

**Storehouse Residential Trust and its Controlled Entity**

**ARSN 135 812 074**

Condensed interim report for the half-year ended 31 December 2021

## Index to the Condensed Financial Statements

	<b>Page</b>
Directors' Report	1
Auditor's Independence Declaration	3
Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2021	4
Condensed Statement of Financial Position as at 31 December 2021	5
Condensed Statement of Changes in Equity for the half-year ended 31 December 2021	6
Condensed Statement of Cash Flows for the half-year ended 31 December 2021	7
Notes to the Condensed Financial Statements for the half-year ended 31 December 2021	8
Directors' Declaration	14
Independent Auditor's Review Report to the Unitholders of Storehouse Residential Trust	15

## Directors' Report

The directors of K2 Asset Management Ltd. (ABN 95 085 445 094; AFSL 244393) ("K2" or the "Responsible Entity"), the responsible entity of Storehouse Residential Trust (ARSN 135 812 074) (the "Trust") and its controlled entities (the "Group"), submit their report on the Group for the half-year ended 31 December 2021.

### Responsible Entity

On 29 October 2021, K2 Asset Management Ltd replaced One Managed Investment Funds Limited as Responsible Entity of the Trust. Prior to 29 October 2021, One Managed Investment Funds Limited was the Responsible Entity of the Trust.

The registered office and principal place of business of K2 is Level 32, 101 Collins Street, Melbourne VIC 3000.

### Investment Manager

The investment manager is Storehouse Pty Limited (ABN 15 106 578 018) ("Investment Manager"). The principal place of business of the Investment Manager is Level 10/171 Clarence St, Sydney NSW 2000.

### Directors and Senior Management

The names of the directors and company secretary of the Responsible Entity, during the half-year and up to the date of this report are:

<b>Name</b>	<b>Title</b>
Campbell W Neal	Executive Director
Hollie A Wight	Executive Director and Company Secretary
George Boubouras	Executive Director

### Principal Activities

The Trust is a registered managed investment scheme domiciled in Australia. The principal activity of the Group is to invest funds in properties, directly and through shared equity arrangements in accordance with the investment objectives and guidelines set out in its current Product Disclosure Statement dated 31 October 2021 and in accordance with the provisions of its Constitution.

The Trust has invested in a sub-trust where it is the sole beneficiary and unitholder. This sub-trust is being used to purchase and develop residential properties.

The consolidation of the sub-trust is included in the interim report.

The Group did not have any employees during the half-year.

### Review of Operations

#### Results

The results of operations of the Group are disclosed in the Condensed Statement of Profit or Loss and Other Comprehensive Income. The profit attributable to unitholders for the half-year ended 31 December 2021 was \$508,173 (31 December 2020: \$91,582).

#### Distributions

Total distribution payable to unitholders for the half-year ended 31 December 2021 amounted to nil (30 June 2021: \$14,766) or nil cents per unit (30 June 2021: 0.11 cents per unit).

#### Total Assets

The value of the Group's assets as at 31 December 2021 is \$ 19,439,692 (30 June 2021: \$14,721,572) as disclosed in the Condensed Statement of Financial Position.

#### Significant Changes in State of Affairs

On 29 October 2021, K2 Asset Management Ltd replaced One Managed Investment Funds Limited as Responsible Entity of the Trust.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Group that occurred during the half-year ended 31 December 2021.

## Directors' Report (continued)

### Subsequent Events

As the impact of the COVID-19 pandemic is continuing, the Investment Manager for the Group has been monitoring both the valuation of the Group's assets and the Group's liquidity.

The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate.

Other than above, there has not been any matter or circumstance that significantly affects or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### Likely Developments and Expected Results of Operations

The Group will continue to be managed in accordance with the investment objectives and guidelines set out in its Product Disclosure Statement and in accordance with the provisions of its Constitution. Future results will accordingly depend on the performance of the markets to which the Group is exposed.

Investment performance is not guaranteed and future results may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further details of likely future developments in the operations of the Group, and the expected results of those operations in future financial years, have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

### Environmental Regulation and Performance

The operations of the Group 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 Group.

### Indemnification of Directors, Officers and Auditors

During or since the half-year, the Group has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Group or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Group. In addition, the Group has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Group.

### Proceedings on Behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the half-year.

### 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 3.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the directors of the Responsible Entity, K2 Asset Management Ltd.



Hollie Wight  
Executive Director  
8 April 2022

## Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to Directors of K2 Asset Management Ltd

As lead auditor for the review of the half year financial report of Storehouse Residential Trust for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, that there have been:

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

Yours sincerely



**Crowe Sydney**



**John Haydon**  
Senior Partner

8 April 2022

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.*

© 2022 Findex (Aust) Pty Ltd

## Condensed Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2021

	Notes	Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
<b>Income</b>			
Interest income		216,985	119,513
Net gain on financial instruments (shared equity) held at fair value through profit or loss		431,184	95,758
Net gain/(loss) on investment property held at fair value		189,045	(60,333)
Net gain on investment in stocks		-	42,022
<b>Total income</b>		<b>837,214</b>	<b>196,960</b>
<b>Expenses</b>			
Responsible entity fees	8	37,820	37,683
Management fee	8	86,713	-
Accounting expenses	8	9,768	13,329
Audit fees		9,152	13,324
Custodial fees		7,400	11,095
Licence fee		22,031	-
Registry fees	8	5,812	2,760
Other expenses		150,345	27,187
<b>Total expenses</b>		<b>329,041</b>	<b>105,378</b>
<b>Profit attributable to unitholders</b>		<b>508,173</b>	<b>91,582</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the half-year attributable to unitholders</b>		<b>508,173</b>	<b>91,582</b>
<b>Distribution of Profits</b>			
Profit attributable to unitholders		508,173	91,582
Distributions to unitholders		-	-
<b>Undistributed profits for the half-year</b>		<b>508,173</b>	<b>91,582</b>

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes to the Condensed Financial Statements.

## Condensed Statement of Financial Position as at 31 December 2021

	Notes	31 December 2021 \$	30 June 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	897,032	803,069
Trade and other receivables		7,442	4,691
Other assets		687,004	267,075
<b>Total current assets</b>		<b>1,591,478</b>	<b>1,074,835</b>
<b>Non-current assets</b>			
Investment property	4	1,882,942	1,400,800
Intangible assets		302,011	320,462
Financial assets	5	15,663,261	11,925,475
<b>Total non-current assets</b>		<b>17,848,214</b>	<b>13,646,737</b>
<b>Total assets</b>		<b>19,439,692</b>	<b>14,721,572</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		201,528	139,458
Distribution payable		-	14,766
Funding facility	7	511,193	239,840
<b>Total current liabilities</b>		<b>712,721</b>	<b>394,064</b>
<b>Non-current liabilities</b>			
Funding facility	7	438,747	440,034
<b>Total non-current liabilities</b>		<b>438,747</b>	<b>440,034</b>
<b>Total liabilities</b>		<b>1,151,468</b>	<b>834,098</b>
<b>Net assets</b>		<b>18,288,224</b>	<b>13,887,474</b>
<b>Net assets attributable to unitholders</b>			
Unitholders' funds	6	18,288,224	13,887,474
<b>Total equity</b>		<b>18,288,224</b>	<b>13,887,474</b>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying Notes to the Condensed Financial Statements.

## Condensed Statement of Changes in Equity for the half-year ended 31 December 2021

	Unitholders Funds	Undistributed Profit/(Losses)	Total Equity
Notes	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>8,204,721</b>	<b>(347,492)</b>	<b>7,857,229</b>
<b>Comprehensive income</b>	-	91,582	91,582
Net applications/redemptions for units	2,125,115	-	2,125,115
Distribution to unitholders	-	-	-
Total transactions with unitholders	2,125,115	91,582	2,216,697
<b>Balance at 31 December 2020</b>	<b>10,329,836</b>	<b>(255,910)</b>	<b>10,073,926</b>
<b>Balance at 1 July 2021</b>	<b>13,974,851</b>	<b>(87,377)</b>	<b>13,887,474</b>
<b>Comprehensive income</b>	-	508,173	508,173
Net applications/redemptions for units	3,892,577	-	3,892,577
Distribution to unitholders	-	-	-
Total transactions with unitholders	3,892,577	508,173	4,400,750
<b>Balance at 31 December 2021</b>	<b>17,867,428</b>	<b>420,796</b>	<b>18,288,224</b>

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying Notes to the Condensed Financial Statements.

## Condensed Statement of Cash Flows for the half-year ended 31 December 2021

	Notes	Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
<b>Cash flows from operating activities</b>			
Proceeds from shared equity and fixed rate returns		211,515	114,173
Payments to suppliers and others		(230,857)	(55,779)
Interest received		508	258
<b>Net cash provided by/(used in) operating activities</b>		<b>(18,834)</b>	<b>58,652</b>
<b>Cash flows from investing activities</b>			
Distribution income received from investment in stocks		-	3,250
Payment for investment property costs		(163,337)	(73,658)
Proceeds from sale of investment property		-	319,520
Other proceeds from investments		2,615	4,823
Proceeds from sale of investment in stocks		-	168,172
Proceeds from shared equity and fixed rate investment exits		1,067,616	161,294
Payments for shared equity and fixed rate investments		(4,180,048)	(2,238,203)
<b>Net cash used in investing activities</b>		<b>(3,273,154)</b>	<b>(1,654,802)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issuance of units		3,291,110	2,131,011
Net distributions paid		(8,013)	(79,045)
Payment of loans		-	(104,259)
Proceeds from loans		102,854	-
<b>Net cash provided by financing activities</b>		<b>3,385,951</b>	<b>1,947,707</b>
<b>Net increase in cash and cash equivalents</b>		<b>93,963</b>	<b>351,557</b>
Cash and cash equivalents at the beginning of half-year		803,069	33,586
<b>Cash and cash equivalents at the end of half-year</b>	3	<b>897,032</b>	<b>385,143</b>
<b>Non-cash financing activities</b>			
Distribution reinvestments		6,734	76,102

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Condensed Financial Statements.

## Notes to the Condensed Financial Statements for the half-year ended 31 December 2021

### 1. General Information

Storehouse Residential Trust (ARSN 135 812 074) (the "Trust") is an Australian registered managed investment scheme. The Trust was constituted and registered as managed investment scheme on 25 March 2009. The Trust together with its controlled entities ("Group") is a for-profit entity for financial reporting purposes.

The responsible entity of the Trust is K2 Asset Management Ltd (ABN 95 085 445 094; AFSL 244393) ("K2" or the "Responsible Entity"). The registered office and principal place of business of the Responsible Entity is Level 32, 101 Collins Street, Melbourne VIC 3000.

Storehouse Pty Ltd (ABN 15 106 578 018) ("Storehouse" or the "Investment Manager") is the investment manager of the Group.

The condensed financial statements cover Storehouse Residential Trust and its sub-trust SRT Werribee Trust (ABN 31 417 822 351) ("sub-trust"), where Storehouse Residential Trust is the only unitholder and sole beneficiary ("Group"). The trustee of the sub-trust is Storehouse Pty Ltd (ABN 15 106 578 018).

The condensed financial statements were authorised for issue by the directors on 8 April 2022. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

### 2. Summary of Significant Accounting Policies

#### a) Basis of preparation

The condensed financial statements are general purpose financial statements that have been prepared in accordance Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The condensed financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The amounts presented in the condensed financial statements have been rounded to the nearest dollar. The amounts presented are in Australian dollars, which is the Group's functional currency.

The condensed financial statements have been prepared on a going concern basis.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made in respect of the Trust during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Except as disclosed in the financial report for the year ended 30 June 2021, there were no new accounting standards, amendments and interpretations that are expected to have a material impact on the condensed financial statements.

