

Financial Statements

F3 Development Fund No 2 Unit Trust
As at 30 June 2020

Prepared by Ecovis Clark Jacobs

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Income Statement

F3 Development Fund No 2 Unit Trust For the year ended 30 June 2020

	NOTES	2020	2019
Income			
Sales		6,341,100	-
Costs of Land		(3,030,106)	-
Total Income		3,310,994	-
Other Income			
Interest Received		361,721	-
Recoveries		9,020	-
Total Other Income		370,741	-
Total Income		3,681,735	-
Expenses			
Accounting Fees		25,420	6,302
Bank Charges		464	98
Borrowing Costs		1,307	3,717
Insurance		-	991
Interest Paid		32,979	215,839
Land Tax		-	15,481
Rates		-	5,609
Total Expenses		60,170	248,037
Profit / (Loss) Before Distribution		3,621,565	(248,037)
Profit & Loss Appropriation			
Retained earnings at the beginning of the financial year		847,885	599,847
Distribution to Unit Holders		2,773,680	-
Total Profit & Loss Appropriation		3,621,565	599,847
Retained earnings at the end of the financial year		-	(847,885)

The accompanying notes form part of these financial statements. These financial statements are unaudited and are restricted for internal use only and should be read in conjunction with the attached Accountant's Report Disclaimer.

Balance Sheet

F3 Development Fund No 2 Unit Trust As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Cash Equivalents	2	21,482	81,792
Trade and Other Receivables	3	32	25,074
Other current assets	5	-	7,615
Total Current Assets		21,515	114,482
Non-Current Assets			
Trade and Other Receivables	3	-	719,353
Other Non-Current Assets	4	-	2,405,457
Total Non-Current Assets		-	3,124,811
Total Assets		21,515	3,239,292
Liabilities			
Current Liabilities			
Trade and Other Payables	6	21,494	-
Total Current Liabilities		21,494	-
Non-Current Liabilities			
Trade and Other Payables	6	-	50,000
Borrowings	6	-	2,871,028
Total Non-Current Liabilities		-	2,921,028
Total Liabilities		21,494	2,921,028
Net Assets		20	318,265
Equity			
Issued Units		20	1,166,150
Retained Earnings		-	(847,885)
Total Equity		20	318,265

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Notes to the Financial Statements

F3 Development Fund No 2 Unit Trust For the year ended 30 June 2020

1. Statement of Significant Accounting Policies

The director of the trustee company has prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed, the information needs of stakeholders and for the basis of preparation of the income tax return. The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise. The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Income Tax

The income tax expense for the year comprises current income tax expense. The trust does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities are therefore measured at the amounts expected to be paid to / recovered from the relevant taxation authority.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the trust that remain unpaid at 30 June 2020. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Provisions

Provisions are recognised when the trust has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

	2020	2019
2. Cash and Cash Equivalents		
Cash at Bank - CBA	21,482	81,792
Total Cash and Cash Equivalents	21,482	81,792

	2020	2019
3. Receivables		
Current		
GST Refundable	32	19,499
Sundry Debtors	-	5,575
Total Current	32	25,074
Non Current		
Loan - F3 Development	-	719,353
Total Non Current	-	719,353
Total Receivables	32	744,427

	2020	2019
4. Property Plant and Equipment		
Land at Cost	-	1,275,000
Stamp Duty on Acquisition	-	55,635
Commissions Paid	-	155,110
Planning	-	62,014

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Architecture	-	9,704
Strategic / Political	-	36,000
Project Management Fees	-	541,112
Survey Fees	-	7,857
Environmental Consultants	-	27,930
Engineer	-	18,171
Acoustic Reports	-	30,556
Traffic Consultants	-	19,430
Infrastructure Assessment	-	2,650
Service Fees	-	2,489
Geotechnical Consultants	-	25,738
Valuation Costs	-	18,316
Aboriginal Consultants	-	29,537
Legal Fees	-	98,984
Travel Costs	-	3,752
Marketing	-	7,163
Council Application Fees	-	2,584
Service Fees	-	2,746
Agency Fees	-	37,546
Meetings and	-	289
Land and Water Rates	-	3,212
Capital Raising Costs	-	81,200
Plumbing Services	-	250
ASIC Fees	-	992
Consultants	-	207,901
Deposit Paid - Isaac	-	(82,710)
Deposits Received	-	(275,700)
Total Property Plant and Equipment	-	2,405,457
	2020	2019

5. Intangibles

Borrowing Costs	-	20,000
Less Accumulated	-	(12,385)
Total Intangibles	-	7,615
	2020	2019

6. Payables

Current		
Sundry Creditors	21,494	-
Total Current	21,494	-
Non Current		
Loan - PCU	-	2,871,028

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	2020	2019
Loan - Peter Hall	-	50,000
Total Non Current	-	2,921,028
Total Payables	21,494	2,921,028

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Trustee Declaration

F3 Development Fund No 2 Unit Trust For the year ended 30 June 2020

The director of F3 Development Fund No 2 Pty Limited declares that F3 Development Fund No 2 Unit Trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 of the financial statements.

The director of F3 Development Fund No 2 Pty Limited declares that:

1. The financial statements and notes present fairly F3 Development Fund No 2 Unit Trust's financial position as at 30 June 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the director's opinion there are reasonable grounds to believe that F3 Development Fund No 2 Unit Trust will be able to pay its debts as and when they become due and payable.

Director: Nicholas Perks _____

Date:

Compilation Report

F3 Development Fund No 2 Unit Trust For the year ended 30 June 2020

Compilation report to F3 Development Fund No 2 Unit Trust

We have compiled the accompanying special purpose financial statements of F3 Development Fund No 2 Unit Trust, which comprise the balance sheet as at 30 June 2020, the income statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The director of F3 Development Fund No 2 Pty Limited is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the director we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements. The special purpose financial statements were compiled exclusively for the benefit of the Director(s) who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Elissa Lippiatt

Clark Jacobs Pty Ltd

Level 20, 1 Market Street SYDNEY NSW 2000

Dated: