

**Specialist Residential Property Impact Fund**

**ARSN 632 123 794**

Annual consolidated report for the financial year ended 30 June 2023

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## Specialist Residential Property Impact Fund

### Directors' Report

The directors of One Managed Investment Funds Limited (ACN 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Specialist Residential Property Impact Fund (the "Fund") submit their report together with the consolidated financial statements of the Fund for the financial year ended 30 June 2023 and the auditor's report thereon.

### Responsible Entity

The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

OMIFL was appointed as Responsible Entity on 4 August 2021. Prior to this date, the Responsible Entity of the Fund was MSI Funds Management Limited ("Former Responsible Entity") (ACN 614 077 995) who acted as Responsible Entity from 21 March 2019 to 4 August 2021.

### Information about the Directors and Senior Management

The names of the directors of the Responsible Entity, in office during the year ended 30 June 2023 and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

### Manager

On 6 May 2022, the Responsible Entity entered into an Investment Management Agreement with Inclusive Housing Australia Pty Ltd (the "Manager"). Under this agreement, the Manager became the new manager of the Fund replacing Spring FG Funds Management Pty Ltd (ABN 36 611 176 517) (the "Former Manager") who acted as manager from 21 March 2019 to 5 May 2022.

### Principal Activities

The Fund is an unlisted registered managed investment scheme constituted as an Australian unit trust established by the Constitution. The Fund was constituted on 6 March 2019 and commenced operations on 31 May 2019. The Fund was registered with the Australian Securities and Investments Commission (ASIC) on 21 March 2019. The consolidated financial statements cover the year from 1 July 2022 to 30 June 2023.

The Fund has been established to provide investors with exposure to a portfolio of Australian residential property assets with appropriate specialised design and construction attributes and inclusions to qualify for enrolment and operation in the Australian Federal Government's Specialist Disability Accommodation (SDA) scheme, which is a sub-set of the National Disability Insurance Scheme (NDIS).

The Fund has commenced its investment with a portfolio of six properties in Narangba, north of Brisbane, which are held by the Specialist Residential Property Trust (the "Sub Trust"), a sub-trust of the Fund. As at 30 June 2023, these six properties have been completed. Together, the Fund and the Sub Trust form the consolidated group (the "Group").

## Specialist Residential Property Impact Fund

### Directors' Report (continued)

#### Review of Operations

##### Results

The results of the operations of the Group are disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of these consolidated financial statements. The net profit/(loss) attributable to unitholders for the year ended 30 June 2023 was \$1,002,959 (2022: \$233,332).

##### Distributions

In respect of the financial year ended 30 June 2023, total distributions paid to unitholders were \$72,866 (2022: \$198,139).

##### Value of Assets and Units Issued

The value of the Group's total assets as at 30 June 2023 was \$6,339,781 (2022: \$5,345,272). The total number of units on issue as at 30 June 2023 was 3,962,772 (2022: 3,962,772).

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the financial year and as at 30 June 2023 (2022: nil)

##### Fees paid and payable to the Responsible Entity

The following fees were paid or payable to the Responsible Entity and the Former Responsible Entity:

	1 July 2022 to 30 June 2023 \$	1 July 2021 to 30 June 2022 \$
Total Responsible Entity fees and expense recovery fees for the year paid to the Responsible Entity	<b>48,406</b>	37,719
Total Responsible Entity fees and expense recovery fees payable to the Responsible Entity as at end of year	<b>9,045</b>	9,405
Total Responsible Entity fees and expense recovery fees for the year paid to the Former Responsible Entity	-	1,322

##### Management fees paid and payable to the Manager

The following fees were paid or payable to the Manager and the Former Manager out of the Fund's assets during the year:

	1 July 2022 to 30 June 2023 \$	1 July 2021 to 30 June 2022 \$
Total fees paid to the Manager as at end of year	<b>66,258</b>	-
Total fees payable to the Manager as at end of year	<b>19,996</b>	12,213
Total fees paid to the Former Manager as at end of year	-	53,287
Total fees payable to the Former Manager as at end of year	<b>33,394</b>	33,394

**Directors' Report (continued)**

***Changes in State of Affairs***

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund during the financial year.

