HOTEL PROPERTY INVESTMENTS
Suite 2, Level 17
IBM Centre
60 City Road
Southbank VIC 3006
(03) 9038 1774

ABN 25 010 330 515

Appendix 4E
Full Year Report
Year Ended 30 June 2021

Name of entity

HOTEL PROPERTY INVESTMENTS (HPI)

ABN or equivalent company reference

Hotel Property Investments Trust (ARSN 166 484 377) and Hotel Property Investments Limited (ABN 25 010 330 515)

Half yearly	Preliminary final	Reporting Period
	✓	1 July 2020 to 30 June 2021 (previous corresponding period 1 July 2019 to 30 June 2020)

Results for announcement to the market

	30 June 2021 A$'000	30 June 2020 A$'000	Variance %
Total revenue from investment properties	60,142	54,097	11.17%
Total income from operating activities	111,173	64,352	72.76%
Profit for the period from operating activities after tax attributable to stapled security holders	84,720	40,943	106.92%

	30 June 2021 $ per security	30 June 2020 $ per security	Variance %
Net assets per security	$3.30	$3.01	9.63%

	30 June 2021 cents per security	30 June 2020 cents per security	Variance %
Earnings per security	50.73	27.33	85.62%

Distributions

Interim Distribution	**Six Months Ended 31 December 2020**	**Six Months Ended 31 December 2019**	**Variance %**
Trust distribution amount per stapled security (cents)	9.6	10.3	-6.80%
Record date for determining entitlements to trust distribution	31 December 2020	31 December 2019	
Payment date for trust distribution	5 March 2021	6 March 2020	
Final Distribution	**Six Months Ended 30 June 2021**	**Six Months Ended 30 June 2020**	**Variance %**
Trust distribution amount per stapled security (cents)	9.7	9.7	0.00%
Record date for determining entitlements to trust distribution	30 June 2021	30 June 2020	
Payment date for trust distribution	3 September 2021	4 September 2020	

Explanation of Results

- Rent revenue increased by 11.17% during the 2021 financial year which was driven by growth in underlying investment property revenue of 8.78%. This is largely attributable to a 2.5% increase in rental income from properties that were consistently held for the full FY20 and FY21 period and the impact of recently acquired properties. Rental increases were offset by a reduction in rental revenue for several investment properties that was announced in January 2020.

- Total profit increased by 106.92% due to higher year on year fair value adjustments to investment properties and the additional rental revenue noted above.

Other Details

- Final distribution consists of 9.7 cents from trading operations.
- Distribution reinvestment plan was in operation for the full financial year.
- There have been no changes to staff numbers, hours worked or remuneration as a result of the COVID-19 pandemic and the Company has not accessed Jobkeeper.
- There were no associates or joint venture entities during the period.

Audit

This report is based on financial accounts which have been audited by KPMG. A copy of the Hotel Property Investments audited Annual Report is attached.

ANNUAL REPORT 2021

HOTEL PROPERTY INVESTMENTS

HOTEL PROPERTY INVESTMENTS (HPI)
Report for the Year Ended 30 June 2021

Comprising Hotel Property Investments Trust
(ARSN 166 484 377) and
Hotel Property Investments Limited
(ABN 25 010 330 515) and their controlled entities

WELCOME INSIDE

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HPI

DIRECTOR'S REPORT

RENT FROM INVESTMENT PROPERTIES UP 11.2% ON PRIOR YEAR

Bonny View Hotel
Bald Hills QLD

INTRODUCTION

The Directors of Hotel Property Investments Limited as Responsible Entity (the "Responsible Entity") for the Hotel Property Investments Trust ("the Trust") present the consolidated financial report of the Trust, Hotel Property Investments Limited ("the Company") and their controlled entities (together "the HPI Group") for the year ended 30 June 2021.

The securities in the Company are stapled to the units in the Trust and cannot be traded or dealt with separately. The Company and its controlled entities and the Trust and its controlled entities are referred to as "the HPI Group".

The Responsible Entity for the Trust is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at –

Suite 2, Level 17 – IBM Centre
60 City Road Southbank VIC 3006 Australia

CORPORATE GOVERNANCE

A copy of HPI Group's Corporate Governance Statement is available on HPI Group's website at hpitrust.com.au/cms/corporate_governance

Chancellors Tavern
Sippy Downs QLD

DIRECTORS & OFFICERS

The members of the Board of Directors and the Officers of the Company in office during the year and since the end of the year are:

Raymond Gunston

Independent Non-Executive Chairman

Appointed 19 November 2013 and as Chairman 1 November 2019

Raymond Gunston has over 35 years of corporate and financial services experience in the public and private sectors, specialising in finance, treasury, mergers and acquisitions, and accounting.

Raymond is currently the Non-Executive Chairman of Sigma Healthcare Limited (ASX: SIG), and a Trustee of the Melbourne and Olympic Park Trust.

Raymond was formerly Chief Financial Officer of Tatts Group Limited and Director of many of the Tatts Group's subsidiary and associate companies. He was formally General Manager - Infrastructure, Major Projects and Investment at the Australian Football League (AFL), and currently is a Consultant to the AFL.

Raymond has a Bachelor of Commerce (Honours) from the University of Melbourne and a Diploma of Education. Raymond is a Fellow of CPA Australia and is a Graduate Member of the Australian Institute of Company Directors.

Raymond is a member of HPI Group's Board Audit and Risk Committee and the Human Resources & Nominations Committee

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Lachlan Edwards

Independent Non-Executive Director

Appointed 19 November 2013

Lachlan Edwards is the founder of the advisory business Faraday Associates, having been the Co-Head of the advisory businesses at Lazard in Australia from 2013 until June 2018. Lachlan has extensive experience in capital markets and has been a senior level advisor to governments, boards, executive teams and creditors in Australia and Europe. His previously held board positions include Director of NM Rothschild & Sons and Governor of the English National Ballet in London

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Lachlan was a Managing Director of Goldman Sachs between 2006 and 2013 and was previously at Rothschild in both Sydney and London for 15 years.

Lachlan currently serves on a number of boards including the Bell Shakespeare Company. He is also a Trustee of the Historic Houses Trust of NSW (known as Sydney Living Museums).

Lachlan has a Bachelor of Economics degree from the University of Sydney and a Graduate Diploma in Applied Finance and Investments from the Securities Institute of Australia. He is a Member of the Australian Institute of Company Directors.

Lachlan is Chairman of the Human Resources & Nominations Committee and is a member of the HPI Group's Board Audit and Risk Committee.

Giselle Collins

Independent Non-Executive Director

Appointed 19 April 2017

Giselle Collins is a company Director with significant executive and Non-Executive experience in property, tourism and financial services.

Giselle was previously Chairman of Aon Superannuation Pty Ltd (as Trustee for Aon Master Trust), The Travelodge Hotel Group and the Heart Research Institute, and served on the boards of Big4 Holiday Parks and Royal Australian Institute of Architects.

Giselle is currently Chairman of Darwin Hotel Pty Ltd, as nominee for Indigenous Business Australia. Giselle also sits on the boards of Peak Resources Limited (ASX: PEK), Generation Life Pty Ltd (subsidiary of ASX-listed Generation Development Group Ltd) and the Royal Botanic Gardens and Domain Trust. Giselle has also been appointed to the Board of Cooper Energy Limited (ASX: COE) effective from 19 August 2021.

Giselle has a Bachelor of Economics degree from the University of Sydney, a Graduate Diploma in Applied Finance and Investments from the Securities Institute of Australia and is a Graduate Member of the Australian Institute of Company Directors. Giselle is also a Member of Chartered Accountants Australia and New Zealand.

Giselle is Chairman of HPI Group's Board Audit and Risk Committee and a member of the Human Resources & Nominations Committee.

Don Smith

Managing Director & Chief Executive Officer

Appointed 1 October 2018 as Managing Director and Chief Executive Officer

Don Smith has more than 20 years of property and funds management experience with listed and unlisted companies. Prior to taking on his executive and board roles at HPI, Don was a member of the management team at OSK Property and previous to that held a range of roles at Vicinity Centres and Colonial First State.

Don is also a Board Member and Chairman of Melbourne Athenaeum Incorporated, a not-for-profit cultural institution.

Don holds a Bachelor of Applied Science – Planning and a Graduate Diploma - Banking and Finance

Blair Strik

Chief Financial Officer & Company Secretary

Appointed 26 April 2017 as Chief Financial Officer & 19 May 2017 as Company Secretary

Blair Strik has over 20 years' experience in the property industry, professional services and treasury. Prior to joining the HPI Group, Blair held senior finance positions with the Industry Superannuation Property Trust for over nine years, building on experience from previous roles at Rio Tinto and KPMG.

Blair holds a Bachelor of Business from Swinburne University of Technology and is a Member of Chartered Accountants Australia and New Zealand.

PRINCIPAL ACTIVITIES

The principal activity of the HPI Group is real estate investment in the pub sector in Australia. There has been no significant change in the nature of the principal activity during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs of the HPI Group during the financial year ended 30 June 2021

DISTRIBUTIONS & DIVIDENDS

For the year ended 30 June 2021 the HPI Group paid an interim distribution of 9.6 cents per stapled security for the half year ended 31 December 2020 and has declared a final income distribution of 9.7 cents per stapled security to be paid on 3 September 2021. The aggregate distribution for the year is 19.3 cents per stapled security.
No provisions for or payments of dividends from the Company have been made during the year (2020: nil).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 4 June 2021, the HPI Group priced A$80 million long-term debt via the U.S. Private Placement ("USPP") market. This USPP issue comprises two tranches of unsecured, Australian Dollar denominated notes:

- A$40 million fixed with a 7 year tenor, maturing in August 2028; and
- A$40 million fixed with a 12 year tenor, maturing in August 2033

The USPP Note Purchase Agreement was executed on 10 August 2021, with the proceeds used to repay loans outstanding under the existing Common Terms Deed (CTD) facilities. Coinciding with the USPP raising, HPI replaced a $73.0 million unsecured facility under the CTD with a $20.0 million unsecured three year facility which is available for activation by the HPI Group until December 2021

Immediately following these changes to the Group's financing arrangements:

- HPI Group's debt facilities (excluding the guarantee facility) total $430 million, comprising $310 million sourced from the USPP and $120 million under the CTD;
- $210 million of these facilities is on fixed interest terms; and
- the HPI Group's weighted average term to expiry for its loans and borrowings has increased from 3.9 years to 5.7 years as at August 2021

No other item, transaction or event has occurred after 30 June 2021 that is likely in the opinion of the Directors of the Responsible Entity to significantly affect the operations of the HPI Group, the results of those operations, or the state of affairs of the HPI Group in future financial periods.

REVIEW & RESULTS OF OPERATIONS

The HPI Group is an Australian Real Estate Investment Trust ("AREIT") and listed on the ASX on 10 December 2013. Its principal activity is real estate investment in freehold pubs in Australia. The HPI Group owns a portfolio of freehold properties predominantly in Queensland, comprising pubs and associated specialty stores located on the pub sites.

COVID-19 pandemic

The COVID-19 pandemic has and may continue to impact our people, our business and our tenants. All Australian states implemented restrictions on pubs and hotels that significantly affected the operations of our tenants. In all cases the pubs were required, at the direction of government, to close for extended periods and once re-opened, social distancing requirements and limits on the number of patrons in the venues were imposed. Although the closures have not materially impacted the financial performance of the HPI Group in the year to 30 June 2021, any on-going interruptions to our tenants' business may affect future financial years.

In May 2020, the HPI Group agreed to defer a portion of rent payable by the HPI Group's principal tenant, Queensland Venue Company, totalling approximately $7.1 million (excluding GST) that would otherwise be payable between April 2020 and September 2020. The deferred rent will be repaid between February 2021 and June 2022 and is secured by a bank guarantee in favour of HPI Group and an offset arrangement in relation to HPI's capex obligation agreed as part of the lease extensions announced in January 2020. As at 30 June 2021 the rent deferred under this agreement was $5.7 million excluding GST.
The HPI Group provided rent abatements for rent that would otherwise have been payable between July 2020 and September 2020 to some specialty tenancies totalling $0.1 million excluding GST. No further abatements were provided during the year, however, the HPI Group continues to monitor the circumstances of each tenant and may provide further abatements in future periods on a case-by-case basis.

The HPI Group's assets are long term assets with a weighted average lease expiry of 10.8 years. For 30 June 2021 the valuation of Investment Property has been undertaken in accordance with the Group's valuation policy with input from independent valuers on the hotel investment market, based on observable sales of similar assets in similar markets, adjusted for any rent abatement agreements with our specialty tenants. The longer-term impact of COVID-19 on the operational performance of pubs generally and individual pubs specifically is not yet known and may adversely affect investment property valuations in the future.

The rent review mechanism for the majority of the HPI Group's leases references a minimum rental increase of the lower of two times the average five-year historical Consumer Price Index (CPI) and 4% per annum. There is a risk that CPI is lower or negative due to impacts associated with the COVID-19 pandemic and that there is greater volatility in the Index. This may lead to lower rental revenue, lower distributions, and lower investment property valuations in the future.
The COVID-19 pandemic has also impacted the way we work. The HPI Group had previously implemented a comprehensive technology platform which has enabled our people to transition to a remote workplace seamlessly and effectively. There have been no changes to staff numbers, hours worked or remuneration as a result of the pandemic and the Company has not accessed Jobkeeper. The HPI Group will continue to monitor the impact of COVID-19 on its business and will update investors as required.

Current year performance

The HPI Group recorded a total profit after tax for the year of $84.7 million. Operating revenues and expenses included rental income from investment properties of $54.1 million, property cost recoveries of $6 million, property outgoing costs of $9.5 million, other trust and management costs of $4.4 million, and financing expenses of $12.5 million. Additionally, there was a fair value gain on investment property of $51 million.

Independent valuations were obtained for 11 properties as at 30 June 2021, with a further 20 properties independently valued (including those acquired) during the financial year. For those properties not independently valued as at 30 June 2021 the properties were valued by the Directors in accordance with the HPI Group valuation policy.

