Westlawn
PROPERTY TRUST

HALF YEARLY REPORT

31 December 2020

Clarence Property Corporation Limited
ACN 094 710 942, AFSL 230212
As Responsible Entity for
Westlawn Property Trust
ARSN 095 611 804
and
Epiq Lennox Property Trust
ARSN 626 201 974

CONTENTS **PAGE**

Directors' report	2
Auditors' independence declaration	9
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	14
Notes to the financial statements	15
Directors' declaration	42
Independent auditors' report	43

DIRECTORY

Responsible Entity and Manager
Clarence Property Corporation Limited
ACN 094 710 942
AFSL 230212

Registered Office
Level 1 Suite 4
5 Snapper Drive
Lennox Head NSW 2478
Phone: 1300 382 862
Email: enquiry@clarenceproperty.com.au

Registry
PO Box 1478
Ballina NSW 2478

Auditor for the Group
PKF Brisbane Audit
Level 6, 10 Eagle Street
Brisbane QLD 4000

Solicitors
McCullough Robertson
Level 11, Central Plaza Two
66 Eagle Street
Brisbane QLD 4000

Auditor for the Manager
WCA Audit & Assurance Services Pty Ltd
62 Woodlark Street
Lismore NSW 2480

The directors of Clarence Property Corporation Limited ("Responsible Entity"), the responsible entity of Westlawn Property Trust ("WPT") and Epiq Lennox Property Trust ("ELPT"), present their report together with the consolidated financial statements for the half year ended 31 December 2020 (the "Period") for both:

i) the Westlawn Property Group (“Group”) consisting of Westlawn Property Trust, Epiq Lennox Property Trust and their controlled entities; and
ii) Westlawn Property Trust.

The units of WPT and the units of ELPT are combined and issued as stapled securities in the Group. The units in either trust cannot be traded separately and can only be traded as stapled securities.

1 Directors and officers

i) Directors

The following persons were directors of the Responsible Entity during the Period and up to the date of this report, unless otherwise stated:

James Dougherty OAM
Chairman of Directors (Non- Executive)
Age 67 years
Jim is a licensed real estate agent and chartered accountant with wide ranging experience in the property, accounting and finance industries. He holds a Bachelor of Economics and a Diploma of Financial Management, both from the University of New England, and also holds a Certificate IV in Financial Services (Finance/Mortgage Broking). He was awarded the Order of Australia Medal in 2014 for services to the community and surf lifesaving. He has been an executive director of Westlawn Finance Limited since 1994 and has been chairman of directors of Clarence Property Corporation Limited since 2000.

Peter Fahey
Managing Director (Executive)
Age 57 years
Peter has been involved in the property industry for more than 30 years. He has a wide range of property experience, in both capital cities and regional areas, including sales, leasing, management, valuation, financing and development. Peter has been involved in funds management since 1994 and was the founder of Clarence Property and Westlawn Property Trust, and subsequently numerous other syndicates. He holds a Bachelor of Business (Retail Property Valuation and Administration).

Darrell Irwin
Director (Executive)
Age 56 years
Darrell has 30 plus years' experience in advising, consulting, developing and selling in the commercial property arena including the office, industrial, retail and residential sectors as well as a long term involvement in masterplanned communities. He has significant experience in marketing properties both domestically and internationally. Darrell has held leadership roles with development companies and is a former National Director and Director in Charge of the Gold Coast office of Colliers International, specialising in major commercial property transactions and large-scale development properties.

Tony Tippett
Director (Non-Executive)
Age 57 years
Tony has been actively involved in the property industry for the last 27 years, from project conception, feasibility, financing, marketing, to sales and delivery for a range of residential, commercial and retail projects up to $350 million. He is a director of the Robina Group of Companies, an associate member of the Institute of Chartered Accountants of Australia and New Zealand, a fellow of the Governance Institute of Australia, a member of the Australian Institute of Company Directors, a licenced Real Estate Agent and holds a Bachelor of Economics from the University of New England.

1 Directors and officers (continued)

ii) Company Secretary

Paul Rippon
Age 63 years
Paul has over 40 years' experience in public accounting, finance and property. He holds a Bachelor of Business (Accounting & Business Law) from the New South Wales Institute of Technology and is a member of the Institute of Chartered Accountants of Australia and New Zealand. Paul has been involved with the Clarence Property group since 2007, and during that time has been responsible for the day-to-day operations of the Group, its funding arrangements and management of numerous property transactions and land developments in New South Wales and Queensland. Paul sits on the Manager's compliance committee.

iii) Directors meetings

Seven directors meetings were held in the Period 1 July 2020 to 31 December 2020 and attendances were:

Jim Dougherty	7
Peter Fahey	7
Darrell Irwin	7
Tony Tippett	7

2 Principal activity

The principal activity of the Group during the Period was to provide enduring property income to its investors, whilst ensuring capital value is preserved and grown. There was no significant change in the nature of this activity during this Period, other than as stated in these statements.