***Subsequent Events***

There has been no matter or circumstance occurring subsequent to the year ended 30 June 2023 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

***Future Developments***

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in its Product Disclosure Statement dated 16 April 2019.

***Environmental Regulation and Performance***

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

***Indemnification of Directors, Officers and Auditors***

During or since the end of the financial year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Trustee or any related corporate body against a liability incurred by an officer of the Trustee of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Trustee of the Fund.

***Auditor's Independence Declaration***

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

The report is made in accordance with a resolution of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle  
Director

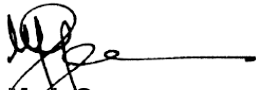
Date: 26 Sep 2023

## **Auditor's Independence Declaration to the Directors of Specialist Residential Property Impact Fund**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, 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.

**Mazars Assurance Pty Limited**  
**Authorised Audit Company: 338599**



**M. J. Green**  
Director

Brisbane, 26 September 2023

**Directors' Declaration**

The directors of the Responsible Entity declare that:

- (a) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in note 3(a) to the consolidated financial statements; and
- (c) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle  
Director

Date: 26 Sep 2023

## Specialist Residential Property Impact Fund

### Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2023

		<b>Consolidated</b>	
		<b>1 July 2022</b>	<b>1 July 2021</b>
		<b>to</b>	<b>to</b>
		<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Interest income	5	1,805	71
Rental income		471,288	607,266
Fair value gain on investment property	11	956,486	-
<b>Total revenue</b>		<b>1,429,579</b>	<b>607,337</b>
<b>Expenses</b>			
Administration costs	6	252,150	264,702
Professional fees		61,126	41,279
Property expenses	7	113,344	68,024
<b>Total expenses</b>		<b>426,620</b>	<b>374,005</b>
<b>Net profit attributable to unitholders</b>		<b>1,002,959</b>	<b>233,332</b>
<b>Other comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to unitholders</b>		<b>1,002,959</b>	<b>233,332</b>

*The accompanying notes to the consolidated financial statements should be read in conjunction with this statement.*



## Specialist Residential Property Impact Fund

### Consolidated Statement of Financial Position as at 30 June 2023

		<b>Consolidated</b>	
		<b>30 June 2023</b>	30 June 2022
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	10(a)	<b>99,233</b>	39,793
Rental receivable		<b>83,652</b>	147,461
Trade and other receivables	8	<b>51,089</b>	11,712
Prepaid insurance		<b>4,478</b>	-
<b>Total current assets</b>		<b>238,452</b>	198,966
<b>Non-current assets</b>			
Formation costs		<b>1,329</b>	2,792
Investment properties	11	<b>6,100,000</b>	5,143,514
<b>Total non-current assets</b>		<b>6,101,329</b>	5,146,306
<b>Total assets</b>		<b>6,339,781</b>	5,345,272
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	<b>178,188</b>	113,772
<b>Total current liabilities</b>		<b>178,188</b>	113,772
<b>Non-current liabilities</b>			
Borrowings	13	<b>1,050,000</b>	1,050,000
<b>Total non-current liabilities</b>		<b>1,050,000</b>	1,050,000
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>1,228,188</b>	1,163,772
<b>Net assets attributable to unitholders</b>	14	<b>5,111,593</b>	4,181,500

*The accompanying notes to the consolidated financial statements should be read in conjunction with this statement.*

## Specialist Residential Property Impact Fund

### Consolidated Statement of Changes in Net Assets Attributable to Unitholders for the Financial Year Ended 30 June 2023

	Notes	Consolidated Net assets attributable to unitholders of the Fund \$
<b>Balance as at 1 July 2022</b>		<b>4,181,500</b>
Total comprehensive income		1,002,959
Distributions for the year		(72,866)
<b>Balance as at 30 June 2023</b>	14	<b>5,111,593</b>
<b>Balance as at 1 July 2021</b>		4,146,307
Total comprehensive income		233,332
Distributions for the year		(198,139)
<b>Balance as at 30 June 2022</b>	14	<b>4,181,500</b>

