

Aspen Property Trust

ARSN: 104 807 767

**INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED
31 December 2021**

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Aspen Property Trust

For the period ended 31 December 2021

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 ("ET") |
| Investment Manager | Aspen Funds Management Limited ("AFML") |
| 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 2021:

| | |
|------------------|------------------------|
| 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 2021:

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

Registered Offices

Evolution Trustees Limited

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Sydney NSW 2000, Australia

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reet

Surry Hills, NSW 2010, Australia

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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".

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 2021, and the auditor's review report thereon.

Operating and financial review

The Consolidated Trust recorded a profit attributable to unit holders of \$23.059 million for the period ended 31 December 2021 (\$6.367 million for the period ended 31 December 2020).

Ordinary distributions declared during the period were as follows:

| Half-year ended | Record date | Amount per unit 2021 | Amount per unit 2020 |
|-----------------|-------------|-------------------------|-------------------------|
| 31 December | 31 December | 3.10 cents | 3.10 cents |

Aspen Group'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 16 December 2021, the Trust announced a distribution of 3.10 cents per security in respect of the half-year ended 31 December 2021. This distribution is payable to securityholders on or around 25 February 2022.

Review of financial conditions

Property portfolio

During the period, the following investment properties¹ were revalued based on independent valuations:

- Four Lanterns was revalued to \$19.250 million (30 June 2021: \$12.442 million)
- Sweetwater Grove was revalued to \$16.300 million (30 June 2021: \$13.633 million)
- Koala Shores was revalued to \$11.500 million (30 June 2021: \$9.750 million)
- Darwin Freespirit Resort was revalued to \$23.500 million (30 June 2021: \$17.591 million)

¹ Latest independent valuation (and comparatives) are for the entire property, including the property, plant and equipment which are owned by AGL.

Capital management and financial position

During the period, the Consolidated Trust issued 23.2 million new stapled units for \$21.9 million (net of costs) via placements and a share purchase plan.

At 31 December 2021, the Consolidated Trust had a shared \$156.000 million finance facility with AGL, comprised of a \$150.000 million cash advance facility (30 June 2021: \$85.000 million), a \$5.000 million bank overdraft facility (30 June 2021: \$5.000 million) and a \$1.000 million bank guarantee facility (30 June 2021: \$1.000 million). At 31 December 2021, the Consolidated Trust's portion of the drawn debt was \$4.292 million (30 June 2021: \$4.29 million) and the gearing ratio was 2.59% (30 June 2021: 3.35%).

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.

Directors' report (continued)

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.

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 second half of FY22, and the Aspen Group's operating conditions are largely unchanged from 31 December 2021. While Aspen's operating environment is expected to improve over the next 12 months with inbound migration and tourism restrictions lifted, the Group remains prudent in monitoring its longer stay versus short stay patronage and continues to monitor and exercise tight control of costs. The Directors believe Aspen Group will continue to perform relatively well in the current environment due to pent-up travel demands, and domestic households and tourists continuing to seek lower cost accommodation in attractive locations. Nonetheless there is still uncertainty due to the COVID-19 pandemic and this may negatively affect the Consolidated Trust's operating performance (as Landlord) and the valuation of its properties.

On 24 February 2022, Aspen Group Limited announced a proposal to acquire the Marina Hindmarsh Island Fund (MHIF) for total consideration of 16.2m APZ securities with a notional value of \$24.5m at Aspen's NAV of \$1.51 per security. MHIF shareholders can elect to receive up to \$4.0m of the consideration in cash. The transaction is subject to several conditions including APZ securityholder approvals and MHIF shareholders agreeing to the transaction and entering into formal documentation.

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 2021.

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, 24 February 2022

The Board of Directors of
Evolution Trustees Limited as the Responsible Entity for:
Aspen Property Trust
Upper Ground, 285A Crown St
Surry Hills NSW 2010

24 February 2022

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 2021, 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

DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

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

Conclusion

We have reviewed the half-year financial report of Aspen Property Trust (the "Trust") and its controlled entities (together referred to as the "Group"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2021, 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 2021 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 2021 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 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

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Michael Kaplan".

