019
Units on issue	Units'000	\$'000
On issue at 1 July 2020	116,341	351,000
Issued during the period	27	8
On issue at 31 December – fully paid	116,368	351,008

The Consolidated Trust recorded the following amounts within unit holders' equity as a result of the issuance of units.

For the year ended 30 June 2020

	June 2020	June 2019
Units on issue	Units'000	\$'000
On issue at 1 July 2019	96,322	367,168
Issued during the period	20,019	13,692
Reallocation of capital	-	(29,860)
On issue at 30 June 2020 – fully paid	116,341	351,000

Ordinary distributions

31 December 2020	Cents per security	Total amount \$'000	Estimated date of payment
July 2020 – December 2020	3.10	3,607	25 February 2021

10. Earnings per unit

	31 December 2020	31 December 2019
	Cents per unit	Cents per unit
Basic earnings per unit	5.47	1.66
Diluted earnings per unit	5.47	1.66

	31 December 2020	31 December 2019
Profit attributable to ordinary stapled unit holders	\$ '000	\$ '000
Continued Operations	6,367	1,600

	31 December 2020	31 December 2019
Weighted average number of units	'000 units	'000 units
Basic units at 31 December	116,359	96,322

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2020

11. Financial risk management

The Consolidated Trust's financial risk management objectives and policies are consistent with those disclosed in the financial report as at and for the year ended 30 June 2020.

12. Cash and cash equivalents for the Condensed Consolidated Interim Statement of Cash Flows

	31 December 2020	30 June 2020
	\$ '000	\$ '000
Cash at bank and in hand	88	96
Term deposits	150	150
Cash and cash equivalents at the end of the period	238	246

13. Related party transactions

Related parties' arrangements are consistent with those disclosed in the financial report for the year ended 30 June 2020. An intercompany loan repayment occurred during the period which has been referenced in Note 5. During the period, an extension to the intercompany loan was executed with an expiry date of 1 July 2024.

14. Contingent liabilities

	31 December 2020	30 June 2020
	\$ '000	\$ '000
Guarantees issued to third parties	243	243

In addition, the Trust acts as a Joint Guarantor in respect of the \$71.000 million financing facility referred to in Note 8. As at 31 December 2020, \$49.260 million of the financing facility was utilised by AGL.

Other than the above, the Directors of the responsible entity are not aware of any material contingent liabilities existing at 31 December 2020 or at the date of completion of these condensed consolidated interim financial statements.

15. Commitments

The Directors of the responsible entity are not aware of any material commitments existing at 31 December 2020 or at the date of completion of these condensed consolidated interim financial statements.

16. Subsequent events

The impacts of COVID-19 have continued into the first half of FY21 and the Aspen Group's operating conditions are largely unchanged from 2HFY20. Aspen's operating environment is expected to be varied over the next 12 months and the likelihood that inbound migration and tourism remains restricted until COVID-19 is contained. The Group is being prudent and maintaining a relatively high level of longer stay patronage and exercising tight control of costs. The Directors believe Aspen can continue to perform relatively well in this environment as domestic household and tourists seek lower cost accommodation in attractive locations. Nonetheless the continued or further closures and restrictions introduced by state governments will impact local tourism and therefore Aspen's business. This may in turn negatively affect the Consolidated Trust's operating performance (as Landlord) and the valuation of its properties.

Other than the above, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the responsible entity, to affect significantly the operations of the Consolidated Trust, the results of those operations, or the state of affairs of the Consolidated Trust, in future financial periods.

17. Changes in accounting policies

(a) New and amended standards adopted from 1 July 2020

The Consolidated Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Consolidated Trust are:

- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

(b) Recently changed accounting standards

In the current half-year, the Consolidated Trust has applied the below amendments to Australian Accounting Standards [and Interpretations] issued by the Australian Accounting Standards Board (the Board) that are effective for the Consolidated Trust's reporting period that began on 1 July 2020. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

Amending standard	Description
AASB 2019-1 <i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i>	<p>The Group has adopted the amendments included in AASB 2019-1 for the first time in the current year. The amendments include consequential amendments to affected Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The amendments:</p> <ul style="list-style-type: none"> • Update numerous pronouncements to refer to the new Conceptual Framework for Financial Reporting or to clarify which version of the Framework is being referenced. These amendments apply to for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the new Conceptual Framework. • Permit other entities to continue using the Framework for the Preparation and Presentation of Financial Statements adopted by the AASB in 2004.
AASB 2019-5 <i>Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia</i>	<p>This Standard makes amendments to AASB 1054 Additional Australian Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors on the potential effect of an IFRS Standard that has not yet been issued by the AASB. The Group has adopted these amendments for the first time in the current year.</p>

Aspen Property Trust

Directors' declaration

For the period ended 31 December 2020

Directors' declaration

1. In the opinion of the Directors of the responsible entity of the Consolidated Trust, Evolution Trustees Limited:

(a) the interim financial statements and notes set out on pages 9 to 20 are in accordance with *the Corporations Act 2001*, including:

- (i) giving a true and fair view of the Consolidated Trust's financial position as at 31 December 2020 and of its performance for the period ended on that date; and
- (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*, the *Corporations Regulations* and other mandatory professional reporting requirements; and

(b) there are reasonable grounds to believe that the Trust 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 Directors.



Rupert Smoker

Director

SYDNEY, 25 February 2021