*The accompanying notes to the consolidated financial statements should be read in conjunction with this statement.*

**Consolidated Statement of Cash Flows for the financial year ended 30 June 2023**

	<b>Consolidated</b>	
	<b>1 July 2022</b>	<b>1 July 2021</b>
	<b>to</b>	<b>to</b>
	<b>30 June 2023</b>	<b>30 June 2022</b>
<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Finance costs paid	(64,968)	(95,089)
Interest received	1,805	71
Rental income received	535,097	534,345
Payments to suppliers	(339,628)	(230,080)
<b>Net cash provided by operating activities</b>	<b>132,306</b>	<b>209,247</b>
	10(b)	
<b>Cash flows from financing activities</b>		
Proceeds from loan	-	1,050,000
Repayment of loan	-	(1,050,000)
Distributions paid to unitholders	(72,866)	(198,139)
<b>Net cash used in from financing activities</b>	<b>(72,866)</b>	<b>(198,139)</b>
<b>Net increase in cash and cash equivalents</b>	<b>59,440</b>	<b>11,108</b>
Cash and cash equivalents at the beginning of the year	39,793	28,685
<b>Cash and cash equivalents at the end of the year</b>	<b>99,233</b>	<b>39,793</b>
	10(a)	

*The accompanying notes to the consolidated financial statements should be read in conjunction with this statement.*

### Notes to the consolidated financial statements

#### 1. General Information

This consolidated financial report covers the Specialist Residential Property Impact Fund (the "Fund") for the year from 1 July 2022 to 30 June 2023.

The Fund was constituted on 6 March 2019 and commenced operations on 31 March 2019 when it issued units to its unitholders. The Fund will terminate in accordance with the provisions of its Constitution.

The Fund has a parent and subsidiary relationship and comprises:

- Specialist Residential Property Impact Fund ("Head Trust")
- Specialist Residential Property Trust ("Sub Trust")

The Fund has been established to provide investors with exposure to a portfolio of Australian residential property assets with appropriate specialised design and construction attributes and inclusions to qualify for enrolment and operation in the Australian Federal Government's Specialist Disability Accommodation (SDA) scheme, which is a sub-set of the National Disability Insurance Scheme (NDIS).

The responsible entity of the Fund is One Managed Investment Funds Limited (ACN 117 400 987) ("OMIFL" or the "Responsible Entity"). The Responsible Entity's registered office and principal place of business is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

The Trustee of the Sub Trust is SRPT Holdings Pty Ltd (ACN 611 176 642) (the "Trustee"). The Trustee's registered office and principal place of business is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

OMIFL was appointed as Responsible Entity on 4 August 2021. Prior to this date, the Responsible Entity of the Fund was MSI Funds Management Limited ("Former Responsible Entity") (ACN 614 077 995) who acted as Responsible Entity from 21 March 2019 to 4 August 2021.

On 6 May 2022, the Responsible Entity entered into an Investment Management Agreement with Inclusive Housing Australia Pty Ltd (ABN 89 634 202 609) (the "Manager"). Under this agreement, the Manager became the new manager of the Fund replacing Spring FG Funds Management Pty Ltd (ABN 36 611 176 517) (the "Former Manager") who was the manager from 21 March 2019 to 5 May 2022.

The consolidated financial statements were authorised for issue by the directors on the date that the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

#### 2. Adoption of New and Revised Accounting Standards

##### **(a) Standards and interpretations affecting amounts reported in the current year**

There were no new accounting standards adopted during the year which had a significant impact on the reported position and performance of the Fund.

##### **(b) Standards and Interpretations issued but not yet mandatory**

There are no other standards that are not yet effective and that are expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

## Notes to the consolidated financial statements

### 3. Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the consolidated financial statements.

#### **(a) Statement of compliance**

These consolidated financial statements are general purpose consolidated financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standards Board, the Fund's Constitution and the *Corporations Act 2001* in Australia.