Michael Kaplan
Partner
Chartered Accountants
Sydney, 24 February 2022

Interim Consolidated Financial Statements Contents

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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 2021

| | | Consolidated | |
|--|------|-----------------------|-----------------------|
| | | 31 December 2021 | 31 December 2020 |
| | Note | \$ '000 | \$ '000 |
| Rent from investment properties | | 2,647 | 2,537 |
| Change in fair value of investment properties | | 21,872 | 4,864 |
| Operating expenses | | (1,125) | (849) |
| Administration and general expenses | | (72) | (66) |
| Profit from operating activities | | 23,322 | 6,486 |
| Finance income | | 81 | 106 |
| Finance expenses | | (344) | (225) |
| Net finance income | | (263) | (119) |
| Profit for the period before income tax | | 23,059 | 6,367 |
| Income tax expense | | - | - |
| Profit for the period | | 23,059 | 6,367 |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income for the period | | 23,059 | 6,367 |
| Profit attributable to: | | | |
| Unit holders of the Consolidated Trust | 10 | 23,059 | 6,367 |
| Profit for the period | | 23,059 | 6,367 |
| Total comprehensive income attributable to: | | | |
| Unit holders of the Consolidated Trust | 10 | 23,059 | 6,367 |
| Total comprehensive income for the period | | 23,059 | 6,367 |
| | | Cents per unit | Cents per unit |
| Basic earnings per unit | 10 | 17.49 | 5.47 |
| Diluted earnings per unit | 10 | 17.33 | 5.47 |

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

As at period ended 31 December 2021

| | Note | Consolidated | |
|--|------|------------------|----------------|
| | | 31 December 2021 | 30 June 2021 |
| | | \$ '000 | \$ '000 |
| Assets | | | |
| <i>Current assets</i> | | | |
| Cash at bank and on hand | 12 | 88 | 73 |
| Trade and other receivables | | 5 | 5 |
| Total current assets | | 93 | 78 |
| <i>Non-current assets</i> | | | |
| Receivables from related parties | 5 | 13,940 | - |
| Investment property | 6 | 148,385 | 125,930 |
| Total non-current assets | | 162,325 | 125,930 |
| Total assets | | 162,418 | 126,008 |
| Liabilities | | | |
| <i>Current liabilities</i> | | | |
| Trade and other payables | 7 | 4,455 | 4,199 |
| Total current liabilities | | 4,455 | 4,199 |
| <i>Non-current liabilities</i> | | | |
| Payable to related parties | 5 | - | 4,365 |
| Interest bearing loans and borrowings | 8 | 3,961 | 4,068 |
| Total non-current liabilities | | 3,961 | 8,433 |
| Total liabilities | | 8,416 | 12,632 |
| Net assets | | 154,002 | 113,376 |
| Equity | | | |
| <i>Equity attributable to unit holders</i> | | | |
| Units on issue | 9 | 372,902 | 351,008 |
| Accumulated losses | | (218,900) | (237,632) |
| Total equity | | 154,002 | 113,376 |

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 2021

| | | Units on issue | Accumulated losses | Total equity |
|--|------|----------------|--------------------|----------------|
| | Note | \$ '000 | \$ '000 | \$ '000 |
| Balance at 1 July 2021 | | 351,008 | (237,632) | 113,376 |
| Profit for the period | | - | 23,059 | 23,059 |
| Other comprehensive income for the period | | - | - | - |
| Total comprehensive income for the period | | - | 23,059 | 23,059 |
| Issue of units, net of transaction costs | 9 | 21,894 | - | 21,894 |
| Distributions to unit holders | 9 | - | (4,327) | (4,327) |
| Balance at 31 December 2021 | | 372,902 | (218,900) | 154,002 |

| | | Units on issue | Accumulated losses | Total equity |
|--|------|----------------|--------------------|----------------|
| | Note | \$ '000 | \$ '000 | \$ '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, net of transaction costs | 9 | 8 | - | 8 |
| Distributions to unit holders | | - | (3,607) | (3,607) |
| Balance at 31 December 2020 | | 351,008 | (241,776) | 109,232 |

