

**HENLEY BROOK SYNDICATE
ARSN 114 592 040**

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

**HENLEY BROOK SYNDICATE
ARSN 114 592 040**

DIRECTORS' REPORT

The Directors of Primary Securities Ltd (ABN 96 089 812 635), the Responsible Entity of Henley Brook Syndicate ("the Syndicate"), present their report for the half-year ended 31 December 2023.

Directors

The names of the Directors in office at any time during or since the end of the half-year are:

Robert Garton Smith
Natasha Olsen
Toni Smith

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

The registered office of the Responsible Entity is 3 Shuffrey Street, Fremantle, WA 6160.

Review of Operations

The Syndicate made an after-tax net profit of \$355,947 from continuing operations for the half-year ended 31 December 2023 (31 December 2022: \$245,818).

As at 31 December 2023 the Syndicate had sold 516 lots and settled 501 lots.

All of the lots in Stages 12 and 15 have been contracted. At 31 December 2023, there were 2 lots available in Stage 14. Settlements of 13 lots are expected to occur through to the end of June 2024.

The syndicate has only one remaining stage to be developed being stage 13. There are 33 lots in all to be constructed and sold.

A contract for the stage has been let with works commencing in mid-January. Titles are expected in June/July 2024.

Presales have commenced for stage 13 and we are pleased to report strong demand for the lots. This is despite the lots not been identifiable as the works have just commenced.

The demand for housing is very strong in WA. To that extent we have recently increased prices for our lots.

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DIRECTORS' REPORT

Principal Activity

The Syndicate is a registered managed investment scheme domiciled in Australia.

The Syndicate commenced on 22 December 2005 after the acquisition of Lots 349 and 350 Park Road, Henley Brook, Western Australia.

The Property is being progressively subdivided into residential lots and a commercial lot with the final sales expected over the next one to two years.

The Syndicate has no employees.

There have been no significant changes in the nature of the Syndicate's activities during the financial reporting period.

Likely Developments

The Syndicate will continue to run and subdivide the Property into a total of approximately 562 residential lots to be progressively completed and sold over the next one to two years. At the date of this report, the project has developed 529 lots. A further 33 lots are being developed.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the *Corporations Act 2001* is included on page 12.

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity, Primary Securities Ltd:



Robert Garton Smith

Director

Dated this 12th day of March 2024

Fremantle, Western Australia

HENLEY BROOK SYNDICATE
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	December 2023	December 2022
	\$	\$
<i>Revenue and other income</i>		
Property development sale	7,675,232	3,773,717
Interest income	75,111	27,967
Other income	325	-
	7,750,668	3,801,684
<i>Expenses</i>		
Administration expenses	(66,848)	(64,975)
Management fees	(460,624)	(246,417)
Agents commission	(251,126)	(123,344)
Cost of property development sold	(6,497,474)	(3,039,190)
	(7,276,072)	(3,473,926)
<i>Profit before income tax</i>	474,596	327,758
Income tax expense	(118,649)	(81,940)
	355,947	245,818
Total comprehensive income attributable to unit holders	355,947	245,818

The accompanying notes form part of these financial statements.

**HENLEY BROOK SYNDICATE
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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	December 2023 \$	June 2023 \$
Current Assets			
Cash and cash equivalents		5,317,634	2,029,210
Trade and other receivables		2,590	6,020
Inventories	2	<u>1,845,165</u>	<u>5,053,264</u>
Total Current Assets		<u>7,165,389</u>	<u>7,088,494</u>
Non-Current Assets			
Inventories	2	4,683,881	6,532,267
Property, plant and equipment		<u>34,133</u>	<u>34,133</u>
Total Non-Current Assets		<u>4,718,014</u>	<u>6,566,400</u>
Total Assets		<u>11,883,403</u>	<u>13,654,894</u>
Current Liabilities			
Trade and other payables		62,748	108,835
Current tax liability		<u>835,077</u>	<u>716,428</u>
Total Current Liabilities		<u>897,825</u>	<u>825,263</u>
Non-Current Liabilities			
Deferred tax liabilities		<u>1,012,336</u>	<u>1,012,336</u>
Total Non-Current Liabilities		<u>1,012,336</u>	<u>1,012,336</u>
Total Liabilities		<u>1,910,161</u>	<u>1,837,599</u>
Net Assets		<u>9,973,242</u>	<u>11,817,295</u>
Equity			
Unitholders equity		<u>9,973,242</u>	<u>11,817,295</u>
Net Assets Attributable to Unit Holders		<u>9,973,242</u>	<u>11,817,295</u>

The accompanying notes form part of these financial statements.