Compliance with Australian Accounting Standards, as issued by the AASB ensures that the consolidated financial statements and notes thereto comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The following significant accounting policies have been adopted in the preparation and presentation of the consolidated financial statements, as issued by the IASB. These policies have been consistently applied unless otherwise stated in the following text.

#### **(b) Basis of preparation**

This general purpose financial report has been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The Fund is a for-profit entity for the purpose of preparing the consolidated financial statements.

In the Consolidated Statement of Financial Position, assets and liabilities are distinguished between current and non-current.

All amounts are presented in Australian dollars as the functional and presentation currency of the Fund.

#### **(c) Going concern basis**

This financial report has been prepared on a going concern basis.

#### **(d) Revenue and income recognition**

##### **Revenue**

Revenue is recognised and measured at the fair value of the consideration received or receivable using a five-step model for recognising revenue from contracts with customers. According to the standard, revenue must be allocated to performance obligations based on relative transaction prices. A performance obligation is defined as a promise to transfer goods and/or services to a customer. The recognition takes place over time or at a specific point in time, with passing of controls as the key criterion.

##### **Rental income**

Rental income is brought to account on an accrual basis under the SDA Scheme. The Fund has received rental income arising from Specialist Disability Accommodation (SDA) and Reasonable Rent Contribution (RRC).

**Notes to the consolidated financial statements**

**3. Significant Accounting Policies (continued)**

**(d) Revenue and income recognition (continued)**

**Interest income**

Interest income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument).

**(e) Expenses**

All expenses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

**(f) Taxation**

Under the current tax legislation, the Fund is not subject to income tax provided that the unitholders are presently entitled to the income of the Fund and that the Fund entirely distributes its taxable income.

There is no income of the Fund to which the unitholders are not currently entitled. Additionally, the Fund's Constitution requires the distribution of the full amount of the net income of the Fund to unitholders each year. As a result, deferred taxes have not been recognised in the consolidated financial statements in relation to the differences between carrying amounts of assets and liabilities and their respective tax bases. This includes taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the consolidated financial statements. In the event that the taxable gains are realised by the Fund, these gains would be included in the taxable income and assessable in the hands of the unitholders.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank.

**(h) Financial instruments**

**Initial recognition and measurement**

Financial instruments are recognised initially on the date that the Fund becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification**

On initial recognition, the Fund classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets.

**Notes to the consolidated financial statements**

**3. Significant Accounting Policies (continued)**

**(h) Financial instruments (continued)**

***Amortised cost***

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Fund's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment. Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

***Financial assets through profit or loss***

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

**(i) Distributions**

The Fund distributes its distributable income, calculated in accordance with the Fund's Constitution and applicable tax legislation, to unitholders who are presently entitled to the income under the Fund's Constitution

**(j) Payables**

Trade and other payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services.

**(k) Applications and redemptions**

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

**(l) Investment properties**

Investment properties principally comprises freehold land and buildings held for specialist disability accommodation and capital appreciation that are not occupied by the Fund. Investment property is initially recognised at cost, including transaction costs, and is subsequently remeasured at fair value. Movements in fair value are recognised directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**Notes to the consolidated financial statements**

**3. Significant Accounting Policies (continued)**

**(l) Investment properties (continued)**

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year in which the property is derecognised.

The reported fair value of the property reflects market conditions at the reporting date. While this represents the best estimates as at the reporting date, actual sale prices achieved may be higher or lower than the most recent valuation. This is particularly relevant in years of market illiquidity or uncertainty.

Any gains or losses arising from the changes in the fair value of investment properties are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the reporting year in which they arise.

**(m) Critical accounting judgments and key sources of estimation uncertainty**

Management has adhered to the Fund's unit pricing policy which sets out the basis upon which the units of the Fund have been valued, a copy of which is available upon request.

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in notes 3(b), 3(h) and 3(l) of these consolidated financial statements.

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

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of the acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the tax authority is included as part of receivables or payables. Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.