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 2021

| | Note | Consolidated | |
|---|------|------------------|------------------|
| | | 31 December 2021 | 31 December 2020 |
| | | \$ '000 | \$ '000 |
| Cash flows used in operating activities | | | |
| Cash receipts from customers (inclusive of GST) | | - | - |
| Cash payments to suppliers and employees (inclusive of GST) | | - | (25) |
| Net cash used in operating activities | | - | (25) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | - |
| Loan to related entity | | - | (357) |
| Proceeds from repayment of related entity loan ¹ | | 469 | 4,365 |
| Distributions paid | | - | (3,776) |
| Borrowing and financing costs | | (454) | (215) |
| Net cash generated from financing activities | | 15 | 17 |
| Net increase/(decrease) in cash and cash equivalents | | 15 | (8) |
| Cash and cash equivalents at beginning of period | | 73 | 246 |
| Cash and cash equivalents at end of period | 12 | 88 | 238 |
| <u>Cash and cash equivalents comprised of:</u> | | | |
| Cash at bank and on hand | | 88 | 88 |
| Cash in term deposits | | - | 150 |
| | | 88 | 238 |

¹ This excludes the non-cash impact of:

- Provision of \$18.305 million of additional funding from the Trust to AGL for the period ended 31 December 2021 including \$21.894 million relating to funds receipted by AGL on behalf of the Trust in respect of issuance of stapled securities by the Trust and payment by AGL of distributions on behalf of the Trust totalling \$4.075 million.

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 2021

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 2021 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 2021 and any public announcement made by the Aspen Group Limited and 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 24 February 2022.

(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 2021.

(c) Financial position

During the period ended 31 December 2021, the Consolidated Trust recorded a profit of \$23.059 million (31 December 2020: profit of \$6.367 million). At 31 December 2021, the Consolidated Trust had net assets of \$154.002 million (30 June 2021: \$113.376 million) and a working capital deficiency of \$4.362 million (30 June 2021: \$4.121 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 2021 of \$4.327 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.

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 2021 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 2021, and 31 December 2020.

5. Receivables from / (Payable to) related parties

| | 31 December 2021 \$ '000 | 30 June 2021 \$ '000 |
|--|-----------------------------|-------------------------|
| Non-Current | | |
| Amounts receivable from / (payable to) AGL | 13,940 | (4,365) |
| At 31 December / 30 June | 13,940 | (4,365) |

Notes:

Under the stapling arrangements that govern APT and AGL, both entities have agreed and covenanted to the maximum extent permitted by law that they must on the terms and conditions proposed by each other lend money or provide financial accommodation to the other or any of its controlled entities. Based on these arrangements, the Consolidated Trust has a loan agreement with AGL maturing 1 July 2024 as a lender. Both the Board of the RE and AGL agrees that the terms of the agreement would remain the same in the event AGL becomes the lender. There is no expectation that this loan will be called upon by either entity in the next twelve months.

The Investment Manager considers the loan to be recoverable and no material expected credit loss provision is required.

6. Investment property

| | 31 December 2021 \$ '000 | 30 June 2021 \$ '000 |
|---|-----------------------------|-------------------------|
| At 1 July | 125,930 | 111,481 |
| Costs relating to civil works at Sweetwater Grove | 583 | 2,642 |
| Fair value adjustments | 21,872 | 11,807 |
| At 31 December / 30 June | 148,385 | 125,930 |