The significant accounting policies adopted in the preparation of these condensed financial statements are consistent with those followed in the preparation of the Trust's financial statements for the year ended 30 June 2021.

#### b) Critical accounting estimates and judgments

The Investment Manager evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information up to and including the date of this report. The Investment Manager has relied upon independent data reported by leading research groups including RP Data, Australian Property Monitors and Residex for the calculation of the shared equity fair value adjustment. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The Investment Manager has made recommendations to the Responsible Entity for the half-year ended 31 December 2021. These recommendations have been adopted. Actual results may differ from these estimates.

## Notes to the Condensed Financial Statements for the half-year ended 31 December 2021

## 3. Cash and cash equivalents

	31 December 2021	30 June 2021
	\$	\$
Cash at bank	897,032	803,069
	<u>897,032</u>	<u>803,069</u>

## 4. Investment property

The Group entered into a contract of sale for land in Werribee, Victoria with a purchaser on 1 July 2020. The total sale price of \$320,000 with a profit on sale of \$8,316 was settled on 21 October 2020.

The Group also purchased land in Melonba, NSW in April 2020 (Lot 6178) and a second lot in May 2021 (Lot 4047). Developments have already commenced on Lot 6178 with builders to design and construct on a fixed price basis a two-storey residence and granny flat which will be held for long-term. Lot 4047 has recently obtained development approval for an identical design to Lot 6178, construction will commence shortly under a fixed price contract. While the Group intends to hold the asset as an investment property, as at the balance date it has not secured all of the funding necessary to make the full amount payable under the fixed contract and accordingly to mitigate this payment risk the Group has secured an option to sell Lot 4047 on completion.

A summary of movement in Investment Property is set out below:

	31 December 2021	30 June 2021
	\$	\$
<b>Beginning balance</b>	1,400,800	870,000
Purchase and direct costs incurred	292,142	855,825
Sale of property	-	(277,989)
Fair value adjustment	190,000	(47,036)
<b>Closing balance</b>	<u>1,882,942</u>	<u>1,400,800</u>

	31 December 2021	30 June 2021
	\$	\$
<b>Investment Property</b>		
Non-current	1,882,942	1,400,800
<b>Closing balance</b>	<u>1,882,942</u>	<u>1,400,800</u>

## 5. Financial assets

	31 December 2021	30 June 2021
	\$	\$
Loans and receivables	14,788,229	11,327,615
Designated at fair value through profit or loss:		
Shared equity investment	875,032	597,860
Total financial assets held at fair value through profit or loss	875,032	597,860
<b>Total financial assets</b>	<u>15,663,261</u>	<u>11,925,475</u>

The shared equity investment represents the fair value of the Group's share in the increase in value of the underlying shared equity investments. It is a derivative instrument designated at fair value through profit or loss.

## Notes to the Condensed Financial Statements for the half-year ended 31 December 2021

## 5. Financial assets (continued)

## a) Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the Condensed Statement of Financial Position are grouped into three levels of a fair value hierarchy. These levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted unadjusted prices in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2021.

Financial assets	31 December 2021			Total
	Level 1	Level 2	Level 3	
Shared equity investment	-	-	875,032	875,032
<b>Net fair value</b>	<b>-</b>	<b>-</b>	<b>875,032</b>	<b>875,032</b>

  

Financial assets	30 June 2021			Total
	Level 1	Level 2	Level 3	
Shared equity investment	-	-	597,860	597,860
<b>Net fair value</b>	<b>-</b>	<b>-</b>	<b>597,860</b>	<b>597,860</b>

Fair values of the shared equity investments do not have quoted prices and it has been determined that they are classified as Level 3 of the fair value hierarchy as defined in AASB 13 *Fair Value Measurement*.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar property, or any other valuation technique or model that provides a reliable estimate of prices obtained in actual market transactions.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds.

## 6. Units on issue

## a) Units on issue

The Group has 17,018,635 units on issue (30 June 2021: 13,367,808) worth \$18,403,970 (30 June 2021: \$13,887,474) each amounting to \$1.08 (30 June 2021: \$1.04).

	31 December 2021	30 June 2021
<b>Number of fully paid units</b>		
Opening balance	13,367,808	7,757,436
Applications (including reinvestments)	3,650,827	5,610,372
<b>Closing balance</b>	<b>17,018,635</b>	<b>13,367,808</b>

Each unit represents a right to a proportional share of the net assets of the Group. All units have the same rights attaching to them (identical features). The total expected returns to the holders over the life of the units are based on the profit or loss of the Group. These units are the only class of instruments issued by the Group. Therefore, the Group has issued no other classes of financial instruments that rank above the redeemable units. The units contain no other contractual obligations other than the redemption obligation.

The net asset value per unit as at 31 December 2021 was \$1.08 (30 June 2021: \$1.04).

## Notes to the Condensed Financial Statements for the half-year ended 31 December 2021

### 6. Units on issue (continued)

#### b) Capital management

The Investment Manager controls the capital of the Group in order to maintain a good debt to equity ratio, provide unitholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes issued units and financial liabilities, supported by financial assets and investment properties.

The Group is not subject to any externally imposed capital requirements.

The Responsible Entity effectively manages the Group's capital by assessing the Investment Manager's recommendations in respect of the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to unitholders and acquisitions and disposals of financial assets. The funding facility in relation to the sub-trust has been arranged for by the sub-trust.

### 7. Funding facility

The Group uses debt to fund the construction of residential dwellings on the land comprising its Investment Properties. Lot 6178 was acquired in FY2020 using \$100,000 of debt provided by Home Affordability Solutions ("HAS") and secured against the property. Interest accrued at a rate of 3.04% p.a. This facility was fully repaid on 20 October 2020. This HAS loan was refinanced with a \$90,034 loan provided by Advantage Financial Services which incurs interest at a rate of 3.04% p.a. and is secured against Lot 6178. For construction of Lot 6178 another loan of \$150,000 was provided by Xenjon Pty Ltd on 6 August 2021 at a fixed rate of 12% p.a. for a period of 12 months and is secured against the property. Lot 4047 was acquired using cash plus the proceeds of two loans:

- \$350,000 30-year loan provided by Origin; and
- \$360,000 loan provided by Diversity Housing repayable on completion of construction.

Each loan is secured against Lot 4047 and incurs interest at 2.85%p.a.

	31 December 2021	30 June 2021
	\$	\$
<b>Current</b>		
Diversity Housing	361,193	239,840
Xenjon Pty Ltd	150,000	-
	<u>511,193</u>	<u>239,840</u>
<b>Non-current</b>		
Origin Loan	350,000	350,000
Advantagedge Financial Services	88,747	90,034
	<u>438,747</u>	<u>440,034</u>

### 8. Related party transactions

The Group's main related parties are as follows:

#### (a) Responsible Entity

##### Transactions with Responsible Entity and its Associated Entities

The Responsible Entity of the Trust is K2 Asset Management Ltd (ABN 95 085 445 094; AFSL 244393). K2 Asset Management Ltd was appointed as the Responsible Entity on 29 October 2021, replacing One Managed Investment Funds Limited, who acted as Responsible Entity until 28 October 2021. Accordingly, transactions with entities related to K2 Asset Management Ltd and One Managed Investment Funds Limited are disclosed below.

## Notes to the Condensed Financial Statements for the half-year ended 31 December 2021

### 8. Related party transactions (continued)

#### (a) Responsible Entity (continued)

##### Transactions with Responsible Entity and its Associated Entities (continued)

###### *K2 Asset Management Ltd*

###### *Responsible Entity fees*

Responsible Entity fees charged by K2 Asset Management Ltd of \$12,082 were incurred for the half-year ended 31 December 2021 (31 December 2020: nil) and was payable to K2 Asset Management Ltd at the end of the half-year (30 June 2021: nil).

###### *One Managed Investment Funds Limited*

###### *Responsible Entity fees*

Responsible Entity fees charged by One Managed Investment Funds Limited of \$25,738 were incurred for the half-year ended 31 December 2021 (31 December 2020: \$37,683) of which \$7,023 (30 June 2021: \$19,833) was payable to the One Managed Investment Funds Limited at the end of the half-year.

###### *Registry fees*

Registry fees charged by One Registry Services Pty Limited of \$5,812 were incurred for the half-year ended 31 December 2021 (31 December 2020: \$2,760) of which \$2,473 (30 June 2021: \$3,784) was payable to One Registry Services Pty Limited, a wholly owned subsidiary of One Investment Group, at the end of the half-year.

###### *Accounting fees*

Accounting and administration fees charged by Unity Fund Services Pty Limited of \$9,768 were incurred for the half-year ended 31 December 2021 (31 December 2020: \$13,329) of which \$1,985 (30 June 2021: \$7,993) was payable to Unity Fund Services Pty Limited, an affiliated entity of the Responsible Entity, at the end of the half-year.

###### *Tax fees*

Tax fees charged by Unity Tax Services Pty Limited of \$1,149 were incurred for the half-year ended 31 December 2021 (31 December 2020: \$1,663) none of which (30 June 2021: \$3,326) was payable to Unity Tax Services Pty Limited, an affiliated entity of the Responsible Entity, at the end of the half-year.

#### (b) Investment Manager

##### Transactions with Investment Manager and its Associated Entities

The Responsible Entity has contracted services to Storehouse Pty Ltd (ABN 15 106 578 018) to act as investment manager for the Trust ("Investment Manager"). The contract is on normal commercial terms and conditions.

Transactions with entities related to the Investment Manager are disclosed below.

###### *Management fees*

Management fees of \$86,713 were incurred for the half-year ended 31 December 2021 (31 December 2020: nil) of which \$72,396 (30 June 2021: nil) was payable to the Investment Manager at the end of the half-year.

###### *Tenant fees*

Tenant fees of \$4,064 were incurred for the half-year ended 31 December 2021 (31 December 2020: nil) all of which (30 June 2021: \$5,380) was payable to Home Affordability Solutions Pty Limited ("HAS"), a related party of the Investment Manager, at the end of the half-year.

###### *Acquisition fees*

Acquisition fees of \$43,041 were incurred for half-year ended 31 December 2021 (31 December 2020: \$23,725) of which \$27,339 (30 June 2021: \$4,081) was payable to the Investment Manager and HAS at the end of the half-year.

###### *Loan*

Loan balance of \$361,193 as of 31 December 2021 (30 June 2021: \$239,840) is payable to Diversity Housing, a joint venture between the Investment Manager and HAS at the end of the half-year (see Note 7).

## Notes to the Condensed Financial Statements for the half-year ended 31 December 2021

### 9. Events after the reporting period

As the impact of the COVID-19 pandemic is continuing, the Investment Manager for the Group has been monitoring both the valuation of the Group's assets and the Group's liquidity.

The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate.

Other than above, there has not been any matter or circumstance that significantly affects or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 10. Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2021 and 30 June 2021.

## Directors' Declaration

The directors of the Responsible Entity declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached condensed 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 Group.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to Section 295(4) of the *Corporations Act 2001*.

On behalf of the directors of the Responsible Entity, K2 Asset Management Ltd.



Hollie Wight  
Director  
8 April 2022

# Independent Auditor's Review Report to the Unitholders of Storehouse Residential Trust

## Conclusion

We have reviewed the interim financial report of Storehouse Residential Trust (the Trust), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 interim financial report of Storehouse Residential Trust does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Storehouse Residential Trust's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) 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 Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Trust 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.*

© 2022 Findex (Aust) Pty Ltd

## Responsibilities of the Directors for the Financial Report

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

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Trust's financial position as at 31 December 2021 and 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 an interim 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.



**Crowe Sydney**



**John Haydon**

Senior Partner

8 April 2022