## Notes to the consolidated financial statements

### 3. Significant Accounting Policies (continued)

#### (o) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities controlled by the Fund at 30 June 2023 and the results of those controlled entities for the year then ended.

Subsidiaries 100% owned by the Fund are fully consolidated from the date on which control is obtained by the Fund and cease to be consolidated from the date on which control is transferred.

The effects of all transactions between entities in the consolidated group are eliminated in full. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

### 4. Financial Risk Management Objectives and Policies

The Fund's activities will expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement dated 16 April 2019. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

Risks arising from investing in financial instruments are inherent in the Fund's activities and cannot be completely mitigated by the Responsible Entity and the Fund's appointed service providers. The Fund is exposed to a number of risks that could affect the performance of the Fund, the level of income distributions and the repayment of capital. The management of these risks is carried out by the Manager under policies approved by the directors of the Responsible Entity. The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

#### (a) Credit Risk

The Fund may be exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

This risk, however, is mitigated by the fact that the Fund's main counterparty is the Australian Federal Government, through the SDA Scheme disclosed in Note 1.

#### (b) Market Risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market variables such as interest rates. Market risk is managed and monitored on an ongoing basis by the Manager.

#### (c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The table below summarises the Fund's exposure to the interest rate risks at the end of the financial year.

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 4. Financial Risk Management Objectives and Policies (continued)

##### (c) Interest rate risk (continued)

##### As at 30 June 2023

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<b>Assets</b>				
Cash and cash equivalents	99,233	-	-	99,233
Prepaid insurance	-	-	4,478	4,478
Rental and other receivables	-	-	134,741	134,741
<b>Total assets</b>	<b>99,233</b>	<b>-</b>	<b>139,219</b>	<b>238,452</b>
<b>Liabilities</b>				
Trade and other payables	-	-	178,188	178,188
Borrowings	1,050,000	-	-	1,050,000
<b>Total liabilities</b>	<b>1,050,000</b>	<b>-</b>	<b>178,188</b>	<b>1,228,188</b>
<b>Net exposure</b>	<b>(950,767)</b>	<b>-</b>	<b>(38,969)</b>	<b>(989,736)</b>

##### As at 30 June 2022

	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
<b>Assets</b>				
Cash and cash equivalents	39,793	-	-	39,793
Rental and other receivables	-	-	159,173	159,173
<b>Total assets</b>	<b>39,793</b>	<b>-</b>	<b>159,173</b>	<b>198,966</b>
<b>Liabilities</b>				
Trade and other payables	-	-	113,772	113,772
Borrowings	1,050,000	-	-	1,050,000
<b>Total liabilities</b>	<b>1,050,000</b>	<b>-</b>	<b>113,772</b>	<b>1,163,772</b>
<b>Net exposure</b>	<b>(1,010,207)</b>	<b>-</b>	<b>45,401</b>	<b>(964,806)</b>

Notes to the consolidated financial statements

4. Financial Risk Management Objectives and Policies (continued)

(c) Interest rate risk (continued)

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unitholders to interest rate risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Impact on operating profit/Net assets attributable to unitholders	
	Interest rate risk	
	+100bps	-100bps
<b>30 June 2023</b>	<b>9,508</b>	<b>(9,508)</b>
30 June 2022	10,102	(10,102)

(d) Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The availability of cash resources is primarily affected by the returns the Fund receives from its investments by way of SDA payments from the Government and RRC (Reasonable Rent Contribution) payments from tenants, and (in the case of when the Fund decides to dispose of real property assets) receipts from buyers.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Net assets attributable to unitholders is not considered a financial liability but has been included below as units are redeemed on demand at the unitholder's option. However, the Trustee does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 4. Financial Risk Management Objectives and Policies (continued)

##### (d) Liquidity Risk (continued)

###### At 30 June 2023

	Less than 1 month \$	1-6 months \$	Less than 12 months \$	1-2 years \$	2-5 years \$
Trade and other payables	178,244	-	-	-	-
Borrowings	-	-	-	1,050,000	-
Net assets attributable to unitholders	5,111,593	-	-	-	-
<b>Total liabilities</b>	<b>5,289,837</b>	-	-	<b>1,050,000</b>	-