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2021

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 ¹ \$ '000 | Book value at 31 December 2021 \$ '000 | Book value at 30 June 2021 \$ '000 |
|------------------------------------|---------------------------|---------------------------------------|-----------------------------------|--|---|---------------------------------------|
| Retirement Properties | | | | | | |
| Four Lanterns NSW | Jan 2015 | 6,986 | Dec 2021 | 19,250 | 18,653 | 11,898 |
| Mandurah WA | Jun 2015 | 7,525 | Jun 2020 | 13,725 | 14,169 | 13,455 |
| Sweetwater Grove NSW | Aug 2015 | 2,455 | Dec 2021 | 16,300 | 14,005 | 11,405 |
| Park Communities Properties | | | | | | |
| Adelaide SA | Oct 2015 | 7,121 | Jun 2021 | 11,900 | 12,098 | 12,098 |
| Tween Waters NSW | Dec 2016 | 6,800 | Jun 2020 | 8,100 | 6,231 | 5,590 |
| Barlings Beach NSW | Jan 2017 | 13,250 | Jun 2021 | 16,450 | 15,047 | 12,502 |
| Koala Shores NSW | Sep 2017 | 4,341 | Dec 2021 | 11,500 | 8,426 | 6,760 |
| Darwin FreeSpirit NT | Dec 2017 | 13,875 | Dec 2021 | 23,500 | 19,429 | 13,835 |
| Highway 1 SA | Oct 2018 | 17,470 | Jun 2021 | 28,350 | 24,464 | 22,524 |
| Aspen Karratha Village WA | Jun 2005 | 28,881 | Nov 2020 | 16,000 | 15,863 | 15,863 |
| Total | | 108,704 | | 165,075 | 148,385 | 125,930 |

¹ Latest independent valuation is for the entire property, including the property, plant and equipment owned by AGL.

As at 31 December 2021, 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 valuations received for Four Lanterns, Sweetwater Grove, Koala Shores Holiday Park, and Darwin Freespirit Resort, and Directors' valuations on the remaining properties, there was a net upward movement of \$21.872 million in the portfolio book value as at 31 December 2021.

The fair value measurement of \$148.385 million (30 June 2021: \$125.930 million) has been categorised as a Level 3 fair value, based on the unobservable inputs to the valuation technique used.

7. Trade and other payables

| | 31 December 2021 \$ '000 | 30 June 2021 \$ '000 |
|--------------------------|-----------------------------|-------------------------|
| Current | | |
| Distributions payable | 4,429 | 4,177 |
| Accrued liabilities | 26 | 22 |
| At 31 December / 30 June | 4,455 | 4,199 |

8. Interest bearing loans and borrowings

| | 31 December 2021 | 30 June 2021 |
|--|------------------|--------------|
| | \$ '000 | \$ '000 |
| Non-current liabilities | | |
| Secured debt facility – Gross | 4,292 | 4,292 |
| Less: Deferred borrowing transaction costs | (331) | (224) |
| Total interest-bearing loans and borrowings as at 31 December / 30 June | 3,961 | 4,068 |

The Consolidated Trust together with AGL have financing arrangements in place with a total limit of \$156.000 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 Aspen Group Limited, 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, Realise Residential WA 5 Pty Ltd, Realise Residential WA 6 Pty Ltd, Realise Residential WA 7 Pty Ltd, Realise Residential WA 8 Pty Ltd, Realise Residential WA 9 Pty Ltd, Realise Residential WA 10 Pty Ltd, Realise Residential WA 11 Pty Ltd, Realise Residential WA 12 Pty Ltd, Realise Residential WA 13 Pty Ltd, Realise Residential WA 14 Pty Ltd, Realise Residential WA 15 Pty Ltd, Realise Residential WA 16 Pty Ltd, Realise Residential WA 17 Pty Ltd, Nest QLD Pty Ltd, Footprint MB Pty Ltd and Digs Accommodation Vic Pty Ltd.

Secured revolver

At 31 December 2021, the Consolidated Trust together with AGL had a secured revolver of \$150.000 million (30 June 2021: \$85.000 million), maturing in April 2024.

Secured bank overdraft facility

At 31 December 2021, the Consolidated Trust together with AGL had a secured bank overdraft facility of \$5.000 million (30 June 2021: \$5.000 million).

Secured bank guarantee facilities

At 31 December 2021, the Consolidated Trust together with AGL had secured bank guarantee facilities totalling \$1.000 million (30 June 2021: \$1.000 million).

| | 31 December 2021 | 30 June 2021 |
|---|------------------|---------------|
| | \$ '000 | \$ '000 |
| Financing facilities | | |
| Secured revolver | 150,000 | 85,000 |
| Secured overdraft facility | 5,000 | 5,000 |
| Secured bank guarantees | 1,000 | 1,000 |
| | 156,000 | 91,000 |
| Facilities utilised at reporting date (at gross) | | |
| Secured revolver – Consolidated Trust | 4,292 | 4,292 |
| Secured revolver – AGL | 108,447 | 70,360 |
| Secured bank guarantees – Consolidated Trust | 255 | 255 |
| | 112,994 | 74,907 |
| Facilities not utilised at reporting date | | |
| Secured revolver | 37,261 | 10,348 |
| Secured overdraft facility | 5,000 | 5,000 |
| Secured bank guarantees | 745 | 745 |
| | 43,006 | 16,093 |