3 Review of operations

The following is a summary of key outcomes during the Period:

i) Impact of Covid-19

The strength and diversity of the Group's properties and tenants has resulted in the impact of Covid-19 being minimal during the period. There was a small adverse impact to property revenue (approx. $100,000) resulting from the governments mandatory code of conduct. Sale of inventories was not impacted.

On 7 April 2020, the Federal government announced a National Cabinet Mandatory Code of Conduct ('the Code') in respect to commercial property leases as well as subsequent announcements on its extension. The Code applies to all commercial tenancies suffering financial stress or hardship as a result of the COVID-19 pandemic. The Group has complied with the Code across all its properties and worked with tenants to provide appropriate rent relief packages.

As a result of the Code, it required rent relief to be provided by the Group to some of its tenants. Initially the Group reduced its distribution rate paid to unit holders and suspended both the Group's capital raising and Distribution Reinvestment Plan (DRP). Subsequently, as it became evident the extent of the rent relief actually provided was less than initially forecast, the distribution rate was increased by 1.0 cent per unit p.a. from July 2020 and by a further 1.0 cent per unit p.a. from September 2020 to a total of 6.0 cents per unit p.a. Both the capital raising and DRP were recommenced in September 2020.

3 Review of operations (continued)

ii) Operating results

The total comprehensive income of the Group after income tax for the Period amounted to $17,115,967 (December 2019: $10,264,077 profit). After taking account of distributions for the period of $8,147,264 and brought forward undistributed income, the total undistributed income carried forward to future periods is $11,315,216

iii) Investment property acquisitions

During the period the Group acquired 6 investment properties for a total of $66,335,000. The Group now has a diversified portfolio of 27 investment properties with a total value of $400,072,500.

iv) Investment property sales

There were no investment property disposals during the Period.

v) Investment property revaluations

During the Period the following investment properties were independently valued:

Property description	Valuation date	Previous valuation $	New valuation $	Change since last valuation $
Commercial				
183 Varsity Parade, Varsity Lakes	Dec-20	11,400,000	12,250,000	850,000
9 Hercules Street, Hamilton	Dec-20	8,300,000	10,200,000	1,900,000
Retail				
Byron Bay Fair	Dec-20	11,000,000	14,000,000	3,000,000
Bell Central, Mudgeeraba	Dec-20	15,500,000	16,500,000	1,000,000
Zone, Underwood	Nov-20	31,250,000	33,000,000	1,750,000
Industrial/Logistics/Distribution				
48 Bell-Are Avenue, Northgate	Nov-20	8,600,000	11,600,000	3,000,000
				11,500,000

3 Review of operations (continued)

vi) Inventory & property development

During the Period the Group continued the development of:

"Epiq" Lennox.

i) The Pocket - It is intended that 25 three and four bedroom townhouses will be built for sale on the three Stage 4 medium density lots. A development application has been lodged with Ballina Shire Council;

ii) Stage 5 - Registration of the residential lots was achieved on 30 November 2020. 81 lots have been taken to the market and sold. 61 of those sales settled in December 2020. A further 15 lots have subsequently settled, up to the date of this report.

iii) Superlot 5 - Modifications have been propsed to the original development application, and are now with NSW Dept. of Planning, Industry and Environment for further assessment.

iv) Superlot 7 - Modifications to the original development application were approved by NSW Dept. of Planning, Industry and Environment in October 2020. A construction certificate application has been lodged with Ballina Shire Council.

Yamba Quays

i) Stage 1 - 7 lots have been sold and settled during the period and a further 3 lots settled up to the date of this report. A further lot is under unconditional contract of sale. The remaining 4 lots continue to be marketed for sale.

ii) Stage 2 - Construction certificate was issued during the period, with civil works commencing in January 2021. 16 of the 24 lots have been taken to the market and sold. The balance 8 lots are expected to be brought to the market in the near future.

vii) Finance facilities

During the period the Group established a new $26,922,500, 3 year finance facility with CBA. The facility is part of the Common Terms Deed (CTD) arrangement and was secured by adding five unsecured properties into the CTD security pool. $21,147,500 was drawn at Period end with the balance $5,775,000 drawn in January 2021.

The Group has negotiated a $14,850,000, 3 year finance facility with CBA. The facility is part of the CTD arrangement and will be secured by adding the Queensport Road property and the yet to be settled Paringa Road property to the security pool. The loan will be drawn down upon the settlement of Paringa Road, currently expected to take place in March 2021.

During December 2020 the Group received renewal terms from CBA for an extension to September 2025 of the original $46,400,000 CTD facility it provided which was due to expire in September 2021. The Group has agreed those terms and the facility is currently being documented.

In January 2021, the Group agreed renewal terms with Westpac for an extension to September 2024 of the original $46,602,000 CTD facility it provided. Documentation has now been signed and executed.

In November 2020, a new 3 year joint finance facility with our co-owner of the property known as 'The Rocket' was established with CBA to refinance the existing ING loan. The Group's 50% share of the facility is $23,550,000 and at period end was drawn to $21,025,000.

