

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**Financial Report For The Year Ended**  
**30 June 2020**

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**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2020.

**Directors**

The names of the directors in office at any time during, or since the end of the year are:

Craig Adam Cameron  
Lee Eric Phethean  
Robert Norman Parton

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Review of Operations**

The loss of the company for the financial year after providing for income tax amounted to \$158,392 (2019: \$213,398).

**Significant Changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial year.

**Principal Activities**

The principal activities of the company during the financial year were to raise finance capital and invest funds in real estate related investments.

No significant change in the nature of these activities occurred during the year.

**Events Subsequent to the End of the Reporting Period**

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

**Likely Developments and Expected Results of Operations**

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

**Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Dividends**

No dividends have been paid or declared since the start of the financial. Dividends paid to holders of redeemable preference shares are considered interest paid and included in the Statement of Profit and Loss and Other Comprehensive Income.

**Options**

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

**Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 5.

The directors' report is signed in accordance with a resolution of the Board of Directors:



Craig Adam Cameron  
Director

Date: 30 November 2020

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**

**Auditor's Independence Declaration Under S 307c Of the Corporations Act 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, 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.

This declaration is in respect of Baron Monthly Income Ltd during the year.

AH Jackson & Co



Elias Manicaros  
Partner  
Brisbane  
30 November 2020

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
Revenue	2	620,750	47,545
Finance costs	8	(473,636)	(54,070)
Contractor, Consultancy and Business related fees	2	(144,848)	(200,548)
Administration fees	2	(26,253)	(6,326)
Impairment of assets	8	(134,405)	-
<b>Profit (Loss) before income tax</b>		<u>(158,392)</u>	<u>(213,399)</u>
Tax expense	3	-	-
<b>Profit (Loss) for the year</b>		<u>(158,392)</u>	<u>(213,399)</u>
Other comprehensive income (loss) for the year, net of tax		-	-
<b>Total comprehensive income (loss) for the year</b>		<u>(158,392)</u>	<u>(213,399)</u>
Total comprehensive income (loss) attributable to owners of the entity		(158,392)	(213,399)

*The accompanying notes form part of these financial statements.*

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,313	78,614
Trade and other receivables	5	633,255	48,125
Financial assets	6	4,050,802	1,800,000
<b>TOTAL CURRENT ASSETS</b>		<b><u>4,685,370</u></b>	<b><u>1,926,739</u></b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	6	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL ASSETS</b>		<b><u>4,685,370</u></b>	<b><u>1,926,739</u></b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	46,639	1,555
Borrowings	8	4,829,713	-
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>4,876,352</u></b>	<b><u>1,555</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	8	-	2,122,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>-</u></b>	<b><u>2,122,000</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>4,876,352</u></b>	<b><u>2,123,555</u></b>
<b>NET ASSETS</b>		<b><u>(190,982)</u></b>	<b><u>(196,816)</u></b>
<b>EQUITY</b>			
Issued capital	9	300	300
Retained earnings		(373,007)	(214,615)
<b>TOTAL EQUITY</b>		<b><u>(372,707)</u></b>	<b><u>(214,315)</u></b>

*The accompanying notes form part of these financial statements.*



**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2020**

	Issued Capital Ordinary	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2018</b>	<u>300</u>	<u>(1,216)</u>	<u>(916)</u>
Profit (Loss) for the year		(213,399)	(213,399)
Other comprehensive income for the year		-	-
Total comprehensive income for the year	<u>-</u>	<u>(213,399)</u>	<u>(213,399)</u>
<b>Balance at 30 June 2019</b>	<u>300</u>	<u>(214,615)</u>	<u>(214,315)</u>
<b>Balance at 1 July 2019</b>	<u>300</u>	<u>(214,615)</u>	<u>(214,315)</u>
Profit (Loss) for the year		(158,392)	(158,392)
Other comprehensive income for the year		-	-
Total comprehensive income for the year	<u>-</u>	<u>(158,392)</u>	<u>(158,392)</u>
<b>Balance at 30 June 2020</b>	<u>300</u>	<u>(373,007)</u>	<u>(372,707)</u>