###### At 30 June 2022

	Less than 1 month \$	1-6 months \$	Less than 12 months \$	1-2 years \$	2-5 years \$
Trade and other payables	113,772	-	-	-	-
Borrowings	-	-	-	-	1,050,000
Net assets attributable to unitholders	4,181,500	-	-	-	-
<b>Total liabilities</b>	<b>4,295,272</b>	-	-	-	<b>1,050,000</b>

#### 5. Interest Income

The following table provides information about the interest income generated from different sources during the financial year ended 30 June 2023

	<b>Consolidated</b>	
	<b>1 July 2022 to 30 June 2023 \$</b>	<b>1 July 2021 to 30 June 2022 \$</b>
Cash at bank	365	67
Financial assets	1,440	4
<b>Total for the year</b>	<b>1,805</b>	<b>71</b>

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 6. Administration Costs

	<b>Consolidated</b>	
	<b>1 July 2022 to 30 June 2023</b>	<b>1 July 2021 to 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Responsible entity fees	48,406	37,719
Manager fees	66,258	65,500
Expense recoveries	-	1,322
Accounting and tax fees	43,494	28,263
Registry fees	11,688	6,696
Amortisation of formation costs	1,463	1,463
Compliance committee fees	-	1,306
Interest expense	64,981	95,089
Custody fees	14,514	24,532
ASIC fees	1,346	2,812
<b>Total for the year</b>	<b>252,150</b>	<b>264,702</b>

#### 7. Investment Property Expenses

	<b>Consolidated</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Water rates and usage	9,882	12,595
Repairs and maintenance	19,674	9,346
Rates & taxes	-	11,340
Property agent & management	10,596	20,554
Electricity	10,499	9,879
Gas	3,502	3,501
SDA compliance and administration fees	7,946	809
Council rates	12,018	-
Pest control	1,260	-
Cleaning	450	-
Land tax	37,517	-
<b>Total for the year</b>	<b>113,344</b>	<b>68,024</b>

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 8. Trade and Other Receivables

	<b>Consolidated</b>	
	<b>30 June 2023</b>	30 June 2022
	\$	\$
GST receivable	9,221	2,087
Receivable from IHA *	27,241	3,599
Commission receivable	6,026	6,026
Other receivables	8,601	-
<b>Balance at end of year</b>	<b>51,089</b>	11,712

\* Receivable from IHA relates to rental income collected by the Manager on behalf of the Fund offset by payments of supplier invoices made by the Manager on behalf of the Fund.

#### 9. Trade and Other Payables

	<b>Consolidated</b>	
	<b>30 June 2023</b>	30 June 2022
	\$	\$
Trade creditors	28,045	23,568
Accrued expenses	149,048	83,987
Interest payable **	1,095	6,217
<b>Balance at end of year</b>	<b>178,188</b>	113,772

\*\* Interest payable on the loan from IHA Asset SPV Fund to the Sub Trust calculated as BBSY plus margin of 3.3% p.a.

#### 10. Cash and Cash Equivalents

(a) Cash and cash equivalents comprise cash at bank. Cash at the end of the year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	<b>Consolidated</b>	
	<b>30 June 2023</b>	30 June 2022
	\$	\$
Cash and cash equivalents	99,233	39,793
<b>Balance at end of year</b>	<b>99,233</b>	39,793

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 10. Cash and Cash Equivalents (continued)

(b) Reconciliation of net profit for the year to net cash provided by operating activities:

	<b>Consolidated</b>	
	<b>1 July 2022 to 30 June 2023</b>	<b>1 July 2021 to 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Net profit for the year</b>	<b>1,002,959</b>	233,332
Adjustment for amortisation of borrowing costs	<b>1,463</b>	1,463
Change in assets and liabilities:		
Unrealised fair value gain on investment property	<b>(956,486)</b>	-
Net change in other assets	<b>59,331</b>	(55,839)
Net change in trade and other receivables	<b>(39,377)</b>	(2,662)
Net change in trade and other payables	<b>64,416</b>	32,953
<b>Net cash provided by operating activities</b>	<b>132,306</b>	209,247