Negotiations have commenced with another major Australian bank to provide financial accommodation to the Group as part of the CTD arrangement. Indicative terms have been received for a $50 million facility to fund future acquisitions.

viii) Capital raising

On 3 December 2018, the Group issued a Product Disclosure Statement (PDS) seeking to raise funds and issue new stapled units in the Group. Since PDS opening and to the date of this report 127,231,253 units have been issued, with 33,934,249 units issued during the Period at an average of $0.96 per unit, resulting in net proceeds of $32,651,190

Pursuant to the Distribution Reinvestment Plan, 605,995 units were issued at an average $0.95 per unit during the Period.

4 Significant changes in the state of affairs of the Group

In the opinion of the Directors there were no significant changes in the state of affairs of the Group during the Period, other than those stated in these statements.

5 Matters arising since the period end

Since the Period end, the COVID-19 pandemic has continued to evolve with potential impacts on specific areas of judgement applied in preparing these financial statements. The Group has continued to re-evaluate the potential impacts of the pandemic on significant inputs and key areas of judgement as outlined in Note 1. Based on these evaluations, the Group has determined there are no material events since Period end which would give rise to an adjustment.

Since the Period end the Group has entered into conditional contracts to acquire two residential development sites in Northern NSW. The combined purchase price is approximately $45 million and is expected to be funded from cash reserves.

In February 2021 WPT Sub-Trust 6, a wholly-owned subsidiary of Westlawn Property Trust, entered into a contract to purchase a childcare centre at 5 Bahrs Scrub Road, Bahrs Scrub for $5,600,000 and a commercial office building at 65 Park Road, Milton for $6,000,000. The acquisitions will be funded from cash reserves, with settlements expected in March 2021 and May 2021 respectively.

As noted in 3) above, renewal terms have been signed with Westpac for an extension to September 2024 of the original $46,602,000 CTD facility it provided, which was due to expire in September 2021 and reported as a current liability in the financial statements.

On 1 January 2021 units totalling 12,369,518 were issued in relation to funds received during December 2020 and shown as a current liability in the financial statements.

No matter or circumstance, other than as mentioned above, has arisen since the end of the Period that has significantly affected or may significantly affect:
i) the operations of the Group;
ii) the results of those operations; or
iii) the state of affairs of the Group in subsequent financial years.

6 Likely developments in the operations of the Group

The Group will continue with a similar level of activity for the year ending 30 June 2021 as in the past. The Manager will continue to ensure the long term growth of the Group by identifying profitable long term property opportunities in Australia, and will continue to carefully manage and develop existing properties.

7 Environmental issues

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth, State or Territory. The Group is, however, party to a Conservation Zone Management Plan relating to its "Epiq Lennox" development.

8 Distributions to unit holders

During the Period unit holders received or were entitled to receive cash distributions of $8,147,264 (2019: $7,632,334). The average annualised rate of cash distributions for the Period was 5.7 cents per unit (2019: 6.5 cents per unit).

9 Options on units

There are no options over any units in the Group.

10 Responsible Entity fees

The Responsible Entity has been paid or is due fees of $4,273,636 for the Period (December 2019: $3,047,069) in accordance with the Constitutions of the Group.

Further details of fees paid to the Responsible Entity are disclosed in Note 25 on Page 35 of the financial statements.

11 Indemnifying officers or auditor

During or since the end of the Period the Responsible Entity has not given an indemnity or entered an agreement to indemnify any officer or auditor in respect of the operations of the Group.

The Responsible Entity pays premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity.

12 Interests in the Group

The details of interests in the Group for the Period were:

i)	Units as at 1 July 2020	273,390,507
	Units issued during the period	33,934,249
	Units redeemed during the period	-
	Units as at 31 December 2020	307,324,756

ii) The Responsible Entity held no units as at 31 December 2020.

iii) The value of the Group's assets at 31 December 2020 was $475,465,536.
Assets were valued at cost or fair value.

13 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 Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Responsible Entity was not a party to any such proceedings during the Period.

14 Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration, as required under section 307C of the Corporations Act 2001, is set out on page 9.

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

Peter Fahey
Managing Director

James Dougherty
Director

Dated 10th day of March 2021

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF CLARENCE PROPERTY CORPORATION LIMITED
AS RESPONSIBLE ENTITY FOR WESTLAWN PROPERTY GROUP

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

10 MARCH 2021
BRISBANE

Liability limited by a scheme approved under Professional Standards Legislation.
PKF Brisbane Pty Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

WESTLAWN PROPERTY GROUP
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half year ended 31 December 2020

	Note	Consolidated Group		Westlawn Property Trust	
		31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
		$	$	**$**	$
Revenue and other income					
Interest revenue		**14,394**	108,147	**11,121**	89,842
Property revenue		**15,311,171**	10,763,330	**11,268,088**	10,175,549
Sale of inventories		**27,698,287**	14,456,690	**-**	-
Profit on disposal of derivative financial instruments		**38,320**	-	**38,320**	-
Other income	2	**19,597**	64	**19,597**	64
Fair value gain from investment property	12	**3,954,069**	1,703,177	**8,195,911**	5,883,813
Fair value gain/(loss) on derivative financial instruments		**(156,140)**	256,383	**(156,140)**	256,383
Total revenue		**46,879,698**	27,287,791	**19,376,897**	16,405,651
Expenses					
Financing costs	3	**(2,051,796)**	(2,409,614)	**(1,798,469)**	(2,409,614)
Property expenses and outgoings		**(6,121,516)**	(4,354,322)	**(3,887,484)**	(3,763,089)
Bad and doubtful debts expense		**(15,872)**	38,784	**(15,872)**	38,784
Inventory sales costs		**(1,505,938)**	(818,158)	**-**	(2,063)
Cost of inventories sold		**(15,069,236)**	(6,102,089)	**-**	-
Responsible entity fees	25	**(1,472,525)**	(1,102,349)	**(1,299,186)**	(957,627)
Other expenses		**(918,388)**	(372,533)	**(864,033)**	(334,344)
Total expenses		**(27,155,271)**	(15,120,281)	**(7,865,044)**	(7,427,953)
Net profit before income tax		**19,724,427**	12,167,510	**11,511,853**	8,977,698
Income tax (expense)/benefit	5	**(2,608,460)**	(1,903,433)	**-**	-
Profit after income tax attributable to unitholders		**17,115,967**	10,264,077	**11,511,853**	8,977,698
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income attributable to unitholders		**17,115,967**	10,264,077	**11,511,853**	8,977,698

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

	Note	Consolidated Group 31 December 2020 $	Consolidated Group 30 June 2020 $	Westlawn Property Trust 31 December 2020 $	Westlawn Property Trust 30 June 2020 $
ASSETS					
Current assets					
Cash and cash equivalents	6	**34,076,866**	20,843,983	**33,424,638**	20,388,697
Trade and other receivables	7	**776,605**	2,603,604	**741,779**	18,351,546
Inventory	9	**11,054,534**	22,825,109	**-**	-
Prepaid income tax		**19,697**	220,502	**-**	590
Other assets	11	**1,890,754**	1,376,812	**1,256,426**	989,230
Total current assets		**47,818,456**	47,870,010	**35,422,843**	39,730,063
Non-current assets					
Trade and other receivables	7	**-**	-	**133,140,538**	94,804,363
Financial assets	8	**1,524,690**	1,524,690	**11,687,510**	1,525,290
Inventory	9	**25,524,082**	25,047,019	**629,014**	629,014
Investment property	12	**400,072,500**	322,060,000	**288,710,000**	262,710,000
Derivative financial instruments	18	**35,160**	-	**35,160**	-
Deferred tax assets	10	**336,148**	680,348	**-**	-
Other assets	11	**154,500**	88,211	**154,500**	88,211
Total non-current assets		**427,647,080**	349,400,268	**434,356,722**	359,756,878
Total assets		**475,465,536**	397,270,278	**469,779,565**	399,486,941
LIABILITIES					
Current liabilities					
Trade and other payables	13	**3,435,906**	2,877,428	**2,905,495**	2,087,869
Income tax	14	**3,023,847**	-	**-**	-
Other liabilities	15	**14,417,704**	1,410,229	**13,752,208**	1,038,143
Financial liabilities	17	**36,602,000**	39,266,479	**36,602,000**	39,266,479
Total current liabilities		**57,479,457**	43,554,136	**53,259,703**	42,392,491
Non-current liabilities					
Deferred tax liabilities	16	**-**	759,588	**-**	-
Financial liabilities	17	**135,368,359**	110,007,007	**135,368,359**	110,007,007
Derivative financial instruments	18	**-**	1,951,720	**-**	1,951,720
Total non-current liabilities		**135,368,359**	112,718,315	**135,368,359**	111,958,727
Total liabilities		**192,847,816**	156,272,451	**188,628,062**	154,351,218
Net assets		**282,617,720**	240,997,827	**281,151,503**	245,135,723
EQUITY					
Unitholders' equity					
Issued capital		**271,302,504**	238,651,314	**271,302,504**	238,651,314
Undistributed income		**11,315,216**	2,346,513	**9,848,999**	6,484,409
Total unitholders' equity		**282,617,720**	240,997,827	**281,151,503**	245,135,723

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

Consolidated Group	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2020	273,390,507	238,651,314	2,346,513	240,997,827
Total comprehensive profit attributable to unitholders	-	-	17,115,967	17,115,967
	273,390,507	238,651,314	19,462,480	258,113,794
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	-	-	(8,147,264)	(8,147,264)
Units issued	33,934,249	32,651,190	-	32,651,190
Units redeemed	-	-	-	-
Balance at 31 December 2020	307,324,756	271,302,504	11,315,216	282,617,720

Consolidated Group	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2019	221,078,679	200,464,982	(8,276,639)	192,188,343
Total comprehensive profit attributable to unitholders	-	-	10,264,077	10,264,077
	221,078,679	200,464,982	1,987,438	202,452,420
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	-	-	(7,632,334)	(7,632,334)
Units issued	29,411,010	27,872,804	-	27,872,804
Units redeemed	-	-	-	-
Balance at 31 December 2019	250,489,689	228,337,786	(5,644,896)	222,692,890

The above statement of changes in equity should be read in conjuction with the accompanying notes.

Westlawn Property Trust	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2020	**273,390,507**	**238,651,314**	**6,484,409**	**245,135,723**
Total comprehensive profit attributable to unitholders	**-**	**-**	**11,511,853**	**11,511,853**
	273,390,507	**238,651,314**	**17,996,262**	**256,647,576**
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	**-**	**-**	**(8,147,263)**	**(8,147,263)**
Units issued	**33,934,249**	**32,651,190**	**-**	**32,651,190**
Units redeemed	**-**	**-**	**-**	**-**
Balance at 31 December 2020	**307,324,756**	**271,302,504**	**9,848,999**	**281,151,503**

Westlawn Property Trust	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2019	221,078,679	200,464,982	(5,363,625)	195,101,357
Total comprehensive profit attributable to unitholders	-	-	8,977,698	8,977,698
	221,078,679	200,464,982	3,614,073	204,079,055
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	-	-	(7,632,333)	(7,632,333)
Units issued	29,411,010	27,872,804	-	27,872,804
Units redeemed	-	-	-	-
Balance at 31 December 2019	250,489,689	228,337,786	(4,018,260)	224,319,526

The above statement of changes in equity should be read in conjuction with the accompanying notes.

	Note	Consolidated Group		Westlawn Property Trust	
		31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
		$	$	**$**	$
Cash flows from operating activities					
Receipts from operations (including GST)		**19,827,592**	12,911,133	**12,783,320**	11,178,360
Interest received		**14,393**	108,147	**11,121**	89,842
Trust distributions received		**-**	-	**-**	-
Proceeds on sale of inventories		**27,698,287**	14,456,690	**-**	-
Payment on sale of derivative financial instruments		**(2,104,700)**	-	**(2,104,700)**	-
Other receipts		**19,597**	64	**19,597**	64
Payment to suppliers		**(11,386,952)**	(8,006,869)	**(6,792,659)**	(7,258,499)
Payment for inventory		**(4,281,837)**	(17,728,577)	**-**	(9,476,742)
Goods & services tax received (paid)		**(697,931)**	(110,049)	**(202,913)**	89,967
Borrowing costs paid		**(2,123,436)**	(2,252,413)	**(1,870,109)**	(2,252,413)
Income taxes received (paid)		**200,804**	-	**590**	-
Net cash provided by/(used in) operating activities	**23**	**27,165,817**	(621,874)	**1,844,247**	(7,629,421)
Cash flows from investing activities					
Net loans repaid (advanced)		**-**	-	**(20,886,174)**	(41,837,143)
Payment for investment property		**(74,118,197)**	(52,730,790)	**(17,945,174)**	(3,551,377)
Payment for/(proceeds) from investments in trusts		**-**	-	**(10,162,220)**	(200)
Net cash used in investing activities		**(74,118,197)**	(52,730,790)	**(48,993,568)**	(45,388,720)
Cash flows from financing activities					
Proceeds from issue of units		**45,010,329**	24,223,914	**45,010,329**	24,223,914
Proceeds from borrowings		**58,532,987**	17,057,215	**58,532,987**	17,057,215
Repayment of borrowings		**(35,836,114)**	(5,419,344)	**(35,836,114)**	(5,419,344)
Distributions paid		**(7,521,939)**	(7,632,335)	**(7,521,940)**	(7,632,334)
Net cash provided by financing activities		**60,185,263**	28,229,450	**60,185,262**	28,229,451
Net increase (decrease) in cash held		**13,232,883**	(25,123,214)	**13,035,941**	(24,788,690)
Cash at beginning of financial year		**20,843,983**	32,027,318	**20,388,697**	31,219,496
Cash at the end of the financial period	**6, 23**	**34,076,866**	6,904,104	**33,424,638**	6,430,806

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

1 Summary of significant accounting policies

The Westlawn Property Group ("Group") represents the combination or stapling of Westlawn Property Trust ("WPT") and Epiq Lennox Property Trust ("ELPT") and the entities they controlled at the end of, or during the 6 months ended 31 December 2020 (the "Period"). WPT and ELPT are both registered managed investment schemes in accordance with the Corporations Act 2001 and are domiciled in Australia.

The constitutions of WPT and ELPT and the stapling deed between the entities ensure the number of units on issue in both trusts shall be equal and that their unit holders be identical. Clarence Property Corporation Limited as Responsible Entity of both trusts must at all times act in the best interest of the Group. The stapling arrangement will continue until either the winding up of WPT or ELPT, or either entity terminating the stapling arrangement.

The Group has elected to utilise ASIC Corporations (Stapled Group Reports) Instrument 2015/838 and present the combined financial statements covering the consolidated Westlawn Property Group ("Consolidated Group") and Westlawn Property Trust as an individual entity.

Basis of preparation

The financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and also meet the requirements of AASB 134: Interim Financial Reporting.

Australian Accounting Standards set out accounting policies the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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 financial statements are presented in Australian dollars which is the Group's functional and presentational currency.

Net current asset deficiency

As a result of the Westpac finance facility due to expire in September 2021, the Group reported a net current asset deficiency of $9.7m as at 31 December 2020. As detailed in the events subsequent to reporting date at Note 24, the Group have executed signed documentation to extend the $46.6m Westpac facility to a new maturity date of September 2024. In addition, included within current liabilities is $13.9 m of funds received in advance of services to be provided including $12.4m of funds received in advance of units in the Group to be issued. These amounts do not represent a future outflow of cash nor reflect upon the liquidity of the Group. Excluding these current liabilities will significantly strengthen the net current asset position of the Group to be positive $40.8m. Accordingly, the financial statements have been prepared on a going concern basis.

Coronavirus (COVID-19) impact

<u>Background</u>

COVID-19 has presented a fast evolving and significant challenge to global and local economies. The Group has considered the impact of COVID-19 and other market volatility in preparing its financial statements. While the specific areas of judgement as noted in Note 1 did not change, the impact of COVID-19 resulted in the application of further judgement within those identified areas. Given the evolving nature of COVID-19 and the limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes applied in the measurement of the Group's assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events arising after the reporting period will be accounted for in future reporting periods.

1 Summary of significant accounting policies (continued)

Coronavirus (COVID-19) impact (continued)

Process applied

As a consequence of COVID-19 and in preparing these financial statements, management:
- re-evaluated whether there were any additional areas of judgement or estimation uncertainty;
- assessed the carrying values of the Group's assets and liabilities and determined the impact thereon as a result of market inputs and variables impacted by COVID-19; and
- considered the impact of COVID-19 on the Group's financial statement disclosures.

Impact

The strength and diversity of the Group's properties and tenants has resulted in the impact of Covid-19 being minimal during the period. There was a small adverse impact to property revenue (approx. $100,000) resulting from the governments mandatory code of conduct, sale of inventories was not impacted.

On 7 April 2020, the Federal government announced a National Cabinet Mandatory Code of Conduct ('the Code') in respect to commercial property leases as well as subsequent announcements on its extension. The Code applies to all commercial tenancies suffering financial stress or hardship as a result of the COVID-19 pandemic. The Group has complied with the Code across all its properties and worked with tenants to provide appropriate rent relief packages.

As a result of the Code, it required rent relief to be provided by the Group to some of its tenants. Initially the Group reduced its distribution rate paid to unit holders and suspended both the Group's capital raising and Distribution Reinvestment Plan (DRP). Subsequently, as it became evident the extent of the rent relief actually provided was less than initially forecast, the distribution rate was increased by 1.0 cent per unit p.a. from July 2020 and by a further 1.0 cent per unit p.a. from September 2020 to a total of 6.0 cents per unit p.a. Both the capital raising and DRP were recommenced in September 2020.

Statement of compliance

The Group 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.

a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Westlawn Property Trust and Epiq Lennox Property Trust as at 31 December 2020 and the results of all subsidiaries for the period then ended.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

1 Summary of significant accounting policies (continued)

a) Principles of consolidation (continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

b) Investment property

Investment property comprises investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income or for capital appreciation or both. Initially, investment property is measured at cost including transaction costs. Subsequent to initial recognition, investment property is then stated at fair value at each balance date with any gain or loss arising from a change in fair value of investment property recognised in the statement of profit or loss and other comprehensive income in the period in which it arises. Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

External independent valuations are commissioned at least once every three years or when the directors are of the opinion there has been a material movement in the market. Internal valuations are also undertaken by suitably experienced and qualified appraisers for those properties not externally valued at each balance date.

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

Land & Buildings (including integral plant and equipment) which comprise the investment property are not depreciated. The carrying amount of investment properties includes components relating to lease incentives, leasing costs and receivables on rental income that have been recorded on a straight line basis.

Transfers are made from investment property to inventories when, and only when, there is a change in use as evidenced by commencement of development with a view to sale. When an investment property is disposed of without development, it continues to be treated as an investment property until it is derecognised and does not treat it as inventory.

Investment property is derecognised when disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on derecognition of an investment property is recognised in the statement of profit or loss and other comprehensive income in the period of derecognition.

Investment property also includes property under construction for future use as investment property. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

1 Summary of significant accounting policies (continued)

c) Operating leases - investment property

The minimum rental revenue of operating leases with fixed rental increases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, is recognised on a straight-line basis.

Revenue from other leases is recognised in accordance with the lease agreement, which is considered to best represent the pattern of service rendered through the provision of the leased asset.

Lease incentives under operating leases may take the form of cash, rent-free periods, contributions to certain lessee costs, relocation costs and lessee or lessor owned fit-outs and improvements. These incentives are capitalised as part of the carrying value of the investment property and amortised on a straight-line basis over the term of the lease as a reduction of rental income. The carrying amount of the lease incentives is reflected in the fair value of investment property.

In addition to revenue generated directly from leases, which are accounted for in accordance with AASB 117 Leases, rent from investment properties includes non-lease revenue earned from tenants, predominantly in relation to recovery of asset operating costs (known as ‘outgoings’). This outgoings revenue is within the scope of AASB 15 and therefore recognised and measured under that standard.

d) Inventories

Where a property or asset is acquired for the purpose of undergoing redevelopment and subsequent resale or is in the process of production for such sale, it is treated as inventories. Inventories is stated at the lower of cost and net realisable value. Cost includes acquisition, development and holding costs such as borrowing costs, rates and taxes. Holding costs incurred after the completion of the development are expensed. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

Transfers are made from inventories to investment property when, and only when, there is a change in use evidenced by commencement of an operating lease to another party. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss and other comprehensive income in the period in which the transfer takes place.

e) AASB 9 Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the Group commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial assets and financial liabilities are initially measured at fair value. On initial recognition, financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are recognised net of transaction costs directly attributable to the acquisition of these financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss and other comprehensive income.

Given recent market volatility as a result of COVID-19, the Group reviewed the appropriateness of the inputs to its valuations of financial instruments including receivables, payables and derivative instruments. The impact of changes of inputs to the valuations has also been considered in terms of the classification of exposures in the fair value hierarchy and transfers within the fair value hierarchy.

1 Summary of significant accounting policies (continued)

i) Financial assets

Classification and subsequent recognition and measurement

Subsequent to initial recognition the Group classifies its financial assets in the following measurement categories:
- Those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group does not carry financial assets that are classified as 'fair value through other comprehensive income', and currently does not apply hedge accounting.

Financial assets recognised at amortised cost

Trade and other receivables are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss and other comprehensive income.

Financial assets recognised at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or recognition at fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income and presented net within other gains / (losses) in the period in which it arises.

Equity investments recognised at fair value through profit or loss

Subsequent to initial recognition, the Group continues to measure all equity investments at fair value. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (e.g. for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis and pricing models to reflect the issuer's specific circumstances.

Impairment

For trade and lease receivables, the Group applies the simplified approach permitted by AASB 9, which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

The Group impairs a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

1 Summary of significant accounting policies (continued)

e) AASB 9 Financial Instruments (continued)

ii) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the value of the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss and other comprehensive income.

f) Derivative financial instruments

The Group is exposed to changes in interest rates and enters into interest rate agreements to convert certain variable interest rate borrowings to fixed interest rates.

The agreements are entered into with the objective of hedging the risk of adverse interest rate fluctuations. While the Manager has determined that these arrangements are economically effective, they have not satisfied the documentation, designation and effectiveness tests required by Australian Accounting Standards and therefore do not qualify for hedge accounting.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Gains or losses arising from changes in fair value are recognised immediately in the statement of profit or loss and other comprehensive income. Fair value at reporting date is calculated to be the present value of the estimated future cash flows of these instruments. The two key variables used in the valuation are the forward price curve and discount rates. Each instrument is discounted at the market interest rate appropriate to the instrument.

Derivative financial instruments are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

1 Summary of significant accounting policies (continued)

g) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication an asset may be impaired. The assessment includes considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset (being the higher of the asset's fair value less costs to sell or value in use) to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The COVID-19 pandemic, has had an adverse economic impact within Australia and globally, however it is not possible to accurately determine the future nature, extent or duration of the impact on the Group, material or otherwise, at the date of signing the financial statements. The directors of the Group have considered the potential impacts of COVID-19 and do not believe, based on the information currently available, it has had a significant impact in the assessment of impairment at balance date.

h) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

j) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend & trust distribution revenue is recognised when the right to receive a dividend or trust distribution has been established.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment (refer to note 1c).

Revenue from inventory sales is recognised in the statement of profit or loss and other comprehensive income upon settlement and after all contractual duties are completed, inaccordance with AASB 15.

k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1 Summary of significant accounting policies (continued)

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs, except loan establishment costs, are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Loan establishment costs are capitalised and amortised over the term of the facility to which they relate, or five years, whichever is shorter.

m) Taxation

i) Income Tax

Under current Australian income tax legislation, WPT is not liable to income tax provided its taxable income (including any realised capital gains) is fully distributed to unitholders each year. WPT fully distributes its taxable income to unitholders.

Under current Australian income tax legislation, ELPT is liable to income tax as it is classified as a Public Trading Trust.

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

1 Summary of significant accounting policies (continued)

m) Taxation (continued)

ii) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the GST incurred on a purchase of goods and services is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Tax Office, is classified as operating cash flows.

n) Critical accounting estimates and judgements

The Responsible Entity evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

The Group assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

Key judgements

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in the following notes:

Note 9 - Inventory.
Note 12 - Investment property.
Note 18 - Derivative financial instruments.

COVID-19 pandemic

Judgement has been exercised in considering the impacts the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

The board continues to actively monitor the situation and given the small impact of $0.1 million during the period on revenue, are confident it will not have a material impact on the business going forward.

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
2 Revenue and other income	**$**	$	**$**	$
Other income comprises:				
Trust distributions	**-**	-	**-**	-
Other revenue	**19,597**	64	**19,597**	64
	19,597	64	**19,597**	64

3 Profit

Net profit before income tax has been determined after:				
Financing costs				
Interest expense	**1,823,073**	2,194,939	**1,569,746**	2,194,939
Borrowing costs	**228,723**	214,675	**228,723**	214,675
	2,051,796	2,409,614	**1,798,469**	2,409,614

4 Auditors' remuneration

Detail of remuneration of auditor is set out below:				
Auditing or reviewing the financial statements	**58,404**	41,190	**51,804**	35,160
	58,404	41,190	**51,804**	35,160

5 Income tax expense

Income tax expense				
Current tax	**3,023,848**	1,076,419	**-**	-
Adjustment recognised for prior periods	**-**	-	**-**	-
Derecognition of previous deferred taxes	**-**	-	**-**	-
Deferred tax expense/(income)	**(415,388)**	827,014	**-**	-
Tax rate differential	**-**	-	**-**	-
Total income tax benefit	**2,608,460**	1,903,433	**-**	-
Numerical reconciliation of income tax expense and tax at the statutory rate				
Net profit before income tax	**19,724,427**	12,167,510	**11,511,853**	8,977,698
Tax at the statutory tax rate of 26.0%	**5,128,351**	3,346,065	**2,993,082**	2,468,867
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Movement in market values	**(987,461)**	(538,880)	**(2,090,341)**	(1,688,554)
Tax rate differential	**(1,532,430)**	(903,752)	**(902,741)**	(780,313)
Sundry items	**-**	-	**-**	-
	2,608,460	1,903,433	**-**	-
Adjustment recognised for prior periods	**-**	-	**-**	-
Derecognition of previous deferred taxes	**-**	-	**-**	-
Income tax expense	**2,608,460**	1,903,433	**-**	-

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	30 June 2020	**31 December 2020**	30 June 2020
6 Cash and cash equivalents	**$**	$	**$**	$
Security deposits	**3,700**	3,700	**3,700**	3,700
Cash held in trust	**3,062,265**	205,098	**3,062,265**	155,098
Cash at bank	**31,010,901**	20,635,185	**30,358,673**	20,229,899
	34,076,866	20,843,983	**33,424,638**	20,388,697

7 Trade and other receivables

Current				
Trade and other debtors	**672,869**	901,924	**682,807**	866,106
Less provision for doubtful debts	**-**	(170,127)	**-**	(170,127)
GST receivable	**103,736**	1,871,807	**8,972**	155,567
Loan to subsidiaries (i)	**-**	-	**50,000**	17,500,000
Total current	**776,605**	2,603,604	**741,779**	18,351,546
Non-current				
Loan to subsidiaries (i)	**-**	-	**133,140,538**	94,804,363
Total non-current	**-**	-	**133,140,538**	94,804,363
Total trade and other receivables	**776,605**	2,603,604	**133,882,317**	113,155,909

(i) Refer Note 25(e) for further information on loans to subsidiaries

The movement in provision for doubtful debts during the period was as follows:

Opening balance	**170,127**	212,789	**170,127**	212,789
Provision for doubtful receivables	**17,459**	42,983	**17,459**	-
Receivables written off during the year	**(187,586)**	(42,983)	**(187,586)**	-
Reversals of amounts provided	**-**	(42,662)	**-**	(42,662)
Closing balance	**-**	170,127	**-**	170,127

8 Financial assets

Non-current				
Financial assets at fair value through profit or loss				
Units in unlisted unit trusts	**1,524,690**	1,524,690	**1,524,690**	1,524,690
Units in subsidiaries	**-**	-	**10,162,820**	600
	1,524,690	1,524,690	**11,687,510**	1,525,290

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	30 June 2020	**31 December 2020**	30 June 2020
9 Inventory	**$**	$	**$**	$
Current				
Land held for resale - at cost	**11,054,534**	5,224,435	**-**	-
Land under development - at cost	**-**	17,600,674	**-**	-
	11,054,534	22,825,109	**-**	-
Non-Current				
Land held for resale - at net realisable value	**-**	629,014	**-**	629,014
Land under development - at cost	**25,524,082**	24,418,005	**629,014**	-
	25,524,082	25,047,019	**629,014**	629,014
Total inventory	**36,578,616**	47,872,128	**629,014**	629,014

The total carrying amount of inventory pledged as security for liabilities is $629,014 (2020: $26,328,198)

10 Deferred tax assets

Deferred tax assets comprises temporary differences attributable to:

Inventory	**336,148**	680,348	**-**	-
Total deferred tax assets	**336,148**	680,348	**-**	-

11 Other assets

Current				
Prepayments	**1,398,