The Directors' valuations have been determined by reference to the current net income, including allowance for contracted rental growth for each property and the specific circumstances of each property. For properties not subject to independent valuation, market capitalisation rates were maintained constant at their previous independent valuation level. The current average capitalisation rate for the portfolio is 5.95%.
Adjusting profit after tax for fair value adjustments, non-cash finance costs and other minor items, the distributable earnings of the HPI Group were $33.8 million. Adjusting further for maintenance capex of $1.3 million, the Adjusted Funds from Operations (AFFO) was $32.5 million.

Financial position

At 30 June 2021 the HPI Group's net assets were $575 million representing net assets per stapled security of $3.30 (June 2020: $3.01). Major assets and liabilities included investment property of $952.5 million, borrowings of $361.3 million and a provision for payment of distributions of $16.9 million. During the period investment property values increased by $166.6 million resulting mainly from acquisitions of the following properties:

Mango Hill Tavern	Mango Hill, QLD
Surfair Beach Hotel	Marcolla, QLD
White Bull Tavern	Roma, QLD
Summerhill Hotel	Reservoir, VIC
Jubilee tavern	Airlie Beach, QLD
Commercial Hotel	Clermont, QLD
Commonwealth Hotel	Roma, QLD
Capella Hotel	Capella, QLD
Grand Hotel	Clermont, QLD

The assets were purchased for a total value of $103 million (including costs). Other additions to the value of the investment property value were the result of fair value gains of $51 million, capital additions of $11.8 million and straight-line lease adjustments of $0.7 million

Capital management

During the year ended 30 June 2021 the HPI Group raised $48.0 million (before costs) from new and existing Securityholders via a Placement and Securityholder Purchase Plan.

At 30 June 2021, the HPI Group's total borrowing facilities of $403.0 million were drawn to $363.6 million, including $230.0 million under the US Private Placement ("USPP") and $133.6 million under the Common Terms Deed ("CTD") facility. At 30 June 2021, $130 million or 35.8% of drawn debt is on fixed interest terms.

Risk management

The HPI Group's business of investing directly in freehold property exposes it to certain risks which the HPI Group actively monitors and seeks to manage. The Company's Board Audit and Risk Committee ("BARC") assists the Board in fulfilling its responsibilities relating to the oversight of the HPI Group's risk profile. During the period, the BARC and the Company's Board reviewed and updated the Risk Management framework, including the risk matrix. Interest rate risk, market risk and regulatory risk are considered the key risks for the HPI Group.

Further material risks include credit availability, tenant credit risk, valuation risk, property liquidity risk, succession planning, possible adverse impacts of inflation and the COVID-19 pandemic.

The Company's Board concluded that, apart from the COVID-19 pandemic, the material risks to which the HPI Group is exposed remain consistent with those previously identified. The HPI Group continues to maintain a level of fixed rate debt to mitigate interest rate risk, has an active capital management plan and continually monitors the Queensland regulatory environment.

Business strategies and prospects

The HPI Group's key financial goal is to improve cash distributions to stapled Securityholders whilst maintaining the key attributes of the HPI Group business. Distribution growth may be achieved organically from contracted annual rent increases across the portfolio and by prudent management of financing charges, management fees and other costs of the Trust. Further distribution growth may arise from development opportunities undertaken on surplus land with our tenants or through accretive acquisitions.

The HPI Group will continue to pursue acquisition opportunities which meet its investment criteria, namely that target properties be in good condition, in key regional or metropolitan locations with potential for long term growth, and leased to experienced tenants on favourable lease terms.

Distributions

For the year ended 30 June 2021 the HPI Group will distribute 100% of its full year Adjusted Funds From Operations ("AFFO"), which is calculated as profit for the year adjusted for fair value movements, losses or gains on hedging, other non-cash items, tax, and maintenance capital expenditure.

PORTFOLIO OF 54 PROPERTIES VALUED AT $952.5M

Surfair Beach Hotel
Marcoola QLD

The following statement reconciles the profit after income tax to the AFFO and to the distribution –

	30 June 2021
	$'000
Profit after income tax for the year	**84,719**
Plus/(Less): Adjustments for non-cash items	
Net fair value increments to investment properties	(51,030)
Straight line lease adjustment	(736)
Share-based payments expense	105
Abandoned transaction costs	94
Non-cash finance costs	620
Income tax expense	46
Total adjustments for non-cash items	**(50,897)**
Distributable earnings	**33,822**
Less maintenance capital expenditure	(1,278)
Adjusted funds from operations	**32,544**
Distributions from capital	1,022
Total distributions	**33,566**

	30 June 2021
	Cents
Earnings and distribution per stapled security	
Basic and diluted earnings	50.7
Earnings available for distribution per security	19.3
Interim distribution per security	9.6
Final distribution per security	9.7
Total distribution per security	**19.3**

DIRECTORS' INFORMATION

Directorships of listed entities within the last three years

The following Directors held directorships of other listed entities within the last three years and from the date appointed up to the date of this report unless otherwise stated:

Director	Directorships of listed entities	Type	Appointed	Resigned
Raymond Gunston	Sigma Healthcare Limited	Non-Executive Chairman	July 2010	-
Giselle Collins	Peak Resources Limited	Non-Executive Director	March 2021	-
	Cooper Energy Limited	Non-Executive Director	August 2021	

Special responsibilities of Directors

The following are the special responsibilities of each Director :

Raymond Gunston is Chairman of the Board and a member of the Human Resources & Nominations Committee ("HR&NC") (formerly Human Resources Committee) and a member of the BARC

Lachlan Edwards is Chairman of the HR&NC and a member of the BARC

Giselle Collins is Chairman of the BARC and the Responsible Entity Compliance Committee ("RECC"), and a member of the HR&NC.

Directors' interests in stapled securities

The following Directors and their associates held or currently hold the following stapled security interests in the HPI Group:

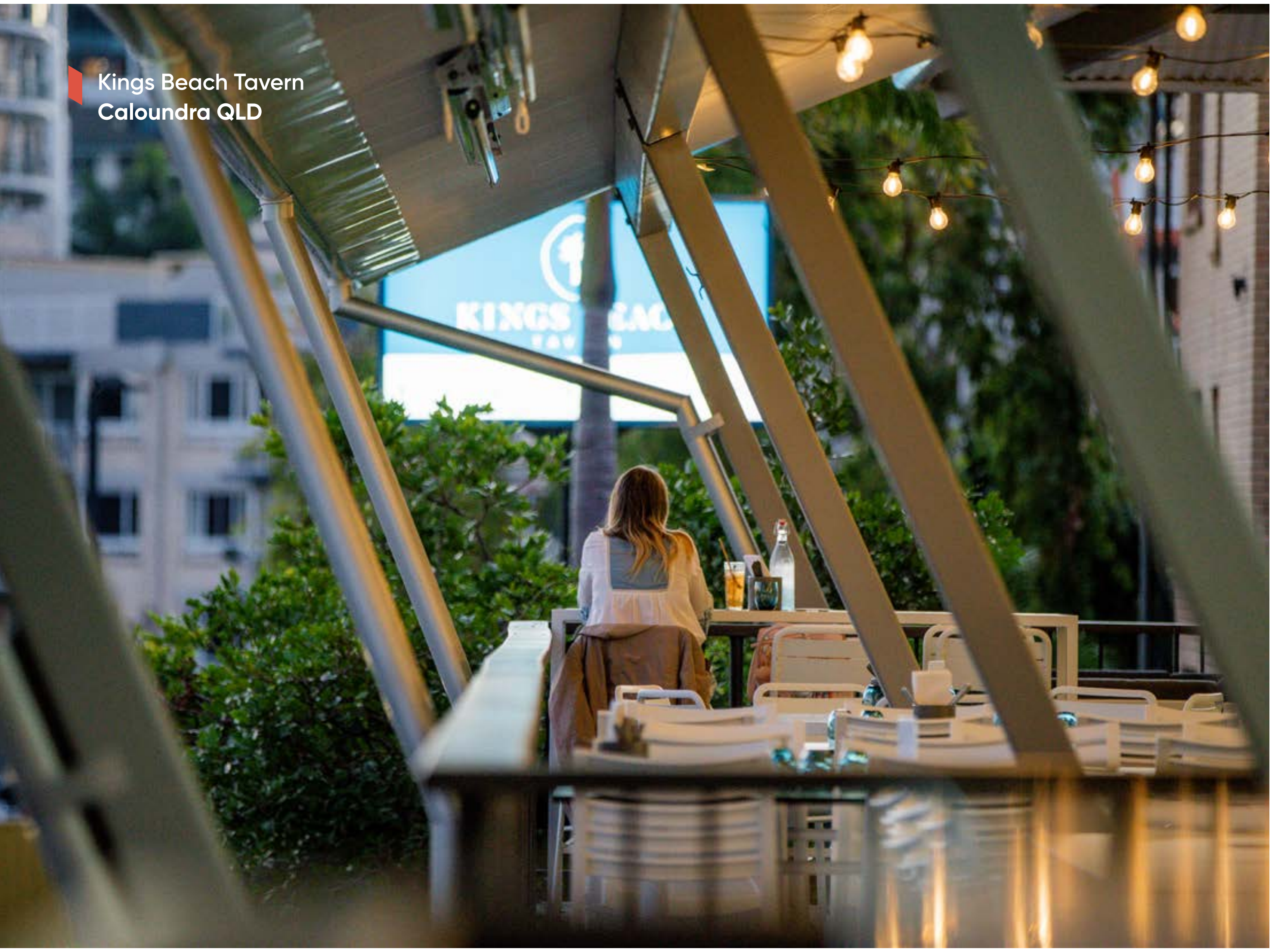
Name	Role	Number held at 1 July 2020	Net Movement	Number held at 30 June 2021
Raymond Gunston	Independent Non-Executive Chairman	125,714	-	125,714
Lachlan Edwards	Independent Non-Executive Director	172,510	122,899	295,409
Giselle Collins	Independent Non-Executive Director	24,000	2,872	26,872
Don Smith	Managing Director and Chief Executive Officer	21,794	-	21,794
John Russell	Independent Non-Executive Chairman (Former)	56,450	6,757 [1]	N/A [2]

1 John Russell acquired 6,757 stapled securities between 1 July 2020 and 28 February 2021 during his tenure as a Director of the HPI Group.
2 John Russell held 63,207 stapled securities upon his retirement from the Board on 28 February 2021.

Meetings of Directors

The number of board meetings attended by each director and the number of committee meetings attended by each committee member during the year ended 30 June 2021 were:

	Board		BARC		RECC		HR&NC	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Raymond Gunston	14	14	4	4	1	1	1	1
Lachlan Edwards	14	14	4	4	-	-	2	2
Giselle Collins	14	14	4	4	3	3	2	2
Don Smith	14	14	-	-	-	-	-	-
John Russell	9	9	-	-	-	-	1	1


Kings Beach Tavern
Caloundra QLD

REMUNERATION REPORT – AUDITED

This report provides details on the remuneration structure, decisions and outcomes for the year ended 30 June 2021 for Key Management Personnel ("KMP") of the HPI Group. KMP includes the Non-Executive Directors, the Managing Director and Chief Executive Officer ("CEO") and the Chief Financial Officer and Company Secretary ("CFO").

Remuneration governance

The remuneration arrangements for Non-Executive Directors are distinct and separate from those for executives. The Board determines the fees payable to Non-Executive Directors within the aggregate amount approved by Securityholders, currently set at a maximum of $900,000 per annum, and which can only be increased by the passing of an ordinary resolution of Securityholders.

The HR&NC assists the Board by recommending to the Board policies and practices which enable the HPI Group to attract, develop, retain and motivate high calibre Directors and executives. The HR&NC reviews and makes recommendations on policies for remuneration, development, retention and determination of the KMP.

The Board appoints members to the HR&NC from time to time and reviews the composition of the HR&NC annually. The HR&NC consists of at least three Directors and is comprised solely of Non-Executive Directors with a majority being independent (including the Committee Chairman).

The HR&NC makes recommendations to the Board on remuneration packages and policies applicable to the KMP. The number of meetings held by the HR&NC and the members' attendance is set out on page 16.

Executive remuneration philosophy and link to business strategy objectives

The Board's overall objective is to ensure that executive remuneration is effective in attracting, motivating and retaining high calibre executives to allow the HPI Group to generate sustainable growth in value for Securityholders, in doing so this reflects the Group's risk culture and organisational values

More specifically, the executive remuneration framework is intended to:

- provide fair remuneration outcomes for executives, having regard to relevant market remuneration levels and executives' ability, experience and contribution to the HPI Group's sustainable long-term performance
- be sufficiently closely linked to the HPI Group's goals and sustained growth performance so as to provide alignment with the interests of Securityholders
- ensure that remuneration and remuneration outcomes are determined on a clear and transparent basis
- take account of specific circumstances applying to the HPI Group to achieve the right balance between fixed and variable remuneration and the right timeframes and performance measures used to assess variable remuneration outcomes.

A mix of fixed and performance-related remuneration is provided to achieve these objectives. In 2020 the Board introduced a short-term incentive ("STI") plan to complement the equity-based-long-term incentive plan ("LTI"). Under the current business model, the Board anticipates that the weighting of total remuneration will be towards fixed pay as it is reflective of the steady and predictable nature of HPI's current business.

Services from remuneration consultants

During the year the Board engaged a remuneration consultant to provide advice on the quantum and mix of remuneration for KMPs.

Executive remuneration strategy and structure

Fixed remuneration

Fixed remuneration is the guaranteed salary component for executives and includes superannuation. Fixed remuneration is set having regard to the employee's responsibilities, experience, skills and performance, as well as to the external market and internal relativities.

The Board reviews fixed remuneration annually to ensure it is at a level that it believes is reasonable in relation to the market.

Variable remuneration

Variable remuneration is intended to provide a link between total remuneration outcomes of the KMP and the HPI Group's achieved performance reflecting, in particular, the value created for Securityholders.

Short Term Incentive "STI"

The Board provides an STI plan to align management rewards with successful execution of the HPI business strategy and thereby strengthen the alignment of management and Securityholders.

The plan encourages the CEO and CFO to identify and implement opportunities that will build Securityholder value within the context of prudent risk management. The intent of the plan is to reward participants for the net economic value created for Securityholders by management outside of the day-to-day administration of the HPI property portfolio and balance sheet management.

Under the plan an STI funding pool is created by allocating a percentage of the agreed adjusted funds from operations created in the first 12 months of completed acquisitions, other development projects and other value-added initiatives, after deducting both interest and equity charges as determined by the Board. The intent is that short-term rewards have a direct linkage to the economic value created for Securityholders by management from initiatives endorsed by the Board.

Awards under the STI plan are paid in cash and are intended to reflect the timing of realisation of net economic value-add over the first full 12 months of the life of agreed projects or initiatives. Awards are made by the Board having regard to the results achieved in terms of added Securityholder value, its assessment of individual performance and contribution to those results, and the extent to which participants demonstrate the values of the Group.

Payments of awards will not be made if on the date of payment, the participant has ceased employment with the Company in circumstances where the Board determines that they do not merit, or the Board deems it is not appropriate to make, such payment.

STI awards in any one financial year will be capped at 60% of Total Fixed Remuneration of the CEO and 40% of Total Fixed Remuneration of the CFO.

The Board retains discretion with respect to the operation of the STI plan, including the ability to modify or cancel the plan if it believes the Group's objectives can be more effectively or efficiently achieved by other means.

STI outcomes

In applying the plan as described above, the Board's calculation of the STI funding pool recognised the Securityholder value created through successfully completing three pub acquisitions to 31 May 2021 totalling $73.8 million, and share value created through an enhanced working relationship with our major tenant. There were five additional acquisitions that settled in June 2021 that will be considered as part of the STI program in 2022 as per the plan rules.

The Board determined the economic value created by the pub acquisitions and joint activities with Queensland Venue Company ("QVC") over the 12 months post-completion of these initiatives resulting in a STI funding pool of $444,500 for FY21. Having regard to the timing of realisation of anticipated net economic value added to Securityholders, payment of 50% of the STI funding pool will be deferred until the lodgement of the FY22 Financial Accounts for the HPI Group. The STI outcomes for the individual KMPs awards are summarised in the "Details of remuneration" section of this remuneration report.

Long Term Incentive "LTI"

Under the LTI plan, participants receive annual grants of Rights over HPI Securities. Each Right may be exercised to provide one HPI Security if the performance conditions attached to that Right are satisfied and the executive remains employed with the HPI Group until the vesting outcomes have been determined. To further maximise the alignment of interests between executives and Securityholders, for the period between vesting and exercise of a Right, the Company will remunerate the executive with an amount equivalent to the distributions paid on a Security over that same period for each Right that vests.

The Board has determined that HPI's relative Total Securityholder Return ("TSR"), as assessed over 3 year performance periods, and in relation to a comparator group consisting of comparable ASX-listed real estate investment trusts, will be the only performance metric used in the LTI plan. The comparator grouping is selected to align with the complexity, size and nature of operations of the Group.

To maximise alignment with the returns experienced by Securityholders, the Board has imposed a gateway requirement that the HPI Group's TSR over each 3 year performance period be positive before any Rights are able to vest under the LTI plan. This ensures that Rights cannot vest to executives when Securityholders have lost value over a performance period, even where HPI's relative TSR against the comparator group would otherwise result in some or all Rights vesting.

The number of Rights to be granted to executives under annual LTI grants is determined by dividing the annual LTI component of the executive's remuneration by the weighted average closing price for HPI Securities over the 20 trading days following release of HPI's audited statutory accounts for the prior financial year. No consideration is payable by executives to acquire or exercise Rights granted under the LTI plan. In the event of a capital reconstruction, the Board may adjust the rights attaching to Rights, including the number of Securities that may be acquired on exercise of the Rights on any basis it sees fit and at its absolute discretion. Rights expire on the earlier of five years after grant date (or the next business day) and the occurrence of any earlier lapsing or forfeiture event.

Rights granted under the LTI Plan will vest if the following vesting conditions are met:

- HPI's TSR measured over the three years (the performance period) is positive.
- HPI's TSR measured over the performance period is ranked at or above the 50th percentile of the comparator group of ASX-listed real estate investment trusts.
- The executive remains continuously employed by the Company from the grant date until the date on which the Board makes a determination as to whether the Vesting Conditions applicable to those Rights have been met.

The proportion of the Rights that vest will then be determined according to HPI's relative TSR percentile ranking against the comparator group companies over the performance period, as follows:

- Below the 50th percentile of the peer group, no Rights in the grant vest.
- At the 50th percentile of the peer group, 50% of the Rights in the grant vest.
- Between the 50th and 75th percentile of the peer group, Rights vest on a straight- line basis between 50% and 100%.
- At or above the 75th percentile of the peer group, 100% of the Rights in the grant vest.

Rights will be forfeited if they do not vest or upon cessation of employment, except in the case where a participant ceases employment with the HPI Group for reasons including ill-health, total and permanent disability, death, redundancy, retirement or sale of the business. In such cases unvested rights will vest pro rata according to the extent to which the relevant performance period has been completed at the date employment ceases and having regard to the extent to which performance conditions have been achieved, as determined by the Board.

For participants whose employment is terminated by the HPI Group all rights, entitlements, and interests in any Rights, including vested but unexercised Rights will be forfeited. For participants leaving for any other reason the Board has the discretion to permit some or all of the unvested Rights held by an executive to vest.

Executives may only deal with Rights in accordance with the HPI Group's Securities Trading Policy and are not permitted to hedge or otherwise deal with Rights prior to vesting.

FY21 LTI outcomes

The FY19 LTI grant was tested over its performance period from 1 July 2018 to 30 June 2021. The pre-conditions for vesting were not met and accordingly all Rights issued under the LTI Plan for the FY18 year have lapsed. Details of all relevant LTI holdings for Executives are presented in the following section.

Details of rights granted to Executives

Executives	Number of rights granted during the year ended 30 June 2021	Grant date	Fair value per right at grant date	Expiry date
Don Smith	64,415	22 October 2020	$1.34	22 October 2025
Blair Strik	32,207	22 October 2020	$1.34	22 October 2025
Executives	**Number of rights granted during the year ended 30 June 2020**	**Grant date**	**Fair value per right at grant date**	**Expiry date**
Don Smith	57,632	24 October 2019	$0.96	24 October 2024
Blair Strik	28,816	24 October 2019	$0.96	24 October 2024
Executives	**Number of rights granted during the year ended 30 June 2019**	**Grant date**	**Fair value per right at grant date**	**Expiry date**
Don Smith	63,333	19 December 2018	$1.10	Rights have lapsed
Blair Strik	31,666	19 December 2018	$1.10	Rights have lapsed

Remuneration mix of Executive KMP

Executive KMP	Total Fixed Remuneration %	At Risk Performance Based Remuneration	
		Cash STI %	Equity LTI %
Don Smith	57.3	34.4	8.3
Blair Strik	67.1	26.8	6.1

Remuneration of the company's directors

Board/Committee	Role	Fees per annum[1] $
Board	Chairman	173,516
	Non-Executive Director	75,000
Board Audit and Risk Committee (BARC)	Chairman	20,000
	Member	10,000
Human Resources & Nominations Committee (HR&NC)	Chairman	10,000
	Member	2,500

1 Fees are exclusive of superannuation and are as at 30June 2021. The Chairman of the Board's fees are inclusive of all Committee fees.

Directors of the Company may also be reimbursed for all reasonable travel and other expenses properly incurred in attending Board meetings or any meetings of committees of Directors of the Company, in attending general meetings of the Company, and otherwise in connection with the Company's business.

Consequences of performance on Securityholder wealth

The following indicators will be considered when assessing the HPI Group's performance and benefits for Securityholder wealth.

	2021	2020	2019	2018	2017
Distributable profit ($m)	32.5	30.3	28.8	28.6	28.6
Distributions paid or payable ($m)	33.5	30.3	29.0	28.6	46.9
Distributions per stapled security from trading operations (cents)	18.7	20.0	19.7	19.6	19.6
Distributions per stapled security from trust capital (cents)	0.6	-	0.2	-	12.5
Change in security price (cents)	29.0	-54.0	28.0	16.0	2.3
Total Securityholder return (percent)	**17%**	**-10%**	**15%**	**12%**	**11%**

Key management personnel transactions – Audited

Movements in securities

The movement during the year in the number of Securities in Hotel Property Investments Limited held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2020	Received on exercise of options	Other changes*	Held at 30 June 2021
Don Smith	21,794	-	-	21,794
Blair Strik	6,000	-	822	6,822

*Other changes represent securities that were purchased.

Details of Non-Executive Directors' Security holdings are included on Page 15 of the Directors' Report.

Movements in options and rights

	Opening performance rights	Granted as remuneration	Forfeited / lapsed	Vested	Closing
Don Smith	120,965	64,415	(63,333)	-	122,047
Blair Strik	60,482	32,207	(31,666)	-	61,023

Details of remuneration

Details of the remuneration of the KMPs for the current year and the comparative year are set out in the following tables.

Remuneration details 1 July 2020 to 30 June 2021

	Short term				Post employment	Leave entitlements	Termination benefits	Share-based payments	Total	Proportion of remuneration performance related
	Salary and Fees	STI cash bonus	Non-monetary benefits	Total	Superannuation benefits			Options and rights		
	$	$	$	$	$	$	$	$	$	%
Independent Non-Executive Director										
Raymond Gunston (Chairman)	143,418[1]	-	-	143,418	13,625	-	-	-	157,043	-
Lachlan Edwards	95,000	-	-	95,000	9,025	-	-	-	104,025	-
Giselle Collins	93,667[2]	-	-	93,667	8,898	-	-	-	102,565	-
John Russell (Former)	87,764[3]	-	-	87,764	8,338	-	-	-	96,102	-
CEO										
Don Smith	460,806	289,500	-	750,306	21,694	-	-	70,269	842,269	42.7%
CFO										
Blair Strik	365,806	155,000	-	520,806	21,694	-	-	35,180	577,680	32.9%
	1,246,461	**444,500**	**-**	**1,690,961**	**83,274**	**-**		**105,449[4]**	**1,879,684**	

1 Raymond Gunston was appointed Non-Executive Chairman of the Board in November 2020. Prior to becoming Chairman of the Board, Raymond was Chairman of the BARC.
2 Giselle Collins was appointed Chairman of the BARC on 18 November 2020.
3 John Russell retired as Non-Executive Chairman of the Board on 18 November 2020 and as Non-Executive Director on 28 February 2021.
4 The value of options and rights reflects the amounts recognised in the consolidated statement of profit or loss and other comprehensive income at fair value for the year. Refer to the share-based payment accounting policy in note 3.

Remuneration details 1 July 2019 to 30 June 2020

	Short term				Post employment	Leave entitlements	Termination benefits	Share-based payments	Total	Proportion of remuneration performance related
	Salary and Fees	STI cash bonus	Non-monetary benefits	Total	Superannuation benefits			Options and rights		
	$	$	$	$	$	$	$	$	$	%
Independent Non-Executive Director										
John Russell (Chairman)	136,634[1]	–	–	136,634	12,980	–	–	–	149,614	–
Raymond Gunston	95,000	–	–	95,000	9,025	–	–	–	104,025	–
Lachlan Edwards	90,000[2]	–	–	90,000	8,550	–	–	–	98,550	–
Giselle Collins	87,500	–	–	87,500	8,313	–	–	–	95,813	–
Michael Tilley (Former)	57,839[3]	–	–	57,839	5,494	–	–	–	63,333	–
CEO										
Don Smith	437,500	98,000	–	535,500	25,000	–	–	41,665	602,165	23.2%
CFO										
Blair Strik	318,750	48,000	–	366,750	25,000	–	–	37,527	429,277	19.9%
	1,223,223	**146,000**	**-**	**1,369,223**	**94,362**	**-**	**-**	**79,192[4]**	**1,542,777**	

1 John Russell was appointed Non-Executive Chairman of the Board in November 2019. Prior to becoming Chairman of the Board, John was Chairman of the HR & NC.
2 Lachlan Edwards was appointed Chairman of the HR & NC during the year.
3 Michael Tilley retired as Non-Executive Chairman of the Board on 31 October 2019.
4 The value of options and rights reflects the amounts recognised in the consolidated statement of profit or loss and other comprehensive income at fair value for the year. Refer to the share-based payment accounting policy in note 3.

INDEMNIFICATION & INSURANCE OF OFFICERS & AUDITORS

The Constitution of the Company provides that subject to, and to the extent permitted by the Corporations Act 2001 the Company must indemnify or enter into and pay premiums on a contract insuring any current or former Officer of the Company, Non-Executive directors and/or its Related Bodies Corporate against any liability incurred by that person in that capacity, including legal costs.

During the financial year, the HPI Group paid an insurance premium of $479,917 (2020: $528,289) in respect of the Directors and Officers of the Company.

No insurance premiums were paid out of the HPI Group with regards to insurance cover for the auditors of the HPI Group. As long as the Directors and Officers of the Responsible Entity and its Compliance Committee act in accordance with the Constitution and Corporations Act, they remain indemnified out of the assets of the HPI Group against losses incurred while acting on behalf of the HPI Group. The auditors of the HPI Group are in no way indemnified out of the assets of the HPI Group.

NON-AUDIT SERVICES

KPMG was appointed auditor of HPI Group in 2013 and during the 2021 year has performed certain other services in addition to the audit and review of the financial statements, including the audit of the scheme's compliance plan and the Australian Financial Services Licence ("AFSL") held by the Company.

The Company's Board has considered these services provided by the auditor as audit services and in accordance with advice provided by resolution of the BARC, is satisfied that the provision of those services by the auditor is compatible with and did not compromise the auditor independence requirements of the Corporations Act 2001.

Details of the amounts paid or payable to the auditor of the HPI Group, KPMG for all services provided during the year are set out above:

	$
Audit and review of financial statements	169,143
AFSL audit	8,735
Compliance Plan audit	9,028
Total payable to KPMG	**186,906**

LIKELY DEVELOPMENTS

The HPI Group will continue to review the portfolio with a view to increasing distributions, whether by divesting properties and recycling the proceeds into higher returning properties, developing properties, or by acquiring new properties at appropriate prices.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15 and forms part of the Directors' Report for the year ended 30 June 2021.

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE (ESG)

Hotel Property Investments believes that being sustainable is an important part of a company's ability to create value for its stakeholders and is committed to improving the sustainability of its own practices. While our own environmental and social footprint is small, as the owner of a portfolio of buildings with a significant total footprint, we have a duty to maximise the positive impacts and minimize the negative impacts of our business, wherever they occur. While we have always sought to reduce our negative impacts, we have now committed to a broader sustainability program of action, continuous improvement and reporting. HPI is embarking on its sustainability journey in a strategic and disciplined way. We have started by defining relevant mega-trends at a global, national and industry level and key industry investment trends and risk exposures with the potential to impact HPI's business. This will enable us to understand the potential impact of issues such as climate change and the transition to low carbon economy, green buildings, urbanisation, labour rights and potential future pandemics.