*Note 9*

*The accompanying notes form part of these financial statements.*



**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		-	1,219
Payments to suppliers and employees		(96,222)	(208,469)
Interest paid		(303,391)	(36,571)
<b>Net cash provided by/(used in) operating activities</b>	<b>11</b>	<b><u>(399,613)</u></b>	<b><u>(243,821)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of available-for-sale investments		-	41,000
Receipts from related parties		66,596	-
Loan payments made to related parties		(2,451,803)	(1,800,000)
<b>Net cash provided by/(used in) investing activities</b>		<b><u>(2,385,207)</u></b>	<b><u>(1,759,000)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		2,707,519	2,100,000
Repayment of borrowings		-	(23,000)
<b>Net cash provided by/(used in) financing activities</b>		<b><u>2,707,519</u></b>	<b><u>2,077,000</u></b>
Net increase/(decrease) in cash held		<b><u>(77,301)</u></b>	<b><u>74,179</u></b>
Cash and cash equivalents at beginning of financial year		<u>78,614</u>	<u>4,435</u>
<b>Cash and cash equivalents at end of financial year</b>	<b>4</b>	<b><u><u>1,313</u></u></b>	<b><u><u>78,614</u></u></b>

*The accompanying notes form part of these financial statements.*

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

The financial statements cover Baron Monthly Income Ltd as an individual entity. Baron Monthly Income Ltd is a company limited by shares, incorporated and domiciled in Australia.

**1 Summary of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**(a) Going Concern**

The financial report has been prepared on the basis that the company is a going concern and will maintain continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

Within Australia and globally, unprecedented measures have been introduced to control the spread of the COVID-19 pandemic. These measures have had, and continue to have, a sudden and substantial negative impact on economic activity, including across many industries that has given rise to increased volatility and negative investor sentiment. The expected duration and magnitude of the COVID-19 global pandemic and its potential implications on the economy and financial markets remains unclear. Should these circumstances become severe or prolonged and have a material impact on the Australian Economy, this in turn may have a material adverse impact on the entity's financial liquidity, performance and position.

The company continues to feel the effects of capital restrictions from wholesale and retail investors alike. The culmination of the economic uncertainty, national and interstate lockdowns have significantly interfered or stopped capital inflow to the portfolio and the timely completion of the projects. This uncertainty is over and above the accepted uncertainty inherent to property development projects. As the rational and efficient market parameters upon which the portfolio model was based evaporated, the company had no choice but to suspend distributions and redemptions to investors until such time as conditions improve.

Management is confident the loans made by the company, and which comprise significant assets of the company, relate to solid projects with sound fundamentals and valuations. The recoverability of these loan repayments, including interest, remain high, despite being extended due to the fuller effects of COVID-19. Management has reviewed the collectability of all loans advanced by the company and, where appropriate, has recognised impairment losses in accordance with Australian Accounting Standards. The extent of the impairments are presented in the financial report.

**(b) Revenue and Other Income**

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

**(c) Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.



With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

#### **(d) Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

## **(e) Financial Instruments**

### **Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

### **Classification and subsequent measurement**

#### **Financial liabilities**

Financial liabilities are subsequently measured at:

- amortised cost

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over its profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

#### **Financial assets**

Financial assets are subsequently measured at:

- amortised cost;

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets



A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial assets is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

**(f) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(h) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

**(i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(j) Critical Accounting Estimates and Judgements**

The recoverability of the loans made to Mayflower Estate Victoria Pty Ltd, Paddington 27 Unit Trust, Paddington 35 Pty Ltd and Paddington 10 Pty Ltd is dependent upon securing next phase construction financing and/or the successful completion of the real estate projects and is subject to the various inherent risks as described in the Prospectus (lodged with ASIC on 15 May 2017), the Supplementary Offer Information Statement (lodged with ASIC on 17 December 2018) and the Replacement Prospectus (lodged with ASIC on 17 January 2020) to the redeemable preference shares. These entities are not required to be audited and have not been audited.



**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

	2020	2019
	\$	\$
<b>2 Revenue and Other Income</b>		
Investment income	620,750	47,545
	<u>620,750</u>	<u>47,545</u>
<b>Contractor, Consultancy and Business related fees</b>		
Marketing and Advertising	61,355	58,533
Contractor expenses	81,163	118,788
Referral Expense	2,330	23,227
	<u>144,848</u>	<u>200,548</u>
<b>Administration fees</b>		
Bank Fees	250	240
Consulting & Accounting	6,311	300
Director fees	8,800	1,210
ASIC Filing Fees	5,353	2,172
Insurance	1,650	-
Licence fees	3,885	-
Legal expenses	-	2,325
Other expenses	4	79
	<u>26,253</u>	<u>6,326</u>
<b>3 Tax Expense</b>		
Prima facie tax payable on profit before income tax at 27.5% (2019: 27.5%)	(43,558)	(58,685)
Less tax effect of:		
Deferred tax asset not recognised	43,558	58,685
Income tax attributable to entity	<u>-</u>	<u>-</u>
<b>4 Cash and Cash Equivalents</b>		
Cash at bank	1,313	78,614
	<u>1,313</u>	<u>78,614</u>
<b>5 Trade and Other Receivables</b>		
Director loans	300	300
Other debtors	7,500	-
Interest accrued	613,077	46,125
GST receivable	12,378	1,700
	<u>633,255</u>	<u>48,125</u>

see note 6

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

	2020	2019
	\$	\$
<b>6 Financial Assets</b>		
Unsecured loans:		
Mayflower Estate Victoria Pty Ltd	2,650,802	500,000
Paddington 27 Unit Trust	450,000	350,000
Paddington 35 Pty Ltd	950,000	950,000
Smart Capital Paddington 10 Pty Ltd	-	-
	<u>4,050,802</u>	<u>1,800,000</u>
Loan to Smart Capital Paddington 10 Pty Ltd		
Impairment of assets	<u>134,405</u>	<u>-</u>
\$135,405 were lend to Smart Capital Paddington 10. This loan was impaired at 30 June 2020.		
Interest receivable		
Interest of 20% is payable on the term of the loan for each of the above entities. Interest have been accrued for up to 30 June 2020. Refer to note 5 for interest receivable.		
<b>7 Trade and Other Payables</b>		
Trade creditors	46,639	-
Sundry creditors	-	1,555
Accrued Interest Payable	-	-
	<u>46,639</u>	<u>1,555</u>
<b>8 Borrowings</b>		
<b>CURRENT</b>		
Redeemable Preference Shares	4,800,694	-
Borrowing	29,019	-
	<u>4,829,713</u>	<u>-</u>
<b>NON-CURRENT</b>		
Redeemable Preference Shares	-	2,122,000
	<u>-</u>	<u>2,122,000</u>
Issued in terms of :		
Prospectus (date 15 May 2017)	17,000	17,000
Supplementary Offer Information Statement (date 17 December 2018)	4,353,500	2,105,000
Replacement Prospectus (date 17 January 2020)	430,000	-
	<u>4,800,500</u>	<u>2,122,000</u>

**BARON MONTHLY INCOME LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

	2020	2019
	\$	\$
Finance cost: Dividends payable on redeemable preference shares	467,617	54,070
Borrowing costs	6,019	-
	<b>473,636</b>	<b>54,070</b>
Issued in terms of :		
Prospectus (date 15 May 2017)	212	1,190
Supplementary Offer Information Statement (date 17 December 2018)	451,995	52,880
Replacement Prospectus (date 17 January 2020)	15,410	-
	<b>467,617</b>	<b>54,070</b>

The purpose of these shares were to raise money to be invested in multiple real estate related investments. Preference shares issued in terms of the:

**8 (a) Prospectus (Date lodged with ASIC: 15 May 2017):**

The expected investment timeframe at the date the prospectus was raised, was 18 months from the issue date of the particular shares.

Investors may choose to stay invested at the end of this term but will be offered the opportunity to exit. The company may exercise a call option on the shares before the 18 months have lapsed.

Dividends are payable on the 15th business day of each month. The investors annualised distributions is capped at 7%.

**8 (b) Offer Information Statement (Date lodged with ASIC: 5 December 2018):**

The expected redeemable preference share repurchase date is 12 months from the issue date of that particular share.

Dividends are payable on the 10th business day of each month. The targeted annual return of investments between \$20,000 and \$99,000 is 10%, for investments between \$100,000 and \$499,000 is 12% and for investments above \$500,000 is 14%.

**8 (c) Replacement Prospectus (Date lodged with ASIC: 17 January 2020):**

The expected redeemable preference share repurchase date is 12 months from the issue date of that particular share.

Dividends are payable on the 10th business day of each month. The targeted annual return of investments between \$20,000 and \$99,000 is 9%, for investments between \$100,000 and \$249,000 is 10% and for investments above \$250,000 is 11%.

**BARON MONTHLY INCOME LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

	2020	2019
	\$	\$
<b>9 Issued Capital</b>		
300 (2019: 300) fully paid ordinary shares *	300	300

*\* The comparative figure has been amended from 100 issued shares to 300 issued shares.*

Ordinary shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**10 Events after the Reporting Period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the group in future financial years.

**11 Cash Flow Information**

Reconciliation of cash flows from operating activities with profit after income tax

Profit (Loss) after income tax	(158,392)	(213,399)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
— (Increase)/decrease in trade and other receivables	(584,936)	(48,026)
— Increase/(decrease) in trade and other payables	45,084	17,603
Net cash provided by operating activities	<b>(698,244)</b>	<b>(243,821)</b>

**12 Auditor Remuneration**

To AH Jackons & Co

Audit fee

Consulting & Accounting

	3,500	300
	2,811	-
	<b>6,311</b>	<b>300</b>

**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2020**

**13 Company Details**

**The registered office of the company is:**

Level 3 HQ South  
520 Wickham Street  
Fortitude Valley QLD 4006

**The principal place of business is:**

Level 1 Suite 3  
4 Park Road  
Milton QLD 4064



**BARON MONTHLY INCOME LTD**  
**ACN: 618 502 640**  
**DIRECTORS' DECLARATION**  
**For the year ended 30 June 2020**

In accordance with a resolution of the directors of Baron Monthly Income Ltd, the directors declare that:

1. The financial statements and notes, as set out on pages 5 to 20, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the
  - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Craig Adam Cameron  
Director

Date: 30 November 2020

## Independent Audit Report

To the members of Baron Monthly Income Ltd

Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Baron Monthly Income Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, the statement of changes in equity and the statement of cash flows 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:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 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, which has been given to the directors of the Baron Monthly Income Ltd, 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.

### Emphasis of Matter – Going Concern and Critical Accounting Estimates and Judgements

We draw attention to Note 1(a) and Note 1(j) to the financial report, which describes the going concern assumption and critical accounting estimates and judgements made in the preparation of this financial report. Our opinion is not modified in respect of this matter.



## **Responsibilities of Directors for the Financial Report**

The directors of the Baron Monthly Income Ltd are responsible for the preparation of the financial report that gives a true and fair view and have 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 directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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 Company's ability 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.

## **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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

AH Jackson & Co

A handwritten signature in black ink, appearing to read 'Elias Manicaros', with a long horizontal line extending to the right.

Elias Manicaros  
Partner  
Brisbane  
30 November 2020