**HENLEY BROOK SYNDICATE
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**STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNIT HOLDERS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	December 2023	December 2022
	\$	\$
UNITHOLDERS EQUITY AT THE BEGINNING OF THE HALF YEAR	11,817,295	14,943,767
<i>Recognised income and expenses</i>		
Profit for the half year	355,947	245,818
Total comprehensive income for the half year	355,947	245,818
Transactions with unit holders in their capacity as unitholders		
Distributions paid (Note 5)	(2,200,000)	(1,650,000)
UNITHOLDERS EQUITY AT THE END OF THE HALF YEAR	9,973,242	13,539,585

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HENLEY BROOK SYNDICATE

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STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	December 2023 \$	December 2022 \$
<i>Cash Flows from Operating Activities</i>		
Receipts from customers	8,371,000	4,111,500
Interest received	75,111	27,967
Payments to suppliers	(2,966,415)	(2,105,242)
Other income received	325	-
	<u>5,480,021</u>	<u>2,034,225</u>
<i>Net Cash Provided By Operating Activities</i>		
<i>Cash Flows from Investing Activities</i>		
Distribution to unitholders	(2,191,597)	(1,640,135)
	<u>(2,191,597)</u>	<u>(1,640,135)</u>
<i>Net Cash Used In Investing Activities</i>		
Net increase in cash and cash equivalents	3,288,424	394,090
Cash and cash equivalents at the beginning of the half-year	<u>2,029,210</u>	<u>2,721,451</u>
<i>Cash and cash equivalents at the end of the half-year</i>	<u><u>5,317,634</u></u>	<u><u>3,115,541</u></u>

The accompanying notes form part of these financial statements.

**HENLEY BROOK SYNDICATE
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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

1. MATERIAL ACCOUNTING POLICY INFORMATION

Reporting Entity

Henley Brook Syndicate (“the Syndicate”) is a registered managed investment scheme under the *Corporations Act 2001*. The condensed interim financial report of the Syndicate is for the six months ended 31 December 2023.

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Syndicate’s 2023 annual financial report for the financial year ended 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Syndicate has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current half-year.

It has been determined by the Syndicate that there is no material impact of any of the New and Amended Standards and Interpretations on its business, and therefore, no changes are required to the Syndicate’s accounting policies.

Unitholders funds have been shown as equity rather than a financial liability following the amendment to the Syndicate’s Constitution, giving the Syndicate an indefinite useful life. The funds ceased to satisfy the definition of a financial liability under AASB 132 *Financial Instruments: Presentation* and have been classified as an equity instrument in the financial statements.

HENLEY BROOK SYNDICATE
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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

2. INVENTORIES

	December 2023	June 2023
	\$	\$
Current		
Work in progress at cost	1,845,165	5,053,264
Non-Current		
Work in progress at cost	4,683,881	6,532,267
	<u>6,529,046</u>	<u>11,585,531</u>
Work in Progress		
Cost of Acquisition	12,500,000	12,500,000
Development costs capitalised	72,061,771	70,912,330
Borrowing and finance costs capitalised	10,998,551	10,998,477
Cost of sales expensed	(89,031,276)	(82,825,276)
	<u>6,529,046</u>	<u>11,585,531</u>

Work in progress relates to land acquired by the Henley Brook Syndicate. The property originally comprised two adjoining titles which had an area of approximately 40.6 hectares. The subdivision is to divide the property into approximately 562 residential lots over 15 stages, and to sell the balance of the remaining lots over the next one to two years is ongoing.

3. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect the Syndicate's operations, the results of those operations, or the Syndicate's state of affairs in future financial years.

**HENLEY BROOK SYNDICATE
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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

4. COMMITMENTS AND CONTINGENT LIABILITIES

Contingent Liabilities

The Syndicate had no contingent liabilities at 31 December 2023 and 30 June 2023.

Capital Expenditure Commitments

The Syndicate has engaged Tracc Civil Pty Ltd to perform the development works for Stage 13 at a cost of \$2,987,826 including variations and GST. As at 31 December 2023, no amounts have been incurred under the terms of the contract with the works scheduled to begin in mid-January 2024.

The Syndicate has entered into a recoverable works agreement with APT Parmelia Pty Ltd as Trustee for the APT Parmelia Trust, for protection works to the Parmelia Gas Pipeline arising as a result of the Avonlee Estate works being undertaken by the Syndicate. The estimated cost of the works is \$832,551 excluding GST. In addition, under the terms of the recoverable works agreement, the Syndicate is required to provide security in the form of a \$1 million cash deposit.

The Syndicate had no capital expenditure commitments at 30 June 2023.

At 31 December 2022, the Syndicate had a commitment of \$282,285 for the development of Stages 14 and 15.

5. DISTRIBUTIONS

In November 2023, the Directors of the Responsible Entity declared a distribution of \$0.20 per ordinary unit resulting in a total distribution of \$2,200,000 for the half-year ended 31 December 2023. The total distribution paid during the six months to 31 December 2023 was \$2,191,597.

In July 2022, the Directors of the Responsible Entity declared a distribution of \$0.15 per ordinary unit resulting in a total distribution of \$1,650,000 for the half-year ended 31 December 2022. The total distribution paid during the six months to 31 December 2023 was \$1,640,135.

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DIRECTORS' DECLARATION

31 DECEMBER 2023

The directors of Primary Securities Ltd, the Responsible Entity of the Henley Brook Syndicate, declare that:

1. The financial statements and notes:
 - (a) comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001;
 - (b) give a true and fair view of the Syndicate's financial position as at 31 December 2023 and of its performance for the period ended on that date; and
 - (c) comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting* as disclosed in Note 1.
2. In the directors' opinion there are reasonable grounds to believe that the Syndicate 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 Directors of the Responsible Entity.



Robert Garton Smith

Director

Dated this 12th day of March 2024

Fremantle, Western Australia