

2007 Macgrove Project

Financial Statements

For the Half Year Ended 31 December 2022

2007 Macgrove Project

ARSN 119 560 235

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2007 Macgrove Project

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Corporate Directory

Registered Office	Level 2, 2 King Street DEAKIN ACT 2600
Responsible Entity	Rural Funds Management Limited ABN 65 077 492 838 AFSL 226 701 Level 2, 2 King Street DEAKIN ACT 2600 Ph: 1800 026 665
Directors	Guy Paynter David Bryant Michael Carroll Julian Widdup Andrea Lemmon
Company Secretary	Emma Spear
Custodian	Australian Executor Trustees Limited ABN 84 007 869 794 Level 4, 7 Macquarie Place SYDNEY NSW 2000
Auditors	PricewaterhouseCoopers One International Towers Sydney Watermans Quay BARANGAROO NSW 2000

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Directors' Report

31 December 2022

The Directors of Rural Funds Management Limited (RFM), the Responsible Entity of 2007 Macgrove Project (M07 or the Project) present their report on the Project for the half year ended 31 December 2022.

Directors

The following persons held office as Directors of the Responsible Entity during the half year and up to the date of this report:

Guy Paynter	Non-Executive Chairman
David Bryant	Managing Director
Michael Carroll	Non-Executive Director
Julian Widdup	Non-Executive Director
Andrea Lemmon	Non-Executive Director

Principal activities and significant changes in nature of activities

The principal activity of the Project during the half year was the commercial growing, harvesting, and marketing of macadamia nuts to be sold for processing and consumption in Australia and internationally.

M07 was established in 2007 to provide Growers with an opportunity to invest and participate in the business of growing and selling macadamias for the duration of the license period, being from 2007 to 2028.

RFM is the Responsible Entity of the Project, with RFM Macadamias Pty Limited being the operational manager. Growers are entitled to receive net cash flows arising under the Project, being cash received from macadamia nut sales less the Project costs. When the Project costs exceed cash receipts, the Growers are required to fund the shortfall. When the cash receipts exceed costs, the surplus is distributed to Growers.

As the Project manages the cash flows associated with the above and does not operate a business, M07 does not have net assets. The respective rights and obligations under the management agreement rest with the Growers.

Each Macgrove operated represents an area of 0.4041 hectares. As at 31 December 2022, the Project had 118 Growers (30 June 2022: 119 Growers) with a total of 579 Macgroves (30 June 2022: 579 Macgroves) representing 234 hectares (30 June 2022: 234 hectares). The operating results discussed in the financial statements include the results attributable to the Growers in the Project.

Operating results

The cash deficit attributable to Growers for the half year ended 31 December 2022 amounted to \$3,160,726 (31 December 2021: 2,059,745 deficit).

Macadamia nuts are harvested and delivered for processing during the period February to September each year. This results in the production year being split across two financial years. The following is a table of the production of macadamia Nut in Shell (NIS) for the 2021 and 2022 production years:

	Half year ended 31 December 2022	Year ended 30 June 2022	Year ended 30 June 2021	Total	Total per Macgrove
Production Year	NIS Kilograms	NIS Kilograms	NIS Kilograms	NIS Kilograms	NIS Kilograms
2021	-	120,254	662,560	782,814	1,352
2022	198,073	739,910	-	937,983	1,620

The 2022 production year harvest commenced in March 2022. The 2022 production year was the highest yield achieved for the Project despite above average rainfall resulting in some crop loss.

In relation to the harvest for the 2022 production year, a total of 937,983kg of NIS (2021: 782,814kg) at 10% moisture content, was delivered to Marquis Macadamias Limited (Marquis), the processor of M07 nuts. The average price paid for the 2022 production year was \$2.73/kg (2021: \$5.85/kg).

Financial position

At 31 December 2022, the Project held assets with a total value of \$8,124,975 (30 June 2022: \$8,905,157) on behalf of Growers.

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Directors' Report

31 December 2022

Distributions and performance

During the half year, the Project invoiced growers to ensure adequate funding for the Project through to October 2023. The invoice comprised an operating loss for FY22 of \$909,549 or \$1,571 per Macgrove (31 December 2021 profit: \$1,148,336 or \$1,983 per Macgrove) and a credit for prepaid operating expenses of \$955,350 or \$1,650 per Macgrove (31 December 2021: \$285,000 or \$500 per Macgrove). \$2,229,150 or \$3,850 per Macgrove was invoiced as a prepayment of FY23 operating costs resulting in an invoice of \$2,183,349 or \$3,771 per Macgrove.

The details of the invoice are shown below:

	Sub-total	GST	Total
	\$/Macgrove	\$/Macgrove	\$/Macgrove
	\$	\$	\$
Income			
Proceeds received in FY22 – 2021 Crop	5,275.64	GST Free	5,275.64
Proceeds received in FY22 – 2022 Crop	1,712.46	GST Free	1,712.46
Other income	44.58	4.46	49.04
Expenses			
Operating expenses	(5,922.26)	(609.34)	(6,531.60)
Rental	(939.86)	(93.98)	(1,033.84)
Farm management fees	(474.89)	(47.49)	(522.38)
Responsible Entity costs	(472.93)	(47.29)	(520.22)
FY22 operating result	(777.26)	(793.64)	(1,570.90)
Credit for prepaid operating expenses (FY22)	1,500.00	150.00	1,650.00
Partial prepaid operating expenses (FY23)	(2,491.51)	(249.15)	(2,740.66)
Rental (FY23)	(1,008.49)	(100.85)	(1,109.34)
Total invoice per Macgrove	(2,777.26)	(993.64)	(3,770.90)

Interests in the Project

At the date of this report no associates or Directors of the Responsible Entity hold a direct interest in the Project.

	31 December	30 June
	2022	2022
Number of Macgroves in the Project (including the Responsible Entity)	579	579
Number of Macgroves in the Project held by the Responsible Entity	79	79

Significant changes in state of affairs

There has been a deterioration in the macadamia market during the period with Marquis Macadamia's suspending 2022 crop payments in December 2022 until a final 2022 notional price is determined. At 31 December 2022, the notional NIS price received for the 2022 crop was \$2.44/kg. The final 2022 notional crop price of \$2.45/kg was confirmed on 6 March 2023 by Marquis. The 2021 notional price was \$5.10/kg, and the average price for the prior 7 years was \$5.53/kg.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Project during the half year.

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Directors' Report

31 December 2022

Matters subsequent to the end of the half year

Growers were invoiced during the half year with the 2022 Grower invoice due on 25 January 2023. Growers with unpaid invoices as at 21 March 2023 will be defaulting Growers and will have their Licences to Occupy and Farm Management Agreement terminated. RFM will seek to sell all defaulting Growers' Interests in M07, being their Macgroves via a tender process to recover the outstanding fees. Rural Funds Group, as the landlord, will participate in the tender by bidding the minimum purchase price for all defaulting Growers' Macgroves.

On 6 March 2023 Marquis Macadamias advised the final 2022 notional crop price to be \$2.45/kg NIS with the final payment expected to be paid on 30 March 2023. This reflects an average price paid of \$2.74/kg NIS for the Project. The 2023 notional crop price is yet to be determined by the Processor. If the Project's operating costs exceed cash receipts from harvest proceeds, Growers will be required to contribute to a potential shortfall.

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

Likely developments and expected results of operations

Maximising Grower returns by developing crop yield potential and improving efficiency in operations is the main focus for the Project.

Environmental regulation

The operations of the Project are not subject to any or significant environmental regulations under Commonwealth, State, or Territory law.

There have been no known breaches of any other environmental requirements applicable to the Project.

Indemnity of Responsible Entity and Custodian

In accordance with the Constitution, 2007 Macgrove Project indemnifies the Directors, Company Secretary and all other officers of the Responsible Entity and Custodian when acting in those capacities, against costs and expenses incurred in defending certain proceedings.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2022 has been received and is included on page 5 of the financial report.

The Directors' report is signed in accordance with a resolution of the Board of Directors of Rural Funds Management Limited.



David Bryant
Director

10 March 2023



Auditor's Independence Declaration

As lead auditor for the review of 2007 Macgrove Project for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Rod Dring', with a stylized, cursive script.

Rod Dring
Partner
PricewaterhouseCoopers

Sydney
10 March 2023

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Statement of Comprehensive Income

For the half year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
Revenue	5	(605,862)	703,787
Freight subsidy		6,935	3,608
Interest received		4,891	-
Other income		5,942	3,608
Industry levy		(16,937)	(10,669)
Agribusiness operations		(1,617,398)	(1,739,713)
Farm management fees		(121,000)	(170,797)
Overheads		(138,390)	(144,238)
Property lease expenses		(22,817)	(15,434)
Finance costs		(157,435)	(153,071)
Depreciation		(498,655)	(536,826)
Cash deficit attributable to Growers		3,160,726	2,059,745
Net profit for the half year		-	-
Other comprehensive income:			
Other comprehensive income		-	-
Total comprehensive income attributable to Growers		-	-

The accompanying notes form part of these financial statements.

2007 Macgrove Project

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Statement of Financial Position

As at 31 December 2022

		31 December 2022	30 June 2022
	Note	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		465,014	109,451
Trade and other receivables	6	1,478,193	2,173,442
Total current assets		1,943,207	2,282,893
Non-current assets			
Right of use assets - leases	9	6,181,768	6,622,264
Total non-current assets		6,181,768	6,622,264
Total assets		8,124,975	8,905,157
LIABILITIES			
Current liabilities			
Trade payables	7	511,041	23,543
Other payables	8	1,184,195	2,161,570
Lease liabilities	9	1,776,043	1,217,850
Total current liabilities		3,471,279	3,402,963
Non-current liabilities			
Lease liabilities	9	4,653,696	5,502,194
Total non-current liabilities		4,653,696	5,502,194
Total liabilities (excluding net assets attributable to Growers)		8,124,975	8,905,157
Net assets attributable to Growers		-	-
Total liabilities		8,124,975	8,905,157

The accompanying notes form part of these financial statements.

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Statement of Changes in Net Assets Attributable to Growers

For the half year ended 31 December 2022

	31 December 2022
	\$
Balance at 1 July 2022	-
Net profit for the half year	-
Total comprehensive income	-
Change in net assets attributable to Growers	-
Balance at 31 December 2022	-

	31 December 2021
	\$
Balance at 1 July 2021	-
Net profit for the half year	-
Total comprehensive income	-
Change in net assets attributable to Growers	-
Balance at 31 December 2021	-

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the half year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		1,537,939	2,722,607
Freight subsidy		6,935	3,608
Other income		5,942	3,608
Payments to suppliers		(1,399,402)	(2,163,614)
Interest received		4,891	-
Finance costs - leases	9	(157,435)	(153,071)
Net cash inflow/(outflow) from operating activities		(1,130)	413,138
Cash flows from financing activities			
Contributions from Growers		719,950	955,350
Distributions paid		(14,792)	(1,031,905)
Repayment of lease liabilities	9	(348,465)	(856,183)
Net cash inflow/(outflow) from financing activities		356,693	(932,738)
Net increase/(decrease) in cash and cash equivalents held		355,563	(519,600)
Cash and cash equivalents at the beginning of the period		109,451	1,190,521
Cash and cash equivalents at the end of the period		465,014	670,921

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

31 December 2022

1 General information

These financial statements cover the 2007 Macgrove Project (M07 or the Project) as an individual entity. The Project is a registered managed investment scheme constituted in 2007. The Responsible Entity of the Project, Rural Funds Management Limited (RFM), is incorporated and domiciled in Australia. The registered office of the Responsible Entity is Level 2, 2 King Street, Deakin, ACT 2600.

The financial statements were authorised for issue by the Directors of the Responsible Entity on 10 March 2023. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

The Project does not operate a business in its own right. The Project acts as a conduit for the receipt of income from the sale of macadamias produce, and the distribution of the same to Grower investors. It also acts as a conduit for the receipt of monies from Growers and where applicable the distribution of those monies in accordance with the Project's constituent documents. Growers are responsible for all operating costs, license, and management fees, including an interest component to fund the operation. Any profits made under the Project are profits made by the Growers.

As the Project manages the cash flows associated with the above and does not operate a business, the Project does not have net assets.

Obligations of the Responsible Entity

The Responsible Entity, RFM, has obligations to operate the Project and perform functions conferred on it by the relevant Project constitution.

Other obligations to members of the Project

In addition to its responsibilities as the Responsible Entity, RFM has entered into individual contractual arrangements with members of the Project under which RFM is obliged to incur various expenses and provide various services. The members either have paid or will make payments to RFM to perform these obligations. The costs incurred by RFM in discharging its contractual obligations with members are specific financial obligations of RFM and are reimbursable to RFM from the members. They can be recoverable from the member's proceeds of sale and are not financial obligations of the Project.

Notwithstanding this, members of the Project should understand that in addition to RFM meeting its obligations to the Project under the Managed Investment Scheme constitutions, RFM also needs to meet its contractual obligations to members for services pursuant to the individual agreements entered into with individual members of the Project. These obligations include incurring maintenance expenditure for the duration of the Project.

2 Summary of significant accounting policies

Basis of preparation

The accounting policies that have been adopted in respect of the financial report are those of Rural Funds Management as Responsible Entity of the Project. The accounting policies adopted for the half year ended 31 December 2022 are consistent with prior reporting periods unless otherwise stated. The financial statements are based on historical cost.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001* and the Project's Constitution. The report has been prepared on a going concern basis.

The financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This general purpose financial report for the half year ended 31 December 2022 has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

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Notes to the Financial Statements

31 December 2022

2 Summary of significant accounting policies (continued)

Basis of preparation (continued)

The half year financial report does not include all notes of the type normally included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Project as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022, and any public announcements made by the Project during the period.

Growers are entitled to receive net cash flows arising under the Project, being cash received from macadamia nuts sales less the Project costs. When the Project costs exceed cash receipts, the Growers are required to fund the shortfall. When the cash receipts exceed costs, the surplus is distributed to Growers. The Statement of Comprehensive Income matches the harvest proceeds of nuts delivered during the period, and the costs incurred during the period, offset by the net cash flows relating to the Growers' future distributions.

3 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Management has identified the following critical accounting policies for which significant judgements, estimates or assumptions are made.

Revenue recognition

The Responsible Entity has determined to recognise revenue from the sale of the crop at the Notional Consignment Value (NCV) advised by the purchaser, Marquis Macadamias Limited. The NCV may be adjusted for variations in moisture content, kernel recovery and other Nut in Shell (NIS) specifications. Additionally, the terms and conditions of the NIS purchase agreements states that payments will be based upon a Notional Price only and all prices are therefore subject to change at the discretion of the processors' Board of Directors.

At the end of each reporting period, the Project updates the NCV to represent the most recent Notional Price at the end of the reporting period and the changes in the NCV during the reporting period.

As at 31 December 2022, 2022 crop payments were suspended until a final price could be determined by the processor. The Responsible Entity has adopted an updated Notional Price of \$2.44/kg as it is the price paid to date. The change in NCV for the prior period has been reported as a reduction of revenue in the current reporting period.

4 Working capital

The working capital deficiency is a result of lower 2022 crop price. As the Project does not operate a business in its own right, if the operating costs exceed cash receipts from harvest proceeds, Growers are required to contribute to a potential shortfall. Growers with unpaid invoices as at 21 March 2023 will be defaulting Growers and will have their Licences to Occupy and Farm Management Agreement terminated. RFM will seek to sell all defaulting Growers' Interests in M07, being their Macgroves via a tender process to recover the outstanding fees. Rural Funds Group, as the landlord, will participate in the tender by bidding the minimum purchase price for all defaulting Growers' Macgroves. Based on the forecast cash flows, the Project believes it can pay all its debts as and when they fall due for at least a minimum period of 12 months from the date of the accounts.

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Notes to the Financial Statements

31 December 2022

5 Revenue

	31 December 2022	31 December 2021
	\$	\$
2022 crop harvested in FY23	533,149	703,787
2022 crop harvested in FY22 – change in variable consideration	(1,139,011)	-
Total	(605,862)	703,787

During the period, the 2022 crop Notional Price advised by the purchaser, Marquis Macadamias Limited, has been revised from \$3.80/kg to \$2.44/kg based on the Notional Price that has been paid to date. \$1,139,011 has been recognised as a reduction in revenue due to the price changes.

6 Trade and other receivables

	31 December 2022	30 June 2022
	\$	\$
Trade receivables	-	2,173,442
Other receivables	1,478,193	-
Total	1,478,193	2,173,442

Other receivables relates to the growers contributions not yet received as at 31 December 2022. There is no expected credit loss recognised as any unpaid invoices will be included as part of the tender process.

7 Trade payables

	31 December 2022	30 June 2022
	\$	\$
Trade payables	14,646	-
Accruals	496,395	23,543
Total	511,041	23,543

8 Other payables

	31 December 2022	30 June 2022
Provision for distribution	\$	\$
Opening balance	2,161,570	3,368,343
Contribution from Growers	2,229,150	955,350
Distributions declared	(45,800)	(1,031,905)
Cash deficit attributable to Growers	(3,160,726)	(1,130,218)
Total	1,184,195	2,161,570

Contribution from Growers relates to the invoice of the prepayment of operating expenses and rental during the period.

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Notes to the Financial Statements

31 December 2022

9 Lease

The Project leases farmland, equipment and vehicles. Assets and liabilities arising from the leases are initially measured on a present value basis.

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	31 December 2022	30 June 2022
	\$	\$
Right-of-use assets		
Properties	4,034,223	4,422,117
Equipment	2,147,545	2,200,147
Total right-of-use assets	6,181,768	6,622,264
Lease liabilities		
Current	1,776,043	1,217,850
Non-current	4,653,696	5,502,194
Total lease liabilities	6,429,739	6,720,044

(b) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	31 December 2022	31 December 2021
	\$	\$
Depreciation charge of right-of-use assets		
Properties	(366,748)	(343,952)
Equipment	(131,907)	(192,874)
Total depreciation on lease	(498,655)	(536,826)
Interest expense (include in finance costs)	(157,435)	(153,071)
Expense relating to lease of low-value assets that are not show above as short-term leases (included in cost of agricultural produce sold and rental and property expenses)	(8,171)	(15,434)
Expense relating to variable lease payments not included in lease liabilities (included in rental and property expenses)	(14,646)	-

The total cash outflow for leases during the half year ended 31 December 2022 year was \$505,900 (31 December 2021: \$1,009,254).

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31 December 2022

10 Related party transactions

Responsible Entity (Rural Funds Management Limited) and related entities

Transactions between the Project and the Responsible Entity and its associated entities are shown below:

	31 December 2022	31 December 2021
	\$	\$
Farm management fee paid to RFM Macadamias	121,000	170,797
Expenses reimbursed to RFM Macadamias	1,617,397	1,739,712
Expenses reimbursed to Responsible Entity	138,390	144,238
Rental expense from Rural Funds Trust	796,732	718,947
Rental expense from RF Active	307,734	305,742
Total amount paid to RFM and related entities	2,981,253	3,079,436

Creditors

	31 December 2022	30 June 2022
	\$	\$
Rural Funds Trust	14,646	-
Total	14,646	-

Lease liabilities

	31 December 2022	30 June 2022
	\$	\$
Rural Funds Trust	4,806,472	4,915,478
RF Active	1,623,267	1,804,566
Total	6,429,739	6,720,044

11 After balance date events

Growers were invoiced during the half year with the 2022 Grower invoice due on 25 January 2023. Growers with unpaid invoices as at 21 March 2023 will be defaulting Growers and will have their Licences to Occupy and Farm Management Agreement terminated. RFM will seek to sell all defaulting Growers' Interests in M07, being their Macgroves via a tender process to recover the outstanding fees. Rural Funds Group, as the landlord, will participate in the tender by bidding the minimum purchase price for all defaulting Growers' Macgroves.

On 6 March 2023 Marquis Macadamias advised the final 2022 notional crop price to be \$2.45/kg NIS with the final payment expected to be paid on 30 March 2023. This reflects an average price paid of \$2.74/kg NIS for the Project. The 2023 notional crop price is yet to be determined by the Processor. If the Project's operating costs exceed cash receipts from harvest proceeds, Growers will be required to contribute to a potential shortfall.

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

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Directors' Declaration

31 December 2022

In the Directors of the Responsible Entity's opinion:

- 1 The financial statements and notes of 2007 Macgrove Project set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Project's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- 2 There are reasonable grounds to believe that the Project will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of the Directors of Rural Funds Management Limited.



David Bryant
Director

10 March 2023



Independent auditor's review report to the Growers of 2007 Macgrove Project

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of 2007 Macgrove Project (the Registered Scheme) which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in net assets attributable to growers and statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of 2007 Macgrove Project does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Registered Scheme's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Registered Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors of the Responsible Entity for the half-year financial report

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors of the Responsible Entity determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Registered Scheme's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A stylized, handwritten signature in black ink, appearing to read 'Rod Dring'.

Rod Dring
Partner

Sydney
10 March 2023

Responsible Entity

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