Aspen Property Trust

Notes to the Condensed Consolidated Interim Financial Statements (continued)

For the period ended 31 December 2021

9. Units on issue

For the six months period ended 31 December 2021

| | 31 December 2021 | 31 December 2021 |
|--|------------------|------------------|
| Units on issue | Units'000 | \$'000 |
| On issue at 1 July 2021 | 116,368 | 351,008 |
| Issued during the period, net of transaction costs | 23,200 | 21,894 |
| On issue at 31 December – fully paid | 139,568 | 372,902 |

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 2021

| | December 2021 | June 2021 |
|---------------------------------------|---------------|-----------|
| 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 30 June 2021 – fully paid | 116,368 | 351,008 |

Ordinary distributions

| 31 December 2021 | Cents per security | Total amount \$'000 | Estimated date of payment |
|---------------------------|--------------------|---------------------|---------------------------|
| July 2021 – December 2021 | 3.10 | 4,327 | 25 February 2022 |

10. Earnings per unit

| | 31 December 2021 | 31 December 2020 |
|---------------------------|------------------|------------------|
| | Cents per unit | Cents per unit |
| Basic earnings per unit | 17.49 | 5.47 |
| Diluted earnings per unit | 17.33 | 5.47 |

| | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Profit attributable to ordinary stapled unit holders | \$ '000 | \$ '000 |
| Continued Operations | 23,059 | 6,367 |

| | 31 December 2021 | 31 December 2020 |
|----------------------------------|------------------|------------------|
| Weighted average number of units | '000 units | '000 units |
| Basic units at 31 December | 131,820 | 116,359 |
| Diluted units at 31 December | 133,042 | 116,359 |

11. Financial risk management

The Consolidated Trust's financial risk management objectives and policies are consistent with those disclosed in the Annual Report as at and for the year ended 30 June 2021.

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

| | 31 December 2021 | 30 June 2021 |
|--|------------------|--------------|
| | \$ '000 | \$ '000 |
| Cash at bank and in hand | 88 | 73 |
| Term deposits | - | - |
| Cash and cash equivalents at the end of the period | 88 | 73 |

13. Related party transactions

Related parties' arrangements are consistent with those disclosed in the financial report for the year ended 30 June 2021.

14. Contingent liabilities

| | 31 December 2021 | 30 June 2021 |
|------------------------------------|------------------|--------------|
| | \$ '000 | \$ '000 |
| Guarantees issued to third parties | 255 | 255 |

The Trust acts as a Joint Guarantor in respect of the \$156.000 million financing facility referred to in Note 8. As at 31 December 2021, \$108.447 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 2021 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 2021 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 second half of FY22 and in the subsequent period to the date of the financial report and Aspen Group's operating conditions are largely unchanged from 1H FY22. Aspen's operating environment is expected to be mixed over the next 12 months until inbound migration and tourism recovers once COVID-19 is more 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 may impact local tourism and Aspen's ability to manage its projects, and therefore Aspen's business including its financial performance.

On 24 February 2022, Aspen Group Limited announced a proposal to acquire the Marina Hindmarsh Island Fund (MHIF) for total consideration of 16.2m APZ securities with a notional value of \$24.5m at Aspen's NAV of \$1.51 per security. MHIF shareholders can elect to receive up to \$4.0m of the consideration in cash. The transaction is subject to several conditions including APZ securityholder approvals and MHIF shareholders agreeing to the transaction and entering into formal documentation.

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. New or amended accounting standards**New and amended standards adopted from 1 July 2021**

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. Their adoption has had no material impact on the disclosures and/or amounts reported in these financial statements.

Aspen Property Trust

Directors' declaration

For the period ended 31 December 2021

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 19 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 2021 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, 24 February 2022