#### 11. Investment Properties

With the completion of all six pilot project properties in the previous financial year and the Fund having started collecting both SDA and RRC payments from their operation, they have been reclassified from Property, Plant and Equipment to Investment Properties as follows:

	<b>Consolidated</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	<b>5,143,514</b>	5,143,514
Unrealised fair value gain on investment property	<b>956,486</b>	-
<b>Closing balance at end of year</b>	<b>6,100,000</b>	5,143,514

Acquisition costs include stamp duty paid, legal (conveyancing), design and documentation, valuation and other related fees.

The investment properties were revalued on 13 September 2023 by an independent external valuer Colliers Valuation & Advisory Services. As a result of the revaluation, the Trustee has recognised an increase in value of the investment property of \$956,486 for the year ended 30 June 2023.

## Notes to the consolidated financial statements

### 11. Investment Properties (continued)

In June 2023 the NDIA announced the outcomes of its NDIS SDA Pricing Review. This review was undertaken in accordance with the NDIS Legislation that mandates a review of SDA pricing every 5-years. The SDA Pricing Review resulted in uplift in funding for many SDA Design Categories, Locations and Building Types. The review accounted for the inflationary factors that we are all aware of over recent years, in particular increased land and construction costs.

This uplift in funding was particularly strong for two-bedroom houses and is the main driver in the increased valuation of the properties in the fund. Through this process we also reviewed the assumptions around occupancy rate and the funding mix of participants:

- Occupation rate was revised to 75% based on the historic average for the fund
- Previously the fund assumed all participants would have the highest level of SDA funding, High Physical Support. We have now allowed for a mix of design categories, this will make it easier to fill vacancies in the long term.

### 12. Fair value measurement

The Fund measures and recognises the following assets at fair value on a recurring basis:

- Investment properties at fair value through profit or loss (FVPL)

The Fund does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

#### (a) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- (a) Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. (level 1)
- (b) Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. (level 2); and
- (c) Measurements based on unobservable inputs for the asset or liability. (level 3).

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.



Notes to the consolidated financial statements

12. Fair value measurement (continued)

(b) Valuation techniques

The Fund selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Fund are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity, plus any accrued interest that is owing on the financial instruments, if any.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Fund gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

All investment properties that were held by the Fund in the year ended 30 June 2023 and 30 June 2022 were Level 3.

13. Borrowings

	<b>Consolidated</b>	
	<b>30 June 2023</b>	30 June 2022
	\$	\$
Loan from IHA Asset SPV Fund	<b>1,050,000</b>	1,050,000
<b>Balance at end of year</b>	<b>1,050,000</b>	1,050,000

IHA Asset SPV Fund, a related party of the Manager, has loaned the Fund the sum of \$1,050,000 with interest based on BBSY plus a margin of 3.3% p.a., which will expires on 24 April 2025. This was to replace the original loan provided by Arch Finance Pty Ltd in the same amount.

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 14. Net Assets Attributable to Unitholders

The following table shows the changes in net assets attributable to unitholders for the financial year ended 30 June 2023.

	Consolidated	
	No of Units	\$
Balance as at 1 July 2022	3,962,772	4,181,500
Net gain attributable to unitholders	-	1,002,959
Distribution for the year	-	(72,866)
<b>Balance as at 30 June 2023</b>	<b>3,962,772</b>	<b>5,111,593</b>
Balance as at 1 July 2021	3,962,772	4,146,307
Net gain attributable to unitholders	-	233,332
Distributions paid to unitholders	-	(198,139)
<b>Balance as at 30 June 2022</b>	<b>3,962,772</b>	<b>4,181,500</b>

#### 15. Related Party Transactions

##### (a) One Managed Investment Funds Limited (the Responsible Entity)

The responsible entity of the Fund is One Managed Investment Funds Limited (ACN: 117 400 987, AFSL: 297 042). The registered office and principal place of business is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, NSW 2000.

