

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

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

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

DIRECTORS' REPORT

The Directors of Primary Securities Ltd (ABN 96 089 812 635), the Responsible Entity of the Southern River 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 net profit after tax from continuing operations of the Syndicate for the half-year ended 31 December 2023 was \$617,459 (31 December 2022: net profit of \$1,171,034).

The Syndicate has completed the subdivision of approximately 25.96 hectares of land and sold all 384 lots.

During the half-year ended 31 December 2023, the Syndicate received \$926,975 from the City of Gosnells which represented contributions towards development costs associated with the project.

Principal Activities

The Syndicate is a registered managed investment scheme domiciled in Australia. The purpose of the Syndicate was to acquire 12 undeveloped lots in an area bounded by Southern River Road, Matison Road and Holmes Road, Southern River, Western Australia ("the property").

The Syndicate has completed the subdivision of approximately 25.96 hectares of land.

Likely Developments

Agreement has been reached with the City of Gosnells on reimbursements for both the Public open space and the Planning expenses. These two amounts totalled \$1,762,556.

The Syndicate has received \$926,975. This is reflected in the accounts. A further \$835,581 is expected by March 2024.

The Syndicate managers are pressing the City of Gosnells for a further \$1,473,000. There is support from officer level for the claim. The claim is for excess Development Contribution (DC) payments and interest on the funds paid over the years from 2010 for DC payments.

Once these are either agreed or refused, the Syndicate will lodge for tax clearance and finalise the Syndicate. The manager is working toward completion in early 2025 financial year.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required by section 307C of the Corporations Act 2001 is included on page 11.

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

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

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

	Note	December 2023 \$	December 2022 \$
Revenue			
Property development sale		153,636	3,714,545
Other income	5	926,975	-
Interest income		2,526	13,821
Total revenue		1,083,137	3,728,366
Expenses			
Administration expenses		(72,945)	(97,149)
Management fees		(29,714)	(263,522)
Agent commission		(5,070)	(122,730)
Cost of property development sold		(157,783)	(1,683,587)
Total expenses		(265,512)	(2,166,988)
Profit before tax		817,625	1,561,378
Income tax expense		(200,166)	(390,344)
Profit after tax		617,459	1,171,034
Other comprehensive income		-	-
Total comprehensive income attributable to unit holders		617,459	1,171,034

The accompanying notes form part of these financial statements.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	December 2023 \$	June 2023 \$
<i>Current Assets</i>		
Cash and cash equivalents	861,481	335,578
Current tax assets	-	121,418
Deferred tax assets	593,739	593,739
<i>Total Current Assets</i>	1,455,220	1,050,735
<i>Total Assets</i>	1,455,220	1,050,735
 <i>Current Liabilities</i>		
Trade and other payables	58,928	354,890
Current tax liabilities	82,988	-
<i>Total Current Liabilities</i>	141,916	354,890
<i>Total Liabilities</i>	141,916	354,890
<i>Net Assets</i>	1,313,304	695,845
<i>Equity</i>		
Unitholders equity	1,313,304	695,845
<i>Net Assets Attributable to Unit Holders</i>	1,313,304	695,845

The accompanying notes form part of these financial statements.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

**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	695,845	5,252,365
<i>Recognised income and expenses</i>		
Profit for the half year	617,459	1,171,034
Total comprehensive income for the half year	617,459	1,171,034
Transactions with unit holders in their capacity as unitholders		
Distributions paid (Note 4)	-	(5,270,000)
UNITHOLDERS EQUITY AT THE END OF THE HALF YEAR	1,313,304	1,153,399

The accompanying notes form part of these financial statements.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

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

	December 2023	December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	169,000	4,086,000
Payments to suppliers	(576,838)	(1,096,195)
DCA bond refund received	-	971,069
Public Open Space cost reimbursement	926,975	-
Income tax refunded/(paid)	4,240	(103,189)
Interest received	2,526	13,821
Net cash flows provided by operating activities	525,903	3,871,506
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to unitholders	-	(5,236,325)
Net cash flows used in investing activities	-	(5,236,325)
Net increase/(decrease) in cash and cash equivalents	525,903	(1,364,819)
Cash and cash equivalents at 1 July	335,578	2,328,668
Cash and cash equivalents at 31 December	861,481	963,849

The accompanying notes form part of these financial statements.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

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

1. MATERIAL ACCOUNTING POLICY INFORMATION

Reporting Entity

Southern River 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 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 annual financial report for the financial year ended 30 June 2023.

Non-going concern basis of accounting

The continued use of the going concern basis of accounting in the preparation of the Syndicate’s financial statements has been concluded to be inappropriate due to the Syndicate’s expected completion and wind up of the Syndicate within the next twelve months. These financial statements have therefore been prepared under a non-going concern basis of accounting with the following recognition and measurement policies being applied:

- a) All assets and liabilities have been classified as current; and
- b) Financial assets and liabilities, including cash and cash equivalents and trade and other payables, have been measured at amortised cost in accordance with the requirements of AASB 9 *Financial Instruments*.

The financial report, except for cash flow information, has been prepared on an accruals basis and is based on historical costs.

The financial statements have been presented in Australian dollars and all values are rounded to the nearest dollar.

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 investment in the financial statements.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

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

2. COMMITMENTS AND CONTINGENCIES

The Syndicate had no commitments as at 31 December 2023 and 30 June 2023.

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

A claim for prepaid costs on the development of parks for the subdivision and costs incurred to achieve residential zoning along with a claim for excess Development Contributions and interest in the amount of \$2,308,581 has been lodged with the City of Gosnells for reimbursement. The timing of finalising these claims and the final amounts which will be approved by the City of Gosnells are uncertain and as a result have been determined to be contingent assets and have not been recognised in these financial statements.

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.

4. DISTRIBUTIONS

No distributions were declared for the half-year ended 31 December 2023.

Total distributions declared for the half-year ended 31 December 2022 was \$5,270,000.

At 31 December 2023, the Syndicate had \$55,338 in distributions payable to unitholders.

5. OTHER INCOME

During the half-year, agreement was reached with the City of Gosnells for reimbursement of the public open space expenses. The amount of \$926,975 was received on 12 December 2023.

**SOUTHERN RIVER SYNDICATE
ARSN 117 661 971**

DIRECTORS' DECLARATION

31 DECEMBER 2023

The directors of Primary Securities Ltd, the Responsible Entity of the Southern River 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