

Condensed Interim Report

31 December 2024



Responsible Entity
Westlawn Financial Services Limited ACN 141 420 920 AFSL No. 518648

Westlawn Income Fund
Directors' report
31 December 2024

The directors of Westlawn Financial Services Limited ('Responsible Entity') as Responsible Entity of the Westlawn Income Fund ('Fund') present their report together with the Financial Report of the Fund for the half-year ended 31 December 2024.

Directors

The following persons were directors of the Responsible Entity during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mark Charles Dougherty
 Geoffrey Dean Scofield
 Andrew Harry Hayes
 Andrew Douglas Bennett

Principal activities

During the financial half-year the principal continuing activities of the Fund was to offer individual investors the opportunity to combine their funds with other investors to collectively invest in interest bearing financial assets as described in the current Product Disclosure Statement (PDS).

The Fund's investment objective is to generate returns for investors through investing in various debt instruments which provide fixed interest returns.

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

Managed investment scheme

The Fund is a managed investment scheme registered by the Australian Securities and Investments Commission in accordance with the Corporations Act 2001. The Fund was established on 24 March 2020 and issued its first offer document on 4 December 2020.

Distributions

Distributions paid during the financial half-year were as follows:

	31 December 2024	31 December 2023
	\$	\$
Monthly distributions paid or payable for the half-year ended 31 December 2024	1,551,100	-
Monthly distributions paid or payable for the half-year ended 31 December 2023	-	1,019,594
	<u>1,551,100</u>	<u>1,019,594</u>

Review of operations

The profit for the Fund amounted to \$nil (31 December 2023: \$nil).

The following table summarises the amount distributed and weighted average annual percentage rate for each Class of Units on issue during the half-year:

	31 December 2024	31 December 2024 Weighted average	31 December 2023	31 December 2023 Weighted average
Class of Units	\$	%	\$	%
Class 6M (retail)	81,940	6.00%	33,625	5.04%
Class 12M (retail)	283,481	6.50%	69,731	5.47%
Class 24M (retail)	873,872	7.00%	769,841	6.00%
Class 2M (wholesale)	-	-	12,055	5.00%
Subordinated 24M (wholesale)	311,807	8.00%	134,342	7.00%
	<u>1,551,100</u>		<u>1,019,594</u>	

The Fund issued its first Product Disclosure Statement (PDS) on 4 December 2020 at which time it commenced operations.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Fund during the financial half-year.

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Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors


Mark Charles Dougherty
Chairman

7 March 2025

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim financial report of Westlawn Income Fund for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.



R A Watkinson
Partner

Robina, Queensland
7 March 2025

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Westlawn Income Fund
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Income			
Interest income	3	2,914,921	1,484,901
Non interest income	4	3,860	26,251
Total income		<u>2,918,781</u>	<u>1,511,152</u>
Expenses			
Compliance expenses		(52,051)	(31,576)
Custody fees		(8,715)	(7,919)
Investment manager fees		(243,496)	(181,839)
Other expenses		(15,936)	(12,758)
Performance Fees		(749,668)	(46,972)
Registry expenses		(26,187)	(14,855)
Remuneration of auditors		(28,132)	(13,800)
Responsible entity fees		<u>(243,496)</u>	<u>(181,839)</u>
Total expenses		<u>(1,367,681)</u>	<u>(491,558)</u>
Net profit attributable to Unitholders (before finance costs)		1,551,100	1,019,594
Distributions to Unitholders paid/payable	12	<u>(1,551,100)</u>	<u>(1,019,594)</u>
Profit for the half-year attributable to the Unitholders of Westlawn Income Fund		-	-
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year attributable to the Unitholders of Westlawn Income Fund		<u>-</u>	<u>-</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Westlawn Income Fund
Statement of financial position
As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Cash and cash equivalents	5	14,550,431	6,426,154
Trade and other receivables	6	18,220	41,712
Other	7	44,281	52,141
Loans and advances at amortised cost	8	11,327,835	11,603,010
Other financial assets	9	<u>26,210,642</u>	<u>22,280,620</u>
Total assets		<u>52,151,409</u>	<u>40,403,637</u>
Liabilities			
Trade and other payables	10	<u>3,332,996</u>	<u>2,760,924</u>
Total liabilities		<u>3,332,996</u>	<u>2,760,924</u>
Net assets attributable to Unitholders (Liability)	11,13	<u>48,818,413</u>	<u>37,642,713</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Westlawn Income Fund
Statement of changes in equity
For the half-year ended 31 December 2024

The Fund's net assets attributable to Unitholders are classified under AASB 132 Financial Instruments: Presentation as a liability rather than equity.

As the Fund has no equity, there are no items included in the Statement of Changes in Equity for the period or comparative period.

Westlawn Income Fund
Statement of cash flows
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(751,422)	(239,136)
Interest received		2,922,780	1,485,356
Other revenue		<u>3,860</u>	<u>26,250</u>
Net cash from operating activities		<u>2,175,218</u>	<u>1,272,470</u>
Cash flows from investing activities			
Payments for investments		(8,454,689)	(18,172,405)
Net loans repaid/(funded)		275,174	2,736,005
Proceeds from disposal of investments		<u>4,524,667</u>	<u>12,367,950</u>
Net cash used in investing activities		<u>(3,654,848)</u>	<u>(3,068,450)</u>
Cash flows from financing activities			
Proceeds from applications		16,933,000	6,190,000
Payments for redemptions	13	(5,845,000)	(9,625,000)
Distributions paid		<u>(1,484,093)</u>	<u>(1,032,356)</u>
Net cash from/(used in) financing activities		<u>9,603,907</u>	<u>(4,467,356)</u>
Net increase/(decrease) in cash and cash equivalents		8,124,277	(6,263,336)
Cash and cash equivalents at the beginning of the financial half-year		<u>6,426,154</u>	<u>12,074,520</u>
Cash and cash equivalents at the end of the financial half-year	5	<u>14,550,431</u>	<u>5,811,184</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Westlawn Income Fund
Notes to the financial statements
31 December 2024

Note 1. General information

The financial statements cover Westlawn Income Fund (the Fund) as an individual reporting entity. The financial statements are presented in Australian dollars, which is the Fund's functional and presentation currency.

The Fund is constituted by deed (the Constitution) dated 12 March 2020, as amended. The Fund issued its first Product Disclosure Statement (PDS) on 4 December 2020 at which time it commenced operations.

The Fund is domiciled and registered in Australia.

The Responsible Entity of the Fund is Westlawn Financial Services Limited ('Responsible Entity'), which has its registered office and principal place of business at:

22 Queen Street, Grafton NSW 2460

A description of the nature of the Fund's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 March 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Interest income

	31 December 2024	31 December 2023
	\$	\$
Mortgage loans	516,913	599,721
Bank accounts	189,988	201,800
Other financial assets	2,208,020	683,380
	<u>2,914,921</u>	<u>1,484,901</u>

Note 4. Non interest income

	31 December 2024	31 December 2023
	\$	\$
Other fees	3,824	26,251
Other revenue	36	-
Non interest income	<u>3,860</u>	<u>26,251</u>

Westlawn Income Fund
Notes to the financial statements
31 December 2024

Note 5. Cash and cash equivalents

	31 December 2024	30 June 2024
	\$	\$
Cash at bank	<u>14,550,431</u>	<u>6,426,154</u>

Note 6. Trade and other receivables

	31 December 2024	30 June 2024
	\$	\$
GST receivable	<u>18,220</u>	<u>41,712</u>

Note 7. Other

	31 December 2024	30 June 2024
	\$	\$
Accrued revenue	<u>44,281</u>	<u>52,141</u>

Note 8. Loans and advances at amortised cost

	31 December 2024	30 June 2024
	\$	\$
Mortgage loans	<u>11,327,835</u>	<u>11,603,010</u>

Note 9. Other financial assets

	31 December 2024	30 June 2024
	\$	\$
Other investments - at amortised cost	<u>26,210,642</u>	<u>22,280,620</u>

Note 10. Trade and other payables

	31 December 2024	30 June 2024
	\$	\$
Trade payables	1,605,178	1,014,912
Unitholder funds not yet issued	1,440,000	1,527,700
Distribution payable	285,318	218,312
Other payables	<u>2,500</u>	<u>-</u>
	<u>3,332,996</u>	<u>2,760,924</u>

Unitholder funds not yet issued represents funds received from Unitholders for which the Units are yet to be issued. Generally these units are issued on the first day of the following month subject to a fully completed application form being received.

Westlawn Income Fund
Notes to the financial statements
31 December 2024

Note 11. Unitholders funds

Net assets attributable to Unitholders (liability) are represented by the following Classes of Units issued by the Fund:

	31 December 2024	30 June 2024
	\$	\$
Class 6M	3,509,000	560,000
Class 12M	10,200,000	6,813,000
Class 24M	27,079,413	22,919,713
Subordinated	8,030,000	7,350,000
	<u>48,818,413</u>	<u>37,642,713</u>

The Fund is an unlisted managed investment scheme structured as a unit trust with the ability to issue multiple classes of Units. The Fund operates as a pooled managed investment scheme.

Each investor, regardless of the Class of Units held, have a proportionate beneficial interest, along with all other investors, in the assets of the Fund.

Each Class of Units will have a specified Investment Term and Target Distribution Rate.

Note 12. Distributions

Distributions paid during the financial half-year were as follows:

	31 December 2024	31 December 2023
	\$	\$
Monthly distributions paid or payable for the half-year ended 31 December 2024	1,551,100	-
Monthly distributions paid or payable for the half-year ended 31 December 2023	-	1,019,594
	<u>1,551,100</u>	<u>1,019,594</u>

Note 13. Net assets attributable to Unitholders (Liability)

Movements in the number of units and net assets attributable to Unitholders (liability) during the current financial half-year are set out below:

	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	Units	Units	\$	\$
Net assets attributable to Unitholders (Liability) at the beginning of the financial half-year	37,642,713	36,908,713	37,642,713	36,908,713
Applications	17,020,700	14,288,000	17,020,700	14,288,000
Redemptions	(5,845,000)	(13,554,000)	(5,845,000)	(13,554,000)
	<u>48,818,413</u>	<u>37,642,713</u>	<u>48,818,413</u>	<u>37,642,713</u>

Westlawn Income Fund
Notes to the financial statements
31 December 2024

Note 13. Net assets attributable to Unitholders (Liability) (continued)

The Fund is an unlisted managed investment scheme structured as a unit trust with the ability to issue multiple classes of Units. The Fund operates as a non-liquid pooled managed investment scheme.

Each Class of Units has a specified Investment Term and Unit holders do not have the right to withdraw their investment during the term of that Class. Investors will only be able to withdraw their investment at the end of their Class' investment term subject to accepting a withdrawal offer in the time frame required and sufficient funds being available to meet the withdrawals.

Capital risk management

The Fund considers its net assets attributable to Unitholders (liability) as capital. The amount of net assets attributable to Unitholders (liability) can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of Unitholders. Net assets attributable to Unitholders (Liability) are representative of the expected cash outflows on redemption.

Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity. In accordance with the provisions of the Fund constitution, the Responsible Entity has the discretion to reject an application for Units and is not obliged to make any withdrawal offers to Unitholders at the end of their applicable Investment Terms and may also cancel any existing withdrawal offers by notice.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Westlawn Income Fund
Directors' declaration
31 December 2024

In the opinion of director's of Westlawn Financial Services Limited, the Responsible Entity of Westlawn Income Fund:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Charles Dougherty
Chairman

7 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Unitholders of Westlawn Income Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Westlawn Income Fund ("the Scheme") which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Westlawn Income Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Scheme's financial position as at 31 December 2024 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 a 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 Scheme 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.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2024 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 a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in dark ink that reads 'HLB Mann Judd'.

HLB Mann Judd Assurance GCNC Pty Ltd
Chartered Accountants

A handwritten signature in dark ink that reads 'R. A. Watkinson'.

R A Watkinson
Partner

Robina, Queensland
7 March 2025