The key management personnel of the Responsible Entity for the financial year 30 June 2023 are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Sarah Wiesener	Executive Director and Company Secretary
Michael Sutherland	Executive Director

Key management personnel of the Trustee and their associated entities did not hold any units in the Fund as at 30 June 2023. No fees or remuneration was paid directly to the key management personnel from the Fund during the year.

##### Responsible Entity fees

Responsible Entity fees of \$48,406 (inclusive of the net effect of GST) were incurred for the financial year ended 30 June 2023, of which \$39,361 (inclusive of the net effect of GST) were paid and \$9,045 (inclusive the net effect of GST) payable to the Trustee (2022: \$37,719 was incurred and \$9,405 was payable).

There were no other fees paid or payable to the Trustee for the financial year ended 30 June 2023.

## Specialist Residential Property Impact Fund

### Notes to the consolidated financial statements

#### 15. Related Party Transactions (continued)

##### (a) One Managed Investment Funds Limited (the Responsible Entity) (continued)

###### Administration and Accounting fees

Administration and accounting services were provided by Unity Fund Services Pty Ltd (ACN 146 747 122) (the "Administrator"), which is an entity associated with the Trustee.

Administration and Accounting fees of \$40,568 (inclusive of the net effect of GST) were incurred for the financial year ended 30 June 2023, of which \$33,563 (inclusive of the net effect of GST) were paid and \$7,005 (inclusive the net effect of GST) payable to the Administrator (2022: \$28,263 was incurred and \$5,753 was payable).

There were no other fees paid or payable to the Administrator for the financial year ended 30 June 2023.

###### Registry fees

Registry services were provided by One Registry Services Pty Limited (ACN 141 757 360) (the "Registrar"), which is an entity associated with the Trustee.

Registry fees of \$11,688 (inclusive of the net effect of GST) were incurred for the financial year ended 30 June 2023, of which \$10,443 (inclusive of the net effect of GST) were paid and \$1,245 (inclusive of the net effect of GST) payable to the Registrar (2022: \$4,692 was incurred and \$4,692 was payable).

There were no other fees paid or payable to the Registrar for the financial year ended 30 June 2023.

##### (b) Transactions with the Manager and its associated entities

The investment manager for the Fund is Inclusive Housing Australia Pty Ltd (the Manager).

###### Management fees

Management fees of \$66,258 (inclusive of the net effect of GST) were incurred for the financial year ended 30 June 2023, of which \$46,262 (inclusive of the net effect of GST) were paid and \$19,996 (inclusive the net effect of GST) payable to the Manager (2022: \$12,213 was incurred and \$12,213 was payable).

There were no other fees paid or payable to the Manager for the financial year ended 30 June 2023

#### 16. Auditor's Remuneration

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Mazars Assurance Pty Ltd -Auditing of the financial report	16,302	15,527
Ernst & Young - Compliance plan audit	5,225	4,546
<b>Total</b>	<b>21,527</b>	<b>20,073</b>

**Notes to the consolidated financial statements**

**16. Auditor's Remuneration (continued)**

The auditor's remuneration is reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under professional fees. There were no other services provided by the auditor to the Fund.

**17. Subsequent events**

There has been no matter or circumstance occurring subsequent to the year ended 30 June 2023 that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

**18. Commitments and Contingencies**

There were no other contingent assets and liabilities or commitments as at 30 June 2023 (30 June 2022: nil).

## Independent Auditor's Report to the Directors of Specialist Residential Property Impact Fund

### Report on the Financial Report

We have audited the accompanying financial report of Specialist Residential Property Impact Fund (the Fund), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Specialist Residential Property Impact Fund is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Members are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the Fund are responsible for the preparation of the 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 determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Statement**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

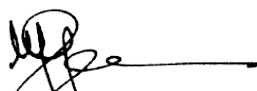
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



**Mazars Assurance Pty Limited**  
**Authorised Audit Company: 338599**

  
**M. J. Green**  
Director

Brisbane, 26 September 2023