

Financial Report

Hillview Properties Ltd
For the year ended 30 June 2021

Prepared by AustAsia Administration Trust

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Directors' Report

Hillview Properties Ltd

For the year ended 30 June 2021

The directors present their report on Hillview Properties Ltd, together with the financial statements at the end of the year ended 30 June 2021.

Information on Director(s)

At the date of this Annual Report, the Board of Directors have not established any specialist committees to take on specific roles and duties of the Board. As such, there are no special responsibilities assigned to any one Director.

The following persons were directors of Hillview Properties Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Simon Chesson, Finance Director

M.B.A (UWA), FCPA, CFP, B.Comm, C.S.M, F Fin

Mr Simon Chesson has been awarded the degrees of Master of Business Administration, and a Bachelor of Commerce. He is a qualified Certified Practising Accountant, a qualified Certified Financial Planner, and a fellow of Financial Service Institute of Australasia.

Mr Simon Chesson has over 20 years experience in business, accounting, and the property industry. He has extensive experience as a Director and company secretary of numerous public and private companies.

Jeanette Chesson, Director

Mrs Chesson has over 30 years experience in the property and financial services industries. She is a Director of several private companies and has extensive experience in property syndication and the administration of property trusts.

Sara Margaret Crouch, Director

Appointed on 23 December 2019

Ms Sara Crouch is a Director of Transport Engineering and Management Pty Ltd 'TEAM' located in South Australia. They are an engineering and management consultancy who provides solutions for the road transport industry and their suppliers with services and products.

DIRECTOR'S INTEREST

At the date of this Report, the Directors had the following number of shares in Hillview Properties Ltd:

Ordinary Shares	Direct Holding	Indirect Holding
Simon Chesson	Nil	64,635
Jeanette Chesson	Nil	92,030
Sara Crouch	Nil	35,000

The Directors hold 5.00% indirectly of Ordinary shares on issue.

PREFERENCE SHARES

There are 6,033,783 Preference Shares held in Hillview Properties Ltd. At the date of this Report, the Directors had the following number of preference shares in Hillview Properties Ltd:

Preference Shares	Direct Holding	Indirect Holding
Simon Chesson	Nil	1,319,551

Jeanette Chesson	35,072	1,746,194
Sara Crouch	Nil	Nil

The Directors hold 51.37% of Preference shares on issue.

PRINCIPAL ACTIVITIES

During the year the principal activities of the Company consisted of investment in properties.

The Company holds parcels of land located in Augusta, Western Australia.

OPERATING RESULTS

The profit/(loss) of the company after providing for income tax amounted to (\$3,733,474).

Dividends paid or declared since the start of the financial year are as follows:

No Dividends were paid in the financial year.

REVIEW OF OPERATIONS

Current Status:

Properties have been independently valued in November 2021 at a total value of \$8.9mil which is a decrease of \$5.1mil compared to the valuation in 2017. The financials for 30 June 2021 has reflected the recent valuation.

We have been reviewing the recent sales evidence, as the drop in value was unexpected. As a fully developed site, the directors are of the view the properties will be more than the previous valuation.

Future of the properties, in the opinion of the Directors, as follows:

- (i) The existing zoning allows for low impact tourism. There is currently very little tourism in Augusta, and the property is adjacent to the Augusta Golf Course;
- (ii) A full rezoning to allow for full urban development as was proposed in the original PDS is unlikely to occur for another 10 years.

PROCEEDINGS ON BEHALF OF THE COMPANY

At the date of this Report, there are no proceedings on behalf of the company.

ENVIRONMENTAL ISSUES

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various license requirements and regulations. The Directors are not aware of any breaches to these requirements and to their best knowledge, all activities have been undertaken in compliance with the environmental requirements.

Signed in accordance with a resolution of the Board of Directors:



Simon Chesson

Director

Dated: 20 December 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

TO THE DIRECTORS OF HILLVIEW PROPERTIES LIMITED

I declare that, to the best of my knowledge and belief, during year ended 30 June 2021 there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD

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Dated this 20 December 2021 at Perth, Western Australia

Statement of Profit or Loss and Other Comprehensive Income

Hillview Properties Ltd
For the year ended 30 June 2021

	NOTES	2021	2020
Income			
Rental income		7,780	-
Total Income		7,780	-
Other Income			
Interest income		3	3
Other Income		7	-
Total Other Income		10	3
Total Income		7,791	3
Expenses			
Administration expenses		17,132	4,854
Property Expenses	2	21,659	21,440
Total Expenses		38,791	26,294
Profit (Loss) before Income Tax		(31,001)	(26,290)
Income Tax Expense			
Income Tax Expense	6	(1,600,061)	-
Total Income Tax Expense		(1,600,061)	-
Net Profit (Loss) After Tax		1,569,060	(26,290)
Other Comprehensive Income after Net Profit			
Unrealised loss on valuation of property investment assets through profit and loss		(5,302,534)	6,500
Total Comprehensive Income (Loss) for the year		(3,733,474)	(19,790)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Financial Position

Hillview Properties Ltd As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Cash Equivalent	4	3,101	7,544
Total Current Assets		3,101	7,544
Non-Current Assets			
Property Investment	5	8,900,000	14,202,534
Deferred Income Tax Asset	6	1,600,061	-
Total Non-Current Assets		10,500,061	14,202,534
Total Assets		10,503,162	14,210,078
Liabilities			
Trade Creditors and Other Payables			
Trade and other payables		12,873	1,577
Total Trade Creditors and Other Payables		12,873	1,577
Non-Current Liabilities			
Interest Bearing Liabilities	7	4,336,582	4,321,320
Total Non-Current Liabilities		4,336,582	4,321,320
Total Liabilities		4,349,455	4,322,897
Net Assets		6,153,707	9,887,181
Equity			
Retained Earnings			
Retained Earnings		(58,602)	(38,812)
Current Year Earnings		(3,733,474)	(19,790)
Total Retained Earnings		(3,792,076)	(58,602)
Share Capital			
Preference Shares	8	6,033,783	6,033,783
Ordinary Share Capital	8	3,912,000	3,912,000
Total Share Capital		9,945,783	9,945,783
Total Equity		6,153,707	9,887,181

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Cash Flows

Hillview Properties Ltd

For the year ended 30 June 2021

	2021	2020
Statement of Cash Flow		
Cash Flows from Operating Activities		
Receipt from customer	7,780	-
Cash payments from other operating activities	(27,495)	(25,817)
Cash generated from other operating activities	7	-
Net Cash Flows from Operating Activities	(19,708)	(25,817)
Cash Flow from Investing Activities		
Proceeds from sale of investments	-	6,501
Cash received from investing activities	3	3
Net Cash Flows from Investing Activities	3	6,504
Cash Flow from Financing Activities		
Dividends paid	-	-
Proceeds from Loans from Related Parties	15,262	26,000
Net Cash Flows from Financing Activities	15,262	26,000
Net Cash Flow	(4,443)	6,687
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	(7,544)	(857)
Cash and cash equivalents at end of period	3,101	7,544
Net change in cash for period	(4,443)	6,687

Statement of Changes in Equity

Hillview Properties Ltd

For the year ended 30 June 2021

	Issued Capital \$	Preference Shares \$	Retained Earnings (Accumulated Loss) \$	Total \$
Balance as at 1 July 2019	3,912,000	6,033,783	(38,812)	9,906,971
Profit (Loss) for the year	-	-	(19,790)	(19,790)
Ordinary Shares issued during the year	-	-	-	-
Preference Shares issued during the year	-	-	-	-
Balance as at 30 June 2020	3,912,000	6,033,783	(58,602)	9,887,181
Balance as at 1 July 2020	3,912,000	6,033,783	(58,602)	9,887,181
Profit (Loss) for the year	-	-	(3,733,474)	(3,733,474)
Ordinary Shares issued during the year	-	-	-	-
Preference Shares issued during the year	-	-	-	-
Asset Revaluation Reserve	-	-	-	-
Balance as at 30 June 2021	3,912,000	6,033,783	(3,792,076)	6,153,707

Notes to the Financial Statements

Hillview Properties Ltd

For the year ended 30 June 2021

1. Summary of Significant Accounting Policies

The General Purpose Financial Statements -Simplified Disclosures general purpose financial statements and notes represent those of Hillview Properties Ltd. Hillview Properties Ltd is an unlisted Australian public company limited by shares, incorporated and domiciled in Australia. The company was incorporated on October 22, 1997.

The financial statements were authorised to be issued on 17 December 2021 by the directors of Hillview Properties Ltd.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law. The financial statements comprise the financial statements of Tier 2 Pty Limited (the Company) and the entities it controls (together the Group). For the purposes of preparing the financial statements, the Company is a for-profit entity.