We are focusing on understanding our key stakeholders and their needs. A key part of being sustainable is transparent reporting, so we are considering how we will report and which reporting framework, such as the Global Reporting Initiative Standards and Sustainability Accounting Standards Board, are of most use to our investors and other audiences. We have started work on identifying the topics that are most important to our stakeholders and most material to our business's ability to create long term value, some of which cover health and safety, employee retention, tenants and community relationships, and the impacts of climate change including the cost of insurance.

We are exploring how we can make a difference. One of the key features of our business model, that contributes to our resilience and longevity, is the long-term nature of the leases we have with our tenants, many of which were negotiated decades ago. We own buildings that our tenants manage and operate, and our ability to effect change is mainly focused on our future decisions regarding our assets; we have a high degree of control over our own work practices, whereas within existing tenancies our control is more limited.

By understanding the issues that are truly material to our business and to our tenants and other stakeholders we can propose and implement measures that are mutually beneficial and create value for everyone.

We will seek to measure and establish baseline metrics for our most material topics, seek continuous improvement in our sustainability performance, set targets and report transparently on our progress towards achieving them. We believe that as we move forward, we will become a more sustainable and resilient company, and we intend to find ways to leverage our own sustainability in order to mitigate a wider range of risks and impacts across the communities in which our assets are located.

We look forward to sharing our progress with you in future years.

CASE STUDY
LIQUID ROOF INSULATION (THERMOSHIELD)

Over the course of the past 2 years, we have been adding long-life liquid thermal insulation Thermoshield to some of our pub roofs. Thermoshield coating creates a cool rooftop that reduces internal temperatures by up to 45%, lowers energy costs by at least 20% and decreases UV penetration by up to 96%. Thermoshield also prevents surface rust, roof deterioration and early roof replacements.

As a result, we have increased the time until re-painting and reduced the amount of heat inside the tenancies, lowering air conditioning use and power costs, and extending the asset life and value. This represents a direct positive impact on the financial performance of both HPI and our tenants, and reduces our carbon footprint.

ROUNDING OF AMOUNTS

The HPI Group is of a kind referred to in Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest one thousand dollars, in accordance with that Instrument, except where otherwise indicated.

Signed in accordance with a resolution of the Directors of Hotel Property Investments Limited

RAYMOND GUNSTON
CHAIRMAN – MELBOURNE
Dated this 16th day of August 2021

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Hotel Property Investments

I declare that, to the best of my knowledge and belief, in relation to the audit of Hotel Property Investments for the financial 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.

KPMG

Rachel Milum
Partner
Sydney
16 August 2021

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CONSOLIDATED STATEMENT OF PROFIT & LOSS & OTHER COMPREHENSIVE INCOME

		2021	2020
	Note	$'000	$'000
REVENUE			
Rent from investment properties		54,151	49,782
Revenue from outgoings recovered		5,991	4,315
Total revenue		**60,142**	**54,097**
OTHER INCOME			
Fair value adjustment to investment properties	13	51,030	10,245
Finance revenue		1	10
Total other income		**51,031**	**10,255**
Total income from operating activities		**111,173**	**64,352**
OPERATING EXPENSES			
Investment property outgoings and expenses		(9,481)	(7,275)
Other expenses	8	(4,412)	(4,211)
Total expenses from operating activities		**(13,893)**	**(11,486)**
Profit from operating activities		**97,280**	**52,866**
NON-OPERATING EXPENSES			
Finance expenses	9	(12,510)	(11,936)
Total non-operating expenses		**(12,510)**	**(11,936)**
Profit before tax		**84,770**	**40,930**
Tax (expense) / benefit	14	(50)	13
Profit for the year		**84,720**	**40,943**
Other comprehensive income		–	–
Total comprehensive income		**84,720**	**40,943**
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Unitholders of the Trust		84,522	40,909
Securityholders of the Company		198	34
Total comprehensive income attributable to the stapled Securityholders of HPI		**84,720**	**40,943**
Basic earnings per security (cents)	23	50.73	27.33
Diluted earnings per security (cents)	23	50.65	27.30

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		2021	2020
	Note	$'000	$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	539	1,080
Trade and other receivables	11	6,012	2,372
Other current assets	12	1,037	513
Total current assets		**7,588**	**3,965**
Non-Current assets			
Investment property	13	952,508	785,870
Trade and other receivables	11	-	1,471
Plant and equipment		85	107
Right-of-use assets	25	581	133
Deferred tax assets	14	250	186
Total non-current assets		**953,424**	**787,767**
TOTAL ASSETS		**961,012**	**791,732**
LIABILITIES			
Current liabilities			
Trade and other payables	15	6,884	5,526
Employee benefit liabilities	16	152	98
Lease liabilities	25	91	101
Provisions	18	16,905	15,213
Total current liabilities		**24,032**	**20,938**
Non-Current Liabilities			
Loans and borrowings	17	361,297	298,709
Employee benefit liabilities	16	24	11
Lease liabilities	25	495	41
Deferred tax liability	14	151	37
Total non-current liabilities		**361,967**	**298,798**
TOTAL LIABILITIES		**385,999**	**319,736**
NET ASSETS		**575,013**	**471,996**
EQUITY			
Contributed equity	19	349,107	297,178
Retained earnings	20	226,529	175,348
Reserves	21	(623)	(530)
TOTAL EQUITY		**575,013**	**471,996**
TOTAL EQUITY ATTRIBUTABLE TO:			
Unitholders of the Trust		574,874	471,962
Securityholders of the Company		139	34
TOTAL EQUITY		**575,013**	**471,996**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Chancellors Tavern
Sippy Downs QLD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to Unitholders of the Trust (Parent entity)			Attributable to Securityholders of the Company (other stapled entity)				Total
		Contributed Equity	Retained Earnings	Total	Contributed Equity	Retained Earnings	Reserves	Total	Total Equity
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020		**297,178**	**174,784**	**471,962**	*	**564**	**(530)**	**34**	**471,996**
Comprehensive income for the year									
Profit for the year	20	–	84,522	84,522	–	198	–	198	84,720
Total comprehensive income for the year		**-**	**84,522**	**84,522**	**-**	**198**	**-**	**198**	**84,720**
Transactions with owners in their capacity as owners recognised directly in equity									
Issue of ordinary securities	19	46,812	–	46,812	–	–	–	–	46,812
Distribution to stapled Securityholders	24	–	(16,634)	(16,634)	–	–	–	–	(16,634)
Provision for distribution to stapled Securityholders	18	–	(16,905)	(16,905)	–	–	–	–	(16,905)
Distribution reinvestment plan	19	5,117	–	5,117	–	–	–	–	5,117
Share-based payment transactions	21	–	–	–	–	–	105	105	105
Purchase of Treasury securities	21	–	–	–	–	–	(198)	(198)	(198)
Total transactions with owners		**51,929**	**(33,539)**	**18,390**	**-**	**-**	**(93)**	**(93)**	**18,297**
Balance at 30 June 2021		**349,107**	**225,767**	**574,874**	*	**762**	**(623)**	**139**	**575,013**
Balance at 1 July 2019		**262,640**	**164,178**	**426,818**	**-**	**530**	**(441)**	**89**	**426,907**
Total comprehensive income for the year									
Profit for the year	20	–	40,909	40,909	–	34	–	34	40,943
Total comprehensive income for the year		**-**	**40,909**	**40,909**	**-**	**34**	**-**	**34**	**40,943**
Transactions with owners in their capacity as owners recognised directly in equity									
Issue of ordinary securities	19	29,109	–	29,109	–	–	–	–	29,109
Distribution to stapled Securityholders	24	–	(15,090)	(15,090)	–	–	–	–	(15,090)
Provision for distribution to stapled Securityholders	18	–	(15,213)	(15,213)	–	–	–	–	(15,213)
Distribution reinvestment plan	19	5,429	–	5,429	–	–	–	–	5,429
Share-based payment transactions	21	–	–	–	–	–	79	79	79
Purchase of Treasury securities	21	–	–	–	–	–	(168)	(168)	(168)
Total transactions with owners		**34,538**	**(30,303)**	**4,235**	**-**	**-**	**(89)**	**(89)**	**4,146**
Balance at 30 June 2020		**297,178**	**174,784**	**471,962**	*	**564**	**(530)**	**34**	**471,996**

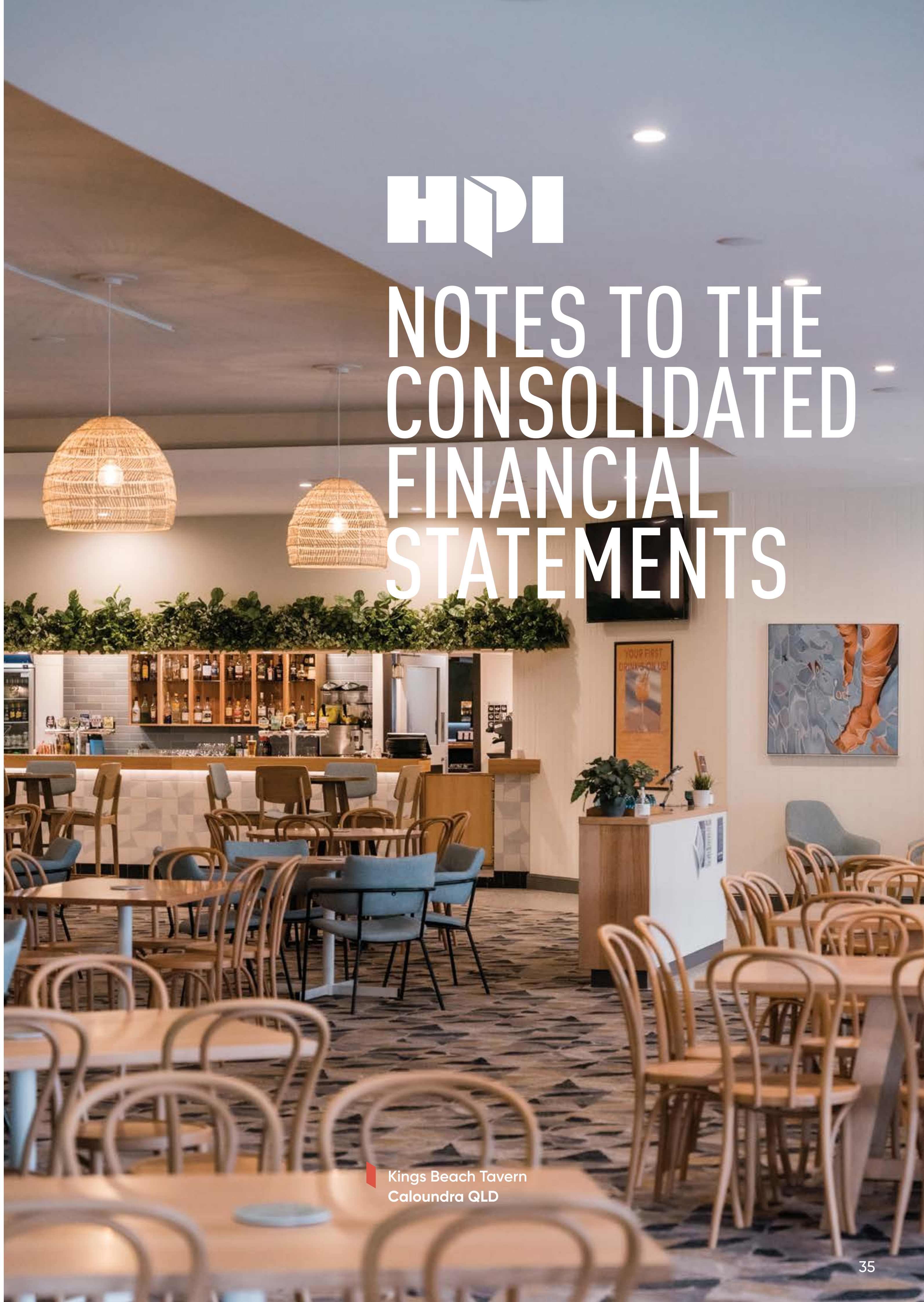
*Less than $1,000.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Rent and outgoings from investment properties		63,177	55,742
Payments to suppliers		(19,701)	(15,718)
Interest income receipts		1	10
Income tax paid		(51)	(18)
Net cash from operating activities	30	**43,426**	**40,016**
Cash flows used in investing activities			
Payment for acquisition of investment properties		(101,999)	(63,122)
Payment for additions to investment properties		(11,172)	(3,668)
Payment for plant and equipment additions		(62)	(5)
Net cash used in investing activities		**(113,233)**	**(66,795)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		103,500	92,338
Repayments of borrowings		(41,400)	(57,025)
Proceeds from capital raising		46,812	29,109
Payment of interest on borrowings		(12,622)	(12,491)
Payment for treasury securities		(198)	(168)
Payment of lease liabilities		(96)	(89)
Payment of distributions		(26,730)	(24,401)
Net cash from financing activities		**69,266**	**27,273**
Net (decrease) / increase in cash held		**(541)**	**494**
Cash and cash equivalents at the beginning of the year		1,080	586
Cash and cash equivalents at the end of the year	10	**539**	**1,080**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



HPI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Kings Beach Tavern
Caloundra QLD

Note 1 REPORTING ENTITY

The consolidated financial report of Hotel Property Investments as at and for the year ended 30 June 2021 comprises Hotel Property Investments Trust (the "Trust"), Hotel Property Investments Limited (the "Company") and their controlled entities (together "the HPI Group"). The Trust is a registered managed investment scheme under the Corporations Act 2001. The Company is a company limited by securities under the Corporations Act 2001. The responsible entity of the Trust is Hotel Property Investments Limited (the "Responsible Entity").

The securities in the Company are stapled to the units in the Hotel Property Investments Trust ("the Trust") and cannot be traded or dealt with separately. The stapled securities were first quoted on the Australian Securities Exchange ("ASX") on 10 December 2013, trading under the Company code HPI.

The Company and its controlled entities and the Trust and its controlled entities are referred to as "the HPI Group".

As a result of the stapling of the Trust and the Company and the public quoting of the HPI Group on the Australian Securities Exchange (ASX) with new stapled Securityholders on 10 December 2013, the Company has been determined to be a disclosing and reporting entity.

The principal activity of the HPI Group is real estate investment in the pub sector in Australia. There has been no significant change in the nature of the principal activity during the year. In accordance with clause 5.1 of the Stapling Deed, the Trust and the Company each agree to provide financial accommodation to all members of the HPI Group.

The Trust is a for profit entity.

Note 2 BASIS OF PREPARATION

a) Compliance statement

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report also complies with the International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following that are measured at fair value:

- investment property, including investment property held for sale at reporting date;
- share-based payment arrangements; and
- trade receivables

The methods used to measure fair values are discussed further within the relevant notes.

The consolidated financial report as at and for the year ended 30 June 2021 was approved by the Directors on 16 August 2021.

c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the HPI Group's functional currency.

The HPI Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d) Use of estimates

In preparing these consolidated financial statements, management has made estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

Estimation uncertainties
Information about estimation uncertainties and assumptions that have a significant risk of resulting in a material adjustment in the year ended 30 June 2021 are described in the following notes:

- Note 4(a) and Note 13 - investment property
- Note 3(l) and Note 29 - financial instruments

e) Working capital

As at 30 June 2021, the HPI Group had an excess of current liabilities over current assets of $16.7 million. Notwithstanding this the financial report has been prepared on a going concern basis as the Directors believe the HPI Group will continue to generate operating cash flows and has sufficient undrawn committed debt facilities to meet current liability obligations, and that the net current deficit does not impact the underlying going concern assumption applied in preparing these financial statements.

Note 3 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

Subsidiaries
Subsidiaries are entities controlled by the Trust or the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Business combinations
Business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the HPI Group. The HPI Group controls an entity when it is exposed to, or has rights to, variable returns through its power over the entity. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase price is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The accounting standards require that an acquirer be identified in a business combination. In a stapling transaction, judgement is applied to determine the acquirer as outlined in Note 6. Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the HPI Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

b) Revenue recognition

Revenue is measured based on the consideration specified in a contract and when the HPI Group transfers control over a product or service to the customer. Revenue recognised but not received at balance date is recognised as a receivable. The following specific recognition criteria must also be met before revenue is recognised.

Rental income
Rental income from operating leases is recognised on a straight-line basis for those leases with fixed annual rent increases. An asset is recognised to represent the portion of operating lease revenue in a reporting year relating to fixed increases in operating lease rentals in future periods. This receivable is considered to be a component of the relevant property investment carrying value.

Outgoings and other revenue
Outgoings recoverable from tenants and other revenue are recognised when the right to receive the revenue has been established.
Changes in the value of investment properties are recognised when differences arise between the fair value of an investment property, as determined by revaluations performed by the Board and independent valuations specialisations, and it's carrying value.

c) Finance income and finance expenses

Finance income comprises interest income on bank deposits. Interest revenue is recognised on an effective interest rate method as it accrues.

Finance expenses comprise interest expense, amortised borrowing costs and write off of deferred borrowing costs and other costs associated with unused debt facilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

d) Tax

Under current Australian income tax legislation, the Trust is not liable to income tax, provided:

- unit holders are presently entitled to all the Trust's income at each year end; and
- the Trust only invests in land primarily for deriving rental income or units that invest in land primarily for the purpose of deriving rental income.

The Company and its wholly owned subsidiaries are liable to corporate income tax, have formed a tax consolidated group and will be subject to tax at the current corporate income tax rate of 26% (2020: 27.5%).

The HPI Rights Plan Trust, a subsidiary of the Company, is subject to income tax at the top marginal tax rate. For the year ending 30 June 2021 this rate is 47% (2020: 47%).

e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included. 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. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

f) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

g) Share-based payment transactions

The initial fair value of a share-based payment is established at grant date. The awards granted to employees are recognised as an expense, with a corresponding increase in the share-based payment reserve over the period during which the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance are expected to be met.

h) Repurchase and reissue of ordinary securities (treasury securities)

When securities recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased securities are classified as treasury securities and are presented in the treasury security reserve. When treasury securities are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transactions is presented within contributed equity.

i) Investment property

Investment property is property held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at fair value, which is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction and reflects market conditions at the reporting date. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

The HPI Group policy is to independently value at least one third of all properties each financial year. A greater number of valuations may be sought if the Board determines that circumstances have arisen that warrant it. The remainder of properties will be valued by the Directors. Where external valuation capitalisation rates have deteriorated, the Directors will apply the average market capitalisation expansion to the market capitalisation rates of the remaining investment properties in determining the Directors' valuations. Where external valuation market capitalisation rates have improved, the Directors will maintain the existing capitalisation rate and use the present net rent in determining the Directors' valuations. The Directors will also take into consideration any property nuances, specific market factors, property location, rent abatements and change in weighted average lease expiry before deciding on the final Directors' valuation.

j) Assets held for sale

Properties that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. These assets are reclassified from investment property to assets held for sale at the fair value as at the previous reporting year. Any subsequent gains or losses on re-measurement are recognised in profit or loss.

k) Plant & equipment

Recognition and measurement
Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within other income in the profit or loss.

Depreciation
Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Furniture and fittings: 5 years
- Computer hardware and software: 5-7 years
- Office equipment: 15 years

l) Financial instruments

Non-derivative financial assets
The HPI Group initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the HPI Group becomes a party to the contractual provisions of the instrument.

The HPI Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained is recognised as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the HPI Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The HPI Group has the following non-derivative financial assets:

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances held at year end that are subject to an insignificant risk of changes in their fair value and are used by the HPI Group in the management of its short-term commitments.

Non-derivative financial liabilities
Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the HPI Group becomes a party to the contractual provisions of the instrument. The HPI Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when the HPI Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The HPI Group's non-derivative financial liabilities are loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Issued units and issued securities
Issued units in the Trust are classified as equity. Incremental costs directly attributable to the issue of units are recognised as a deduction from equity. Issued shares in the Company are classified as equity.

m) Impairment

Non-derivative financial assets
A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due on terms that the HPI Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers and observable date indicating that there was a measurable decrease in the expected cash flows from a group of financial assets. The HPI Group allocates each exposure to credit loss risk based on data that is determined to be predictive of the risk of loss and apply experienced credit judgement. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the HPI Group considers that there were no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss will be reversed through profit or loss.

Non-financial assets
The carrying amounts of the HPI Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

n) Leases

A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items whereas lessors continue to classify leases as finance or operating leases.

The Group depreciates the right-of-use assets on a straight-line basis from the initial adoption date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At initial adoption, the Group measured the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments based on an explicit rate. On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities was 3.8%.

o) Changes to accounting policy

Software-as-a-Service (SaaS) arrangements
The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation costs in a cloud computing arrangement (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group has incurred costs related to SaaS arrangements during the financial year. However, the above agenda decision will not have any significant impact on the Group's financial statements as no software asset has been recognised by HPI Group. Any future costs related to SaaS arrangements will either be a prepaid asset in the Consolidated Statement of Financial Position where the costs are paid in advance of the contract period and/or recognition as an expense in the Consolidated Statement of Profit and Loss over the service period.

p) Standards on issue but not yet effective

The following new and amended standards on issue but not yet effective are not expected to have a significant impact on the Group's consolidated financial statements:

- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16) - beyond 30 June 2021.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Definition of a Business (IFRS3)

Note 4 DETERMINATION OF FAIR VALUES

A number of the HPI Group's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Investment property

Independent valuations of investment properties which the HPI Group intends to hold are obtained from suitably qualified independent valuers as discussed in notes 3 (i) and 13. Where properties have not been independently valued at reporting date, properties will be valued by Directors of the Company by capitalising the assessed net rent at the appropriate market capitalisation rate.

The valuations of individual properties are prepared inclusive of liquor and gaming licences owned by the HPI Group. The fair value of investment properties is based on the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Valuations for properties are determined by reference to the net rent for each property and an applicable market capitalisation rate. Selection of an appropriate market capitalisation rate is based on multiple criteria including risk associated with achieving the net rent cash flows into the future and observed market-based rates for similar properties where they are available.

Alternatively, a components valuation approach is adopted whereby fair value is determined with reference to the value of the gaming authorities, the remaining lease income and the value of the land. Valuations reflect the creditworthiness of the tenant including market perceptions of the tenant's creditworthiness, the responsibility and division of property holding costs between the lessor and the lessee, the remaining economic life of the property and having regard to specific current market conditions at each location. Properties held for sale are valued at the fair value as at the previous reporting period. Any subsequent gains or losses on remeasurement are recognised in profit or loss.

Properties newly acquired are valued using transaction price. The best evidence of the fair value of investment property on initial recognition is normally the transaction price – i.e. the fair value of the consideration given. If the Group determines that the fair value on initial recognition differs from the transaction price then the investment property is measured at fair value with the difference recognised in profit or loss. Subsequently the investment property is revalued using the techniques described above.

b) Share-based payment transactions

The fair value of the share-based payments as at the grant date is determined independently using a Monte Carlo simulation. A Monte Carlo simulation model simulates the path of the security price according to a probability distribution assumption. After a large number of simulations, the arithmetic average of the outcomes, discounted to the valuation date, is calculated to represent the option value. Service and non-market performance conditions attached to the arrangements are not taken into account in measuring fair value.

c) Trade receivables

The fair values of trade receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial i.e. due within 12 months. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

Note 5 FINANCIAL RISK MANAGEMENT

The HPI Group has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market (price) risk
- Capital Management

This note presents information about the HPI Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report. The Company has overall responsibility for the establishment and oversight of the risk management framework.

The Company has established and maintains risk management policies and procedures to identify and analyse the risks faced by the HPI Group, sets appropriate risk limits, and monitors risks and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the HPI Group's activities.

a) Credit risk

Credit risk is the risk of financial loss to the HPI Group if a customer or counterparty to a financial arrangement fails to meet its contractual obligations and arises principally from the HPI Group's receivables from tenants.

Rental and outgoing receivables
The HPI Group's exposure to credit risk is influenced mainly by the individual characteristics of its tenants. The HPI Group has sought to reduce this tenancy risk by establishing leases with reputable tenants of multiple properties. These are considered to be experienced operators in the pub industry with a strong financial position. Approximately 79% of the HPI Group's rental revenue is attributable to one major tenant, QVC. In the event of rental defaults by any of the HPI Group's pub tenants or if a lease comes to an end the liquor and gaming licenses where owned, will revert to the HPI Group which will therefore have a business capable of immediate sale. Should there be any intervening period of time between surrender and sale of the new lease, then the lease can be operated on behalf of the HPI Group by another operator.

b) Liquidity risk

Liquidity risk is the risk that the HPI Group will not be able to meet its financial obligations as they fall due. The HPI Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the HPI Group's reputation. The HPI Group maintains a prudent level of gearing (targeting a 35-45% range) to mitigate liquidity risk associated with refinancing.

c) Market (price) risk

Market risk is the risk that changes in market prices, such as interest rates will affect the HPI Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return within these parameters.

Interest rate risk
Interest rate risk for the HPI Group arises from borrowings on which interest is charged on a variable rate basis. This risk is mitigated by a portion of fixed rate debt. Interest rate risk also exists for interest earned on cash and cash equivalents.

Property valuation risk
The HPI Group owns a number of investment properties and their valuations may increase or decrease from time to time. The HPI Group's loan agreements contain financial covenants which include a Gearing Ratio covenant and a Total Asset covenant. The HPI Group monitors the risk of breach of these covenants by regularly performing sensitivity analysis.

Capital management
The HPI Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The HPI Group monitors the return on equity as well as capitalisation rates on the property portfolio.

The HPI Group considers its borrowings as part of its capital management strategy. The borrowing agreements contain financial covenants within which the HPI Group must always operate, including a Gearing covenant, an Interest Cover Ratio (ICR) covenant and a net assets covenant. The Board monitors compliance with the financial covenants through forward projections to ensure that the HPI Group is unlikely to breach the covenants into the future. The HPI Group complied with the covenants for the year ended 30 June 2021. The HPI Group has targeted a gearing ratio in the range of 35% to 45% in the normal course of business, which has been determined as an appropriate range given the nature of the business. However, gearing may be higher if the HPI Board consider the circumstances warrant a short- term increase and it is prudent to increase gearing. The targeted gearing ratio range is lower than the covenant in the borrowing agreements, which requires the HPI Group to have a Gearing ratio of less than 60%.

The distribution policy of the HPI Group has been established taking into consideration the covenants of the borrowing agreements and may be adapted to maintain gearing within the range of 35-45% in the normal course of business.

Note 6 STAPLING

The stapling of the units of the Trust and the shares of the Company occurred on 10 December 2013 for the purpose of the public quotation of the HPI Group on the ASX. Australian Accounting Standards require an acquirer to be identified in a business combination. In relation to the stapling of the Company and the Trust, the Trust has been identified as the acquirer due to its large relative size to the Company.

In a business combination achieved as a consequence of stapling, the acquirer receives no equity interests in the acquiree. Therefore 100% of the acquiree's equity is attributable to the Securityholders of the Company and is accounted for as non-controlling interests. Also, as a result no goodwill is recognised.

As the Trust has not acquired an equity interest in the Company, no consideration was transferred in connection with the stapling. The Company had no assets at the time of stapling.

Note 7 AUDITOR'S REMUNERATION

	2021	2020
	$	$
KPMG AUSTRALIA		
Audit of financial reports	169,143	164,656
Audit of AFSL	8,735	8,735
Audit of compliance plan	9,028	9,028
	186,906	**182,419**

Note 8 OTHER EXPENSES

	2021	2020
	$'000	$'000
Advisory and legal fees	370	512
Auditor's remuneration	192	182
Directors' fees	420	467
Employment expenses	1,869	1,437
Insurance	578	567
All other expenses	983	1,046
	4,412	**4,211**

Note 9 FINANCE EXPENSES

	2021	2020
	$'000	$'000
Interest expense	11,782	11,444
Borrowing costs expensed	620	408
Other finance costs	108	84
	12,510	**11,936**

Note 10 CASH & CASH EQUIVALENTS

	2021	2020
	$'000	$'000
Cash at bank and on hand	539	1,080
	539	**1,080**

Note 11 TRADE & OTHER RECEIVABLES

	2021	2020
	$'000	$'000
Current trade receivables	6,012	2,372
Less: Allowance for impairment	-	-
Non-current trade receivables	-	1,471
Less: Allowance for impairment	-	-
Net trade receivables	6,012	3,843
	6,012	**3,843**

The balance of trade receivables includes the $5.7 million in deferred rental payments owed by Queensland Venue Company ("QVC"). In accordance with the agreement made with QVC repayments of the deferred rent commenced in February 2021 and have continued since year end.

Note 12 OTHER CURRENT ASSETS

	2021	2020
	$'000	$'000
Other current assets	1,037	404
	1,037	**404**

Other current assets held at 30 June 2021 is comprised primarily of prepaid insurance

Note 13 INVESTMENT PROPERTY

All investment properties are freehold and 100% owned by the Company as appointed sub-custodian of the HPI Trust, except for the Crown Hotel, Quest Griffith, Jubilee Tavern, Mango Hill Centre, Acacia Ridge Hotel, Surf Air Tavern, Capella Hotel, Commonwealth Hotel, White Bull Tavern, Commercial Hotel and Grand Hotel which are owned by wholly owned subsidiaries of the HPI Trust. Investment properties are comprised of land, buildings, fixed improvements and liquor and gaming licenses. Plant and equipment are held by the tenant.

RECONCILIATION OF MOVEMENTS	2021	2020
	$'000	$'000
Investment property	952,508	785,870
Carrying amount at the beginning of the year	785,870	708,500
Acquisition of investment properties	103,076	63,122
Capital additions on investment properties	11,796	3,738
Straight line lease adjustment	736	265
Fair value adjustments	51,030	10,245
Carrying amount at the end of the year	**952,508**	**785,870**

Leasing arrangements
The investment properties are each leased to their respective tenants inclusive of any liquor and gaming licenses attached to these properties under long-term operating leases with rentals payable monthly. The HPI Group has incurred no material lease incentive costs to date.

Valuation of investment properties
Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

The valuations of individual properties are prepared inclusive of liquor and gaming licenses owned by the HPI Group. The fair value of investment properties is based on the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Valuations for properties are determined by reference to the net rent for each property, and an applicable capitalisation rate. Selection of an appropriate capitalisation rate is based on multiple criteria, including risk associated with achieving the net rent cash flows into the future and observed market based capitalisation rates for similar properties in the same location, condition, and subject to similar lease terms, where they are available.

Alternatively, a components valuation approach is adopted whereby fair value is determined with reference to the value of the gaming authorities, the remaining lease income and the value of the land. Valuations reflect the creditworthiness of the tenant including market perceptions of the tenant's creditworthiness, the responsibility and division of property costs between the lessor and the lessee,

ACQUISITION OF 9 PUBS DURING THE YEAR

Palm Cove Tavern
Palm Cove QLD

the remaining economic life of the property and having regard to specific current market conditions at each location. Properties held for sale are valued at the fair value as at the previous reporting period. Any subsequent gains or losses on remeasurement are recognised in profit or loss

Fair value adjustments at 30 June 2021
Independent valuations were obtained for 31 investment properties during the year ended 30 June 2021. These valuations were completed by CBRE Hotels Valuation, Colliers International & Advisory Services and Cushman & Wakefield Valuations Pty Ltd.

The remaining 23 investment properties within the portfolio were valued by the Directors of the Company in accordance with the HPI Group policy.

	2021	2020
Market capitalisation rate range at last independent valuation	5.25% - 9.00%	5.50% - 7.50%

Fair value hierarchy
The fair value measurement for investment property of $952.5 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The table above shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

VALUATION TECHNIQUE AND SIGNIFICANT UNOBSERVABLE INPUTS

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key observable inputs and fair value measurement
Capitalisation of rent allowing for the following adjustments:		**The estimated fair value would increase / (decrease) if:**
	Net rent	Net rent was higher / (lower)
	Capitalisation rates	Capitalisation rates were lower / (higher)
• Additional land	Additional land	Additional land was higher / (lower) in value
• Capital allowance	Capital allowances	Capital allowance was smaller / (larger)
• Other property specific factors including rent abatements	Other property specific factors	

ASSETS OWNED AS AT 30 JUNE 2021

			30 June 2021		30 June 2020	
Property	Location	Note	Cap'n rate[1]	Fair value $'000	Cap'n rate[1]	Fair value $'000
Acacia Ridge Tavern	Acacia Ridge, QLD	4	5.50%	20,000	5.50%	20,000
Barron River Hotel	Stratford QLD	4	6.75%	4,000	6.75%	4,100
Beenleigh Tavern	Eagleby QLD	4	6.25%	12,400	6.25%	12,000
Berserker Tavern	Rockhampton QLD	4	6.75%	10,600	6.75%	10,600
Bonny View Tavern	Bald Hills QLD	3	6.00%	8,900	6.25%	7,520
Boomerang Motor Hotel	West Mackay QLD	2	7.00%	4,700	7.00%	4,900
Bribie Island Hotel	Bellara QLD	2	6.50%	18,200	6.50%	18,200
Brighton Hotel	Brighton QLD	4	6.00%	14,800	6.00%	14,700
Brighton Metro Hotel	Brighton SA	4	5.75%	15,800	5.75%	15,700
Caboolture Sundowner Hotel Motel	Caboolture QLD	4	6.00%	14,360	6.00%	13,570
Capella Hotel	Capella QLD	9	8.50%	3,340	n/a	n/a
Chancellors Tavern	Sippy Downs QLD	2	6.00%	15,720	6.00%	15,380
Cleveland Sands Hotel	Cleveland QLD	4	5.75%	34,800	5.75%	33,300
Cleveland Tavern	Cleveland QLD	4	6.00%	17,650	6.00%	17,670
Club Hotel	Gladstone QLD	4	7.00%	4,000	7.00%	4,200
Commercial Hotel	Clermont QLD	9	9.00%	3,056	n/a	n/a
Commonwealth Hotel	Roma QLD	9	7.60%	9,786	n/a	n/a
Coomera Lodge Hotel	Oxenford QLD	2	6.00%	4,520	6.00%	4,520
Crown Hotel	Lutwyche QLD	2	6.00%	41,990	6.00%	42,290
Diamonds Tavern	Kallangur QLD	4	6.00%	11,600	6.00%	11,850
Dunwoodys Tavern	Cairns QLD	4	5.75%	26,200	5.75%	26,200
Everton Park Hotel	Everton Park QLD	4	5.75%	30,900	5.75%	30,100
Ferry Road Tavern	Southport QLD	2	5.75%	32,800	5.75%	33,000
Fitzys Loganholme	Loganholme QLD	3	5.50%	30,000	5.75%	27,200
Fitzys Waterford	Waterford QLD	4	5.50%	22,200	5.50%	21,700
Grafton Hotel	Edmonton QLD	4	6.50%	4,400	6.50%	4,400
Grand Hotel	Clermont QLD	9	9.00%	2,780	n/a	n/a
Grand Junction Hotel	Pennington SA	4	6.00%	11,600	6.00%	11,600
Gregory Hills Hotel	Gregory Hills NSW	3	5.50%	40,000	5.50%	40,000

			30 June 2021		30 June 2020	
Property	Location	Note	Cap'n rate[1]	Fair value $'000	Cap'n rate[1]	Fair value $'000
Hotel HQ	Underwood QLD	4	5.75%	28,760	5.75%	28,220
Jubilee Tavern	Airlie Beach	5	7.50%	9,300	n/a	n/a
Kings Beach Tavern	Caloundra QLD	4	6.00%	20,900	6.00%	18,500
Kooyong Motor Hotel	North Mackay QLD	4	7.50%	8,520	7.50%	7,970
Leichhardt Hotel	Rockhampton QLD	2	6.50%	12,800	7.00%	9,700
Lord Stanley Hotel	East Brisbane QLD	2	5.50%	14,000	6.00%	13,000
Magnums Tavern	Airlie Beach QLD	3	5.75%	29,600	6.50%	25,300
Mango Hill Centre	Mango Hill QLD	6	5.60%	32,050	n/a	n/a
Mi Hi Tavern	Brassal QLD	3	5.50%	23,600	5.50%	23,100
New Inala Hotel	Inala QLD	2	5.25%	17,000	6.00%	14,400
Palm Cove Tavern	Palm Cove QLD	3	5.50%	11,000	6.50%	8,900
Royal Hotel	West End QLD	4	6.00%	11,100	7.00%	3,600
Royal Mail Hotel	Tewantin QLD	4	7.50%	17,400	6.50%	21,200
Summerhill Hotel	Reservoir VIC	4	7.00%	3,830	n/a	n/a
Surfair Hotel	Marcoola QLD	3	6.00%	23,900	n/a	n/a
Quest Griffith	Griffith NSW	7	6.90%	22,700	7.50%	16,900
Q Sports Bar	Cairns QLD	8	7.00%	10,450	6.00%	10,400
The Hotel Allen	Northward QLD	3	7.00%	12,700	7.00%	11,000
The Regatta	Toowong QLD	3	5.75%	51,000	5.75%	49,300
The Wallaby Hotel	Mudgeeraba QLD	2	5.50%	15,800	6.00%	12,380
Tom's Tavern	Aitkenvale QLD	2	6.25%	23,900	6.50%	21,900
Trinity Beach Tavern	Trinity Beach QLD	3	6.25%	20,690	6.50%	19,100
Waterloo Staion Tavern	Paralowie SA	3	5.75%	24,800	6.50%	21,100
White Bull Tavern	Roma QLD	9	7.60%	3,246	n/a	n/a
Woodpecker Tavern	Burpengary QLD	4	6.00%	5,600	6.00%	5,200
Total Investment Property			**5.92%**	**952,508**	**6.06%**	**785,870**

1 Capitalisation rate at last independent valuation
2 Independent valuations obtained as at 30 June 2021
3 Independent valuations obtained as at 31 December 2020
4 Independent valuations obtained as at 31 December 2019
5 Acquired on 1 December 2020
6 Acquired on 3 December 2020
7 Acquired on 1 February 2021
8 Acquired on 30 April 2021
9 Acquired in June 2021

Trinity Beach Tavern
Trinity Beach QLD

9 ACQUIRED PROPERTIES FOR $96.0m[1] WITH A PASSING YIELD OF 6.9%

1 Excluding costs

Note 14 TAXES

	2021	2020
	$'000	$'000
TAX EXPENSE		
a) Tax expense recognized in profit or loss		
Current tax expense	–	52
Deferred tax expense / (benefit)	50	(65)
Tax expense/(benefit) attributable to profit from continuing operations	**50**	**(13)**
b) Numerical reconciliation between tax expense & pre-tax accounting profit		
Profit before tax	**46,941**	**40,930**
Income tax expense calculated at 26% and 47%	14,189	13,225
Trust income not subject to tax	(14,082)	(13,186)
Effect of permanent differences	(65)	(59)
Under provision in prior years	6	7
Tax expense/(benefit) on profit before tax	**50**	**(13)**

c) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Plant & equipment	14	16	–	–	14	16
Accrued expenses	35	101	–	–	35	101
Employee liabilities	46	31	–	–	46	31
Leases	151	38	151	37	–	1
Recognition of tax losses	4	–	–	–	4	–
	250	**186**	**151**	**37**	**99**	**149**

d) Movements in deferred tax balances during the year

	2021	2020
	$'000	$'000
Balance at the beginning of the year	149	84
Recognised in profit or loss	(50)	65
	99	**149**
Balance represented as follows:		
Deferred tax asset	250	186
Deferred tax liability	(151)	(37)
	99	**149**

Note 15 TRADE & OTHER PAYABLES

	2021	2020
	$'000	$'000
CURRENT		
Trade payables	12	–
Accrued interest	2,759	2,770
Other payables	4,113	2,756
	6,884	**5,526**

Note 16 EMPLOYEE BENEFIT LIABILITIES

	2021	2020
	$'000	$'000
Annual leave provision	122	75
Long service leave provision	54	37
	176	**112**
Represented as follows:		
Current liabilities	152	101
Non-current liabilities	24	11
	176	**112**

Note 17 LOANS & BORROWINGS

	2021 $'000	2020 $'000
NON-CURRENT		
USPP Notes	228,980	228,937
Loans	132,317	69,772
	361,297	**298,709**

	2021 $'000	2020 $'000
U.S.PRIVATE PLACEMENT ("USPP") NOTES		
USPP - drawn	230,000	230,000
Borrowing costs capitalised	(1,556)	(1,556)
Accumulated amortisation of borrowing costs	536	493
	228,980	**228,937**

The USPP issue comprises three tranches of unsecured, Australian Dollar denominated notes:

- A$100 million fixed interest loan with an 8-year tenor, maturing in August 2025;
- A$30 million fixed interest loan with a 10-year tenor, maturing in August 2027; and
- A$100 million floating interest loan with a 10-year tenor, maturing in August 2027.

Refer to Note 35 for subsequent events disclosures regarding changes to the debt structure of HPI Group since 30 June 2021.

Chancellors Tavern
Sippy Downs QLD

	2021 $'000	2020 $'000
LOANS - COMMON TERMS DEED ("CTD")		
CTD - drawn	133,628	71,528
Borrowing costs capitalised	(2,538)	(2,536)
Accumulated amortisation of borrowing costs	1,014	567
Accumulated borrowing costs expensed	213	213
	132,317	**69,772**

There are two bank loan facilities, each bilaterally provided under the Common Terms Deed ("CTD") and totalling $173 million as at 30 June 2021. Of these facilities, $73 million expires on 1 July 2022 and $100 million expires on 24 December 2024.

Refer to Note 35 for subsequent events disclosures regarding changes to the debt structure of HPI Group since 30 June 2021.

Facility limits
The available facilities and the amounts drawn are summarised below:

2021	USPP $'000	CTD $'000	Guarantee $'000	Total $'000
Facility limit	230,000	173,000	5,100	408,100
Drawn	(230,000)	(133,628)	(4,578)	(368,206)
Available	-	**39,372**	**522**	**39,894**

2020	USPP $'000	CTD $'000	Guarantee $'000	Total $'000
Facility limit	230,000	173,000	5,078	408,078
Drawn	(230,000)	(71,528)	(4,578)	(306,106)
Available	-	**101,472**	**500**	**101,972**

Note 18 PROVISIONS

	2021 $'000	2020 $'000
PROVISION FOR DISTRIBUTION		
Balance at the beginning of the year	15,213	14,740
Provisions made during the year	33,539	30,303
Provisions used during the year	(31,847)	(29,830)
Balance at the end of the year	**16,905**	**15,213**

Distribution
The provision for distribution relates to distributions to be paid to stapled Securityholders on 3 September 2021. This distribution will be funded via drawdown on the CTD loan facility.

Note 19 CONTRIBUTED EQUITY

	No. of securities	Price per security $	$'000
On issue at 30 June 2020 – fully paid	157,046,556		297,178
Units issued under the DRP on 4 September 2020	709,180	2.8764	2,042
Units issued under capital raising	13,157,895	3.0400	40,000
Units issued under security purchase plan	2,631,628	3.0400	8,000
Transaction costs			(1,188)
Units issued under the DRP on 4 March 2021	1,006,125	3.0567	3,075
On issue at 30 June 2021 – fully paid	**174,551,384**		**349,107**
On issue at 30 June 2019 – fully paid	146,105,439		262,640
Units issued under the DRP on 6 September 2019	610,514	3.4284	2,095
Units issued under capital raising	9,287,926	3.2300	30,000
Transaction costs			(891)
Units issued under the DRP on 4 March 2020	1,042,677	3.1967	3,334
On issue at 30 June 2020 – fully paid	**157,046,556**		**297,178**

Stapled securities
The units in the Trust are stapled to the securities in the Company and are referred to as "stapled securities". The stapled securities entitle the holder to participate in distributions and dividends and the proceeds on winding up of the HPI Group in proportion to the number of stapled securities held. On a show of hands every stapled Securityholder present at a meeting in person or by proxy, is entitled to one vote.

A unit confers on its holder an undivided absolute, vested and indefeasible beneficial interest in the Trust as a whole, subject to Trust liabilities, not in parts or single assets. All units confer identical interests and rights. Each member registered at the record date has a vested and indefeasible interest in a security of the distribution in proportion to the number of units held by them. All issued units are fully paid.

Treasury securities
Contributed equity reflects the number of stapled securities on market at balance date, exclusive of the effect of treasury securities held. (Refer to note 22)

Distribution reinvestment plan (DRP)
The HPI Group has a Distribution Reinvestment Plan (DRP) whereby Securityholders are free to choose the proportion of their distribution entitlements satisfied by the issue of new units rather than cash.

Note 20 RETAINED EARNINGS

	2021 $'000	2020 $'000
Balance at the beginning of the year	175,348	164,708
Profit for the year	84,720	40,943
Distribution to stapled Securityholders	(16,634)	(15,090)
Provision for distribution to stapled Securityholders	(16,905)	(15,213)
Balance at the end of the year	**226,529**	**175,348**


Cleveland Sands Hotel
Cleveland Sands QLD

Note 21 RESERVES

	Treasury security reserve	Share based payment reserve	Total
	$'000	$'000	$'000
Opening balance at 1 July 2020	(658)	128	(530)
Purchase of treasury securities	–	105	105
Recognition of share-based payment expense	(198)	–	(198)
Closing balance at 30 June 2021	**(856)**	**233**	**(623)**
Opening balance at 1 July 2019	(490)	49	(441)
Purchase of treasury securities	(168)	–	(168)
Recognition of share-based payment expense	–	79	79
Closing balance at 30 June 2020	**(658)**	**128**	**(530)**

Treasury security reserve
The Treasury security reserve comprises the cost of the HPI Group's securities which were purchased on-market and are held by the HPI Rights Plan Trust. At 30 June 2021, the HPI Group held 278,069 securities (30 June 2020: 213,866).

Share based payment reserve
The share-based payments reserve comprises amounts recognised under the long-term incentive plan for executive employees and is the portion of the fair value of the total cost recognised in profit and loss of the unissued securities, which remain conditional on employment with the HPI Group at the relevant vesting date and certain market-based performance hurdles being obtained.

Cleveland Sands Hotel
Cleveland Sands QLD

Note 22 NET ASSETS PER STAPLED SECURITY

	2021	2020
Number of stapled securities on issue as at the end of the year	174,551,384	157,046,556
Less treasury securities	(278,069)	(213,866)
Adjusted number of stapled securities on issue as at the end of the year	174,273,315	156,832,690
Net assets at balance date	$575,013,209	$471,995,573
Net assets per stapled security	**$3.30**	**$3.01**

Note 23 EARNINGS PER SECURITY & STAPLED SECURITY

EARNINGS PER STAPLED SECURITY	2021	2020
PROFIT FOR THE YEAR ATTRIBUTABLE TO STAPLED SECURITYHOLDERS	**$84,720,000**	**$40,943,000**
Weighted average number of stapled securities		
On issue at the beginning of the period	157,046,556	146,105,439
Add: Distribution reinvestment securities	908,156	835,532
Add: Capital raising securities	7,894,737	3,053,565
Add: Security purchase plan	1,413,148	-
Less: Effect of treasury securities held*	(256,961)	(196,792)
Weighted average number of stapled securities	**167,005,636**	**149,797,744**
Basic earnings per stapled security – cents	50.73	27.33
Diluted earnings per stapled security - cents	50.65	27.30

EARNINGS PER SECURITY	2021	2020
Profit for the year attributable to the Unitholders of the Trust	$84,522,000	$40,909,000
Basic earnings per security of the Trust – cents	50.61	27.31
Diluted earnings per security of the Trust - cents	50.53	27.27

* The effect of treasury securities held is the weighted average of 256,961 (2020: 196,792) securities held from date of acquisition to the end of the year.

Note 24 DISTRIBUTIONS

Number of stapled securities on issue as at the end of the year

2021	Total distribution $'000	No. of stapled securities	Distribution per stapled securities (cents)
1 July 2020 to 31 December 2020	16,634	173,267,190	9.6
1 January 2021 to 30 June 2021	16,905	174,273,315	9.7
	33,539		**19.3**

2020	Total distribution $'000	No. of stapled securities	Distribution per stapled securities (cents)
1 July 2019 to 31 December 2019	15,090	146,502,087	10.3
1 January 2020 to 30 June 2020	15,213	156,832,690	9.7
	30,303		**20.0**

Distributions are shown exclusive of expected distributions payable on treasury securities

Note 25 LEASES

The HPI Group leases out its investment properties under operating leases to tenants who do not receive the risks and rewards of ownership (refer to note 13). The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

LEASES AS LESSOR	30 June 2021	30 June 2020
	$'000	$'000
Less than one year	59,352	50,823
One to two years	59,202	52,233
Two to three years	60,094	52,127
Three to four years	59,316	53,266
Four to five years	57,191	79,336
More than five years	458,174	413,287
	753,329	**701,072**

The Company leases its head office space and printing equipment which are classified as finance leases under AASB 16. Information about lease payments for which the Responsible Entity is a lessee is presented below.

LEASES AS LESSEE	Property	Equipment	Total
	$'000	$'000	$'000
Right of use asset			
Balance as at 1 July 2020	130	3	133
Additions	532	13	545
Depreciation charge for the year	(94)	(3)	(97)
Balance at 30 June 2021	**568**	**13**	**581**
Balance at 1 July 2019	221	7	228
Depreciation charge for the year	(91)	(4)	(95)
Balance at 30 June 2020	**130**	**3**	**133**

2021 – LEASE LIABILITIES	Future minimum lease payments	Interest	PV of minimum lease payments
	$'000	$'000	$'000
Less than one year	108	(17)	91
Between one and five years	478	(34)	444
More than five years	52	(1)	51
	638	**(52)**	**586**
2020			
Less than one year	101	(4)	97
Between one and five years	42	–	42
	143	**4**	**139**

Payments made under finance leases reduce the right of use liability by the difference between the interest cost which is recognised in profit or loss and the total amount of payment.

Note 26 GROUP ENTITIES

Subsidiaries	Country of incorporation	Ownership interest
The C.H. Trust	Australia	100%
HPI Hold Trust No. 1	Australia	100%
HPI Retail Fund No. 1	Australia	100%
HPI Vic Sub Trust No. 1	Australia	100%
HPI NSW Sub Trust No.1	Australia	100%
HPI Acacia Ridge Trust	Australia	100%
HPI ABH Trust	Australia	100%
Hotel Property Investments Limited	Australia	100%[1]
C.H. Properties Pty Ltd	Australia	100%[1]
HPI LTIP Pty Ltd	Australia	100%[1]
HPI Holdings No.1 Pty Ltd	Australia	100% [1]
HPI Retail Fund No. 1 Pty Ltd	Australia	100% [1]
HPI Sub Fund No. 1 Pty Ltd	Australia	100% [1]
HPI Acacia Ridge Pty Ltd	Australia	100%[1]
HPI ABH Pty Ltd	Australia	100%[1]
HPI Rights Plan Trust	Australia	[2]

1 Hotel Property Investments Limited is not a subsidiary of the Trust, Hotel Property Investments Limited is stapled to the Trust. C.H. Properties Pty Ltd, HPI Holdings No. 1 Pty Ltd, HPI Retail Fund No. 1 Pty Ltd, HPI Sub Fund No. 1 Pty Ltd, HPIL LTIP Pty Ltd, HPI Acacia Ridge Pty Ltd and HPI ABH Pty Ltd are 100% subsidiaries of Hotel Property Investments Ltd.

2 The HPI Rights Plan Trust is deemed to be controlled by the HPI Group and is therefore classified as a subsidiary for financial reporting purposes.

Note 27 PARENT ENTITY

As at and throughout the financial year ended 30 June 2021 the parent entity of the HPI Group was the Trust.

	2021	2020
	$'000	$'000
Results of the parent entity		
Profit for the year	85,802	36,772
Other comprehensive income	-	-
Total comprehensive income	**85,802**	**36,772**
Financial position of the parent entity at year end		
Current assets	129,664	48,114
Total assets	927,564	758,264
Current liabilities	22,273	20,249
Total liabilities	384,120	318,958
Net assets	**543,444**	**439,306**
Total equity of the parent entity comprising of:		
Contributed equity	349,107	297,178
Retained earnings	194,337	142,128
Total equity	**543,444**	**439,306**

The parent's contingent assets and commitments are the same as those of the HPI Group as disclosed in notes 31 and 33. The parent's contingent liabilities comprise of a bank guarantee, as disclosed in note 32.

Note 28 RELATED PARTIES

Key management personnel
The key management personnel of the HPI Group during the year were: the Non-Executive directors of the Company, the Chief Executive Officer & Managing Director and the Chief Financial Officer & Company Secretary.

Key management personnel compensation
Key management personnel compensation during the year comprised the following:

	2021	2020
	$	$
Short-term employee benefits	1,690,961	1,369,223
Post-employment benefits	83,274	94,362
Share-based payment expense	105,449	79,192
	1,879,684	**1,542,777**

Post-employment benefits relate to defined contribution superannuation benefits.
No other related party transactions were entered during the year.

Trinity Beach Tavern
Trinity Beach QLD

Note 29 FINANCIAL INSTRUMENTS

Accounting classifications and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount		
2021		Financial assets at amortised cost	Other financial liabilities	Total
	Note	$'000	$'000	$'000
Financial assets not measured at fair value				
Trade and other receivables	11	6,012	-	6,012
Cash and cash equivalents	10	539	-	539
		6,551	**-**	**6,551**
Financial liabilities not measured at fair value				
Loans and borrowings	17		(361,297)	(361,297)
Trade and other payables	15	-	(6,884)	(6,884)
		-	**(368,181)**	**(368,181)**

		Carrying amount		
2020		Financial assets at amortised cost	Other financial liabilities	Total
	Note	$'000	$'000	$'000
Financial assets not measured at fair value				
Trade and other receivables	11	3,843	-	3,843
Cash and cash equivalents	10	1,080	-	1,080
		4,923	**-**	**4,923**
Financial liabilities not measured at fair value				
Loans and borrowings	17	-	(298,709)	(298,709)
Trade and other payables	15	-	(5,526)	(5,526)
		-	**(304,235)**	**(304,235)**

Credit risk

Exposure to credit risk

The carrying amount of the HPI Group's financial assets represents the maximum credit risk exposure. The HPI Group's maximum exposure to credit risk at the reporting date was:

	2021	2020
	$'000	$'000
Cash and cash equivalents	539	1,080
Trade receivables	6,012	3,843
	6,551	4,923

There was no credit risk exposure to regions other than Australia.

Concentrations of credit risk

The HPI Group's maximum exposure to credit risk for aged trade receivables as at the reporting date by type of customer was as follows:

		Gross	Impairment	Gross	Impairment
		2021	2021	2020	2020
		$'000	$'000	$'000	$'000
Hotel tenants	Not past due	5,945	-	3,739	-
	Past due 0 – 30 days	42	-	6	-
	Past due 31 – 120 days	-	-	67	-
		5,987	-	3,812	-
Specialty tenants	Not past due	8	-	14	-
	Past due 0 – 30 days	12	-	7	-
	Past due 31 – 120 days	5	-	10	-
		25	-	31	-
		6,012	-	3,843	-

On 1 May 2020, the HPI Group reached a commercial agreement with Queensland Venue Company ("QVC"), to defer part of the rent for the period April 2020 to September 2020 totalling approximately $7.1 million excluding GST. The deferred rent will be payable in full to the HPI Group between February 2021 and June 2022. During the year ended 30 June 2021 QVC have made payments to reduce the deferred rental amounts owed to the HPI Group. As at 30 June 2021 $5.7 million excluding GST of deferred rent was still outstanding.