The Company does not have 'public accountability' as defined in *AASB 1053 Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards. AASB 1060.10. The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by *AASB 1060 General Purpose Financial Statements - Simplified Disclosures* for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with *Australian Accounting Standards - Simplified Disclosures*.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company has incurred net losses after tax of \$3,733,474 (2020: \$19,790) and net cash outflows from operating activities of -\$19,708 (2020: -\$25,817) for the year ended 30 June 2021. The Company reported a positive asset position of \$10,503,162 (2020: \$14,210,078) with current liabilities of \$12,873 recognised at 30 June 2021.

The Directors will continue to receive financial support from Related Parties to provide further funding to the Company to allow it to meet its minimum commitments and administration expenses for the 12 month period commencing from the date of this report. The Company also received confirmation from Related Parties that they will not call the outstanding loan balance of \$4,336,582 for at least the 12 month period commencing from the date of this report unless the Company is in a financial position to repay the loan without adversely affecting its working capital position. For this reason, the directors consider the going concern basis of preparation to be appropriate. However, in the event that Related Parties are unable to provide sufficient funding to the Company there exists material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Company not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

b) Adoption of new and revised standards

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2020.

Although these new and amended standards and Interpretations applied for the first time in 2020, they did not have a material impact on the annual financial statements of the Company.

Amendments to AASB 3: Definition of a Business

The amendment to AASB 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Group but may impact future periods should the Group enter into any business combinations.

c) New standards, interpretation and amendments issued by not yet effective

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments are effective for the period beginning 1 January 2022:

- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

d) Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial Assets

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price (excludes estimates of variable consideration) as defined in AASB 15 Revenue, as the contracts of the Company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.

(ii) Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

All other loans including convertible loan notes are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

(iii) Effective Interest Rate Method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

e) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit and loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Investment Properties

Investment properties are initially carried at cost. Subsequent to initial measurement the investment properties are reported at fair value in accordance with AASB 140 Investment Properties. The valuation of the land (investment properties) was based on the assessment of the current market value of the land and buildings by Directors in accordance with AASB 13 Fair Value. The valuation of the land (investment properties) was based on the independent valuation made on 30 November 2021. Detailed consideration was also given to recent sales evidence, market commentary and advice from real estate agents in regard to specific properties. Movements in the fair value of the investment properties are recorded in the Standards.

g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

h) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the statement of financial position as current liabilities under borrowings.

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and service tax, except:

- Where the amount of GST incurred is not recoverable from the Australian Tax Office. It is recognised as part of the cost of acquisition of an asset or as part of an item of the expense.
- Receivables and payables are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cashflows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j) Income Taxes

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

k) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

l) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

m) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit/loss attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

n) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Company that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Income Tax

The entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

	2021	2020
2. Property Expenses		
Council rates	10,968	11,231
Land Tax	6,412	6,412
Other property expenses	4,279	3,796
Total Property Expenses	21,659	21,440
	2021	2020

3. Audit Remuneration

Audit or Review of the Financial Statements	1,000	1,100
Total Audit Remuneration	1,000	1,100

During the financial year, the above fees were paid or payable for services provided by Armada Auditing, the auditor of the Company.

	2021	2020
4. Cash and Cash Equivalents		
Current		
Bank Accounts	3,101	7,544
Total Current	3,101	7,544
Total Cash and Cash Equivalents	3,101	7,544
	2021	2020

5. Investments in Property

Land at fair value		
Lot 814, Augusta	7,000,000	11,500,000

	2021	2020
Lot 1393, Augusta	1,900,000	2,500,000
Total Land at fair value	8,900,000	14,000,000
Total Investments in Property	8,900,000	14,000,000

Property Valuation

Valuer's name and qualifications – C Loughnan, AAPI, Licensed Valuer No. 440, of Burgess Rawson Valuations of investment properties – The basis of valuations of investment properties is fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, based on current process in an active market for similar properties in the same location and condition and subject to similar leases.

Properties have been independently valued in November 2021 and the valuations have been adopted as the carrying value in this financial report.

Property Address	Purchase Date (by Hillview from AREIT Augusta Dev Fund)	Cost including Acquisition	Valuation Amount (30 November 2021)	Valuer	Value FY 2021
Lot 814 Hillview Rd, Augusta	28 March 2018	\$11,500,000	\$7,000,000	C Loughnan	\$7,000,000
Lot 1393 Creswell Rd, Augusta	28 March 2018	\$2,500,000	\$1,900,000	C Loughnan	\$1,900,000
Total Property					\$8,900,000

	2021	2020
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6. Income Tax Expense

Income Tax

Current Tax	1,600,061	(5,937)
Adjustment recognised for prior periods	-	5,937
Aggregate Income Tax Expense	1,600,061	-

Numerical reconciliation of income tax expense and tax at the statutory rate

Profit before Income Tax Expense	(5,333,535)	(19,790)
Tax at the statutory tax rate (30%)	(1,600,061)	(5,937)

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Revaluation of Assets (Timing Adjustments)	1,590,760	-
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Income Tax Expense (Asset) for future periods

Tax Expense Reconciliation	(9,301)	(5,937)
Adjustment recognised for prior periods	-	5,937
Total Income Tax Expense (Asset) for future periods	(9,301)	-

There was no charge to the Deferred Income Tax through equity, as this is recognised through the profit and loss as set out in Note 1.

7. Related Party Disclosure

Related parties to the Directors have been paying out the Financial loans. There are no other related party transactions reflected in the accounts.

The following fees were paid or provision during the financial year from the Related Party.

	2021	2020
Payable to Related Party		
Accrued accounting fees charged in this financial year	12,000	-
Total interest paid on loan for the financial year by Related Parties	49,970	31,204
Total loan for expenses paid by the Company as at 30 June 2021	4,274,612	4,290,116
Total Payable to Related Party	4,336,582	4,321,320

8. Equity - Shareholder Account

Ordinary Shares	2021	2020
a) Value of Shares	\$	\$
Opening Balance	3,192,000	3,192,000
Shares issued during the year		
Shares redeemed during the year		
Closing Balance	3,192,000	3,192,000
b) Number of Shares	Number	Number
Opening Balance	3,192,000	3,192,000
Shares issued during the year		
Shares redeemed during the year		
Closing Balance	3,192,000	3,192,000
Redeemable Preference Shares		
a) Value of Shares	\$	\$
Opening Balance	6,033,783	6,033,783
Shares issued during the year		
Shares redeemed during the year		
Closing Balance	6,033,783	6,033,783
b) Number of Shares	Number	Number
Opening Balance	6,033,783	6,033,783

Shares issued during the year		
Shares redeemed during the year		
Closing Balance (Redeemable Preference Shares)	6,033,783	6,033,783

2021 2020

9. Cashflow from Operating Activities

Net Profit as per Profit and Loss	3,733,474	19,790
Changes in Balance Sheet Items		
Less Capital Gain (Loss) on Investments	-	(6,501)
Add Unrealised Loss on Revaluation of Investment Assets	5,302,534	-
Less Interest Income	(3)	(3)
Increase in Deferred Tax Asset	(1,600,061)	-
Increase (Decrease) in Payables	11,296	477
Net Changes in Balance Sheet Items	3,713,766	(6,027)
Net Cashflows from Operating Activities		
Net Cashflows from Operating Activities	19,708	25,817
Total Net Cashflows from Operating Activities	19,708	25,817

10. Contingent Assets and Contingent Liabilities

There are no contingent assets or contingent liabilities for the Company.

In accordance with the Constitution, the Company is entitled to charge up to 1.1% including GST, of the gross asset value for annual management and administration. For the year ending 30 June 2021, the Company agreed to withhold charging the Management Fee until the Company generates a profit. Pursuant to the Constitution, the Company is responsible to reimburse pocket expenses, management accounting and general compliance costs.

11. Commitments

There are no commitments for the Company, other than has been disclosed throughout this report.

12. Subsequent Events - Covid 19

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the Coronavirus (COVID-19) pandemic, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements, the Directors are unable to determine what financial effects of the outbreak of the virus could have on the company in the coming financial period. No financial effects arising from the economic impacts of the virus have been included in the financial statements for the year ended 30 June 2021. The impacts may include a significant reduction in the carrying value of the company assets and investments. The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including whether the company remains a going concern and its ability to pay its liabilities.

Director Declaration

Hillview Properties Ltd

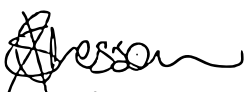
For the year ended 30 June 2021

In the directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Simon Chesson

Director

Date: 20 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF HILLVIEW PROPERTIES LIMITED

Opinion

We have audited the special purpose financial report of Hillview Properties Limited ("the company") which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



ARMADA
AUDITING

T (08) 6165 4090 **F** (08) 6165 4067
A 18 Sangiorgio Court, Osborne Park WA 6017
P Locked Bag 4, Osborne Park DC WA 6916
E info@armada.com.au

strength in numbers

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of this auditor's report.

*Armada Audit
& Assurance*

ARMADA AUDIT & ASSURANCE PTY LTD

Fu Zhenglai

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Perth, 20 December 2021

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