Impairment losses

The HPI Group believes that the unimpaired amounts that are past due by more than 30 days are still collectable, based on historical payment behaviour. The HPI Group therefore believes that no impairment allowance is necessary in respect of trade receivables past due.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
2021	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Loans and borrowings	363,628	463,908	9,983	79,276	11,053	228,095	135,501
Trade and other payables	6,884	6,884	6,662	-	222	-	-
Provision for distribution	16,905	16,905	16,905	-	-	-	-
	387,417	487,697	33,550	79,276	11,275	228,095	135,501

2020	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Loans and borrowings	301,528	370,969	5,910	5,856	11,070	104,741	243,393
Trade and other payables	5,526	5,526	5,526	-	-	-	-
Provision for distribution	15,213	15,213	15,213	-	-	-	-
	322,267	391,708	26,649	5,856	11,010	104,741	243,393

Market risk

Interest rate risk

Interest rate profile of the HPI Group's interest-bearing financial instruments:

	2021	2020
	$'000	$'000
Variable rate instruments		
Financial assets	539	1,080
Financial liabilities	(233,628)	(171,528)
	(233,089)	(170,448)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant

2021	Carrying amount	+ 100 bps of AUD IR Profit/(Loss)	+ 100 bps of AUD IR Equity	- 100 bps of AUD IR Profit/(Loss)	- 100 bps of AUD IR Equity
	$'000	$'000	$'000	$'000	$'000
Cash at bank	539	5	-	(5)	-
Loans and borrowings	(233,628)	(2,336)	-	2,336	-
	(233,089)	(2,331)	-	2,331	-

2020	Carrying amount	+ 100 bps of AUD IR Profit/(Loss)	+ 100 bps of AUD IR Equity	- 100 bps of AUD IR Profit/(Loss)	- 100 bps of AUD IR Equity
	$'000	$'000	$'000	$'000	$'000
Cash at bank	1,080	11	-	(11)	-
Loans and borrowings	(171,528)	(1,715)	-	1,715	-
	(170,448)	(1,704)	-	1,704	-

Fair values

The fair values of variable-rate financial assets and liabilities approximate their carrying values.

Chancellors Tavern
Sippy Downs QLD

Note 30 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2021	2020
	$'000	$'000
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES WITH PROFIT ATTRIBUTABLE TO THE STAPLED SECURITYHOLDERS		
Profit for the year	84,720	40,943
ADJUSTED FOR NON-CASH ITEMS:		
Fair value adjustment to investment property	(51,030)	(10,245)
Straight lining of rental income	(736)	(265)
Amortisation of borrowing costs	620	408
Depreciation expense	84	80
Depreciation of right-of-use asset	95	96
Share-based payments expense	105	79
Tax (benefit)/expense	50	(13)
INVESTING ACTIVITIES:		
Interest paid	12,510	11,936
CHANGE IN OPERATING ASSETS AND LIABILITIES:		
Increase in trade and other receivables	(2,170)	(3,474)
Increase in other current assets	(524)	(109)
(Decrease) / Increase in trade and other payables	(362)	563
Increase in provisions	64	17
Net cash from operating activities	**43,426**	**40,016**

Note 31 CONTINGENT ASSETS

The HPI Group is not aware of any contingent assets as at 30 June 2021 which may materially affect the operation of the business (2020: nil).

Note 32 CONTINGENT LIABILITIES

The HPI Group has issued a bank guarantee as security over the office premises for $78,304 (2020: $78,304).

The parent has issued bank guarantees totalling $5 million to the Company in its capacity of Responsible Entity (2020: $4.5 million).

The HPI Group is not aware of any other contingent liabilities at 30 June 2021 which may materially affect the operation of the business (2020: nil).

Note 33 COMMITMENTS

The HPI Group committed to a $30 million capital expenditure program across the portfolio over a two-year period which commenced in February 2020. As at 30 June 2021, $17.6 million of the commitment remains.

Other than the commitment noted above, the HPI Group is not aware of any commitments at 30 June 2021 which may materially affect the operation of the business.

Note 34 SEGMENT INFORMATION

The HPI Group operates wholly within Australia and derives rental income, as a freehold hotel owner and lessor.

Revenues from QVC represented approximately $47.4 million (2020: $47.9 million) of the HPI Group's total revenues.

Note 35 SUBSEQUENT EVENTS

On 4 June 2021, the HPI Group priced A$80 million long-term debt via the U.S. Private Placement ("USPP") market. This USPP issue comprises two tranches of unsecured, Australian Dollar denominated notes:

- A$40 million fixed with a 7 year tenor, maturing in August 2028; and
- A$40 million fixed with a 12 year tenor, maturing in August 2033.

The USPP Note Purchase Agreement was executed on 10 August 2021 with the proceeds used to repay loans outstanding under the existing Common Terms Deed (CTD) facilities.

Coinciding with the USPP raising, HPI replaced a $73.0 million unsecured facility under the CTD with a $20.0 million unsecured three year facility which is available for activation by the HPI Group until December 2021.

Immediately following these changes to the Group's financing arrangements:

- HPI Group's debt facilities (excluding the guarantee facility) total $430 million, comprising $310 million sourced from the USPP and $120 million under the CTD;
- $210 million of these facilities is on fixed interest terms; and
- the HPI Group's weighted average term to expiry for its loans and borrowings has increased from 3.9 years to 5.7 years as at August 2021

DIRECTORS' DECLARATION

In the opinion of the Directors of Hotel Property Investments Limited, as Responsible Entity for the Hotel Property Investments Trust:

1 The consolidated financial statements and notes, set out on pages 16 to 43, are in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the Hotel Property Investments Group financial position as at 30 June 2021 and of its performance for the twelve months ended on that date; and

b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

2 There are reasonable grounds to believe that the Hotel Property Investments Trust will be able to pay its debts as and when they become due and payable.

The Directors draw attention to note 2 to the consolidated financial statements, which includes the statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors of Hotel Property Investments Limited

RAYMOND GUNSTON
CHAIRMAN – MELBOURNE
Dated this 16th of August 2021

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Independent Auditor's Report

To the stapled security holders of Hotel Property Investments

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Hotel Property Investments (the Stapled Group Financial Report).

In our opinion, the accompanying Stapled Group Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Stapled Group's*** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** of the Stapled Group comprises:

- Consolidated Statement of financial position as at 30 June 2021;
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Directors' Declaration.

The ***Stapled Group*** consists of Hotel Property Investments Trust and the entities it controlled at the year-end or from time to time during the financial year and Hotel Property Investments Limited and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Stapled Group, Hotel Property Investments Trust and Hotel Property Investments Limited (the Responsible Entity) in accordance with 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

The ***Key Audit Matters*** we identified for the Stapled Group are:

- Valuation of investment properties
- Recognition of rental income

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties ($952.5m)

Refer to Notes 4 and 13 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The valuation of investment properties was a key audit matter as it made up 99.1% of the Stapled Group's total assets as at 30 June 2021, and its determination was subject to significant judgement by us in assessing the key assumptions included in the valuations. The Stapled Group's policy is to have fair value of the investment properties assessed by the Directors, based on a combination of valuations prepared by external and internal experts using the income capitalisation approach (capitalisation of rent technique). Complying with their internal valuation policy, 22 (out of 54) investment properties (excluding 9 acquired) were independently valued by external valuers during the year ended 30 June 2021. These 22 properties made up $492.7 million of total investment properties of $952.5 million as at 30 June 2021. We focused on the key assumptions used in the Stapled Group's income capitalisation approach. Capitalised income projections are based upon a property's estimated net market income, and application of a capitalisation rate in accordance with Stapled Group policy, which are comparable to external sources. The contractual rent income of certain properties of the Stapled Group is subject to rent reviews which reference the average five-year historical Consumer Price Index (CPI). Unique attributes of each property such as location and building conditions have implications on property values. We involved valuation specialists to supplement our senior audit team members in assessing	Our procedures included: • Checking the valuation methodology adopted, in particular the relevant capitalisation rate, for consistency with the Stapled Group's valuation policy, accounting standards and industry practice; • Assessing the assumptions used by the Directors for the computation of the fair value of the investment properties with reference to the valuation reports completed by the Stapled Group's external experts; • Obtaining the Stapled Group's final signed external valuations conducted during the financial year and evaluating the valuation methodologies and key assumptions used by the Stapled Group's external valuers for consistency with market practice and the accounting standards. • Assessing the scope, competence and objectivity of the external valuers engaged by the Stapled Group; • Checking the assumptions in a sample of internal and external valuations by: o comparing the respective capitalisation rates applied to publicly available data such as industry reports or external valuations of other properties with similar attributes; and o checking net rent, by comparing to tenancy agreements and assessing the expected changes to the contractual lease payments against publicly available Consumer Price Index (CPI);

this key audit matter.	• Assessing the ability of the Stapled Group's tenants to pay rents due, by reference to publicly available trading evidence, current business restrictions by location and any securitisation and guarantees in place; • Re-performing a sample of valuations using the capitalised income projections method by applying forecast rental income (obtained from the rental agreements, and any applicable side agreements that have effect into the forecast period) and capitalisation rate (based on comparable properties and in consultation with our valuation specialists), and assessing for consistency with the Stapled Group's internally prepared valuations; • Assessing capitalisation rates applied in Directors' internal valuations against comparable properties subjected to external valuations and comparable market transactions, including those acquisitions made by the Stapled Group, throughout the financial year ended 30 June 2021; • Assessing events after 30 June 2021 in accordance with the accounting standards for adjusting events impacting the Stapled Group's valuation of investment properties; and • Considering the Stapled Group's disclosures in the financial report in relation to the use of estimates and judgements regarding the fair value of investment properties, valuation policies adopted and fair value disclosures for compliance with *Australian Accounting Standards*.

Recognition of rental income ($54.3m)

Refer to Note 3(b) to the Financial Report

The key audit matter	How the matter was addressed in our audit
The recognition of rental income was a key audit matter as it represents a significant portion of total income, which is distributed to stapled security holders and necessitates significant audit effort given the high volume of rental agreements. Additionally, the Stapled Group entered into new rental agreements with existing tenants, significantly increasing our audit effort. The Stapled Group's policy is to recognise rental income on a straight-line basis over the life of the rental agreement for leases where the rental income under the lease terms is fixed and measurable. For leases where the rent is determined with reference to current market information or inflationary measures e.g. the Consumer Price Index, the revenue is not straight-lined and is recognised in accordance with the rental agreement applicable for the accounting period.	Our procedures included: • Assessing the appropriateness of Stapled Group's policy for recognition of rental income against the requirements of the accounting standards; • Checking a sample of monthly rental invoices to the original signed lease contracts and cash receipts; • Developing an expectation of rental income to compare to actual rental income recognised by the Stapled Group. We did this by adjusting last year's audited rental income for any disposals or acquisitions of investment properties and applying the weighted average annual increase in rental income for the year, as stipulated in tenancy agreements and referenced to published CPI; • For a sample of new, cancelled or variations to leases, we checked the lease terms to the Stapled Group's straight line schedule used to recognise revenue on a straight line basis; • Performing a recalculation of the straight line adjustment to rental income by using the fixed revenue over the lease term from the new or amended lease terms from the signed lease contract and comparing this to the Stapled Group's straight line schedule; and • Assessed the recoverability for a sample of rent receivables (including deferred amounts) by reference to publicly available trading evidence for a sample of key tenants, understanding impacts of current business restrictions on trading activities by location and considering any third party guarantees in place.

Other Information

Other Information is financial and non-financial information in Hotel Property Investment's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control 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; and
- assessing the Stapled Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of

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accounting unless they either intend to liquidate the Stapled Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our Auditor's Report.

Report on the Remuneration Report

The information below is a reproduction of our opinion on the Remuneration Report of Hotel Property Investments Limited (the Company), as the Responsible Entity of Hotel Property Investments Trust.

Opinion

In our opinion, the Remuneration Report of Hotel Property Investments Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of Hotel Property Investments Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 17 to 25 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

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Rachel Milum

Rachel Milum
Partner
Sydney
16 August 2021

SECURITYHOLDER INFORMATION

Substantial Securityholders

The number of stapled securities held by the HPI Group's substantial Securityholders as at 13 July 2021 is as follows:

	Name	Securities held
1	Alceon Group	20,482,000
2	Yarra Capital Mgt	10,911,900
3	Vanguard Investments Australia	10,762,536

20 Largest Securityholders

	As at 13 July 2021	Number of Stapled	Percentage of Total Stapled
	Name	Securities held	Securities
1	Alceon Group	20,482,000	11.7%
2	Yarra Capital Mgt	10,911,900	6.3%
3	Vanguard Investments Australia	10,762,536	6.2%
4	Resolution Capital	6,089,129	3.5%
5	Vanguard Group	5,569,315	3.2%
6	Perennial Value Mgt	4,608,115	2.6%
7	BlackRock Investment Mgt (Australia) - Index	3,491,912	2.0%
8	Dimensional Fund Advisors	3,186,967	1.8%
9	APN Funds Mgt	2,702,075	1.5%
10	DWS Investments	2,414,819	1.4%
11	Phoenix Portfolios	2,306,774	1.3%
12	Vinva Investment Mgt	2,302,470	1.3%
13	Norges Bank Investment Mgt	2,301,658	1.3%
14	Construction and Building Industry Super - Cbus	2,274,414	1.3%
15	First Sentier Investors - Australian Small Companies	2,268,558	1.3%
16	Mr Ian D Allen	2,000,000	1.1%
17	Morgan Stanley	1,914,470	1.1%
18	Private Clients of HUB 24 Custodial Services	1,907,682	1.1%
19	First Sentier Investors - Australian Emerging Companies	1,647,705	0.9%
20	Realindex Investments	1,476,483	0.8%
Total		**90,618,982**	**51.9%**

Distribution of Securityholders

As at 13 July 2021

Range	Securities	%	No. of holders	%
100,001 and over	117,862,677	67.52	44	0.49
10,001 to 100,000	34,937,942	20.02	1,558	17.33
5,001 to 10,000	11,241,718	6.44	1,500	16.68
1,001 to 5,000	9,395,781	5.38	3,466	38.55
1 to 1,000	1,113,266	0.64	2,424	26.96
Total	**174,551,384**	**100.00**	**8,992**	**100.00**

As at 13 July 2021, there were 174,551,384 fully paid stapled securities held by 8,992 individual Securityholders. The number of security investors holding less than a marketable parcel of 153 securities is 348 and collectively they hold 7,138 securities.

Kings Beach Tavern
Caloundra QLD

CHEERS TO CONTINUED PARTNERSHIPS & GROWTH OPPORTUNITIES

HPI's historic 1874 Regatta Hotel Toowong QLD
Illustration by Kenneth Jack

HOTEL
PROPERTY
INVESTMENTS

CORPORATE DIRECTORY

Hotel Property Investments
Hotel Property Investments Limited ABN 25 010 330 515
Hotel Property Investments Trust ARSN 166484377

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Company Secretary
Blair Strik
Hotel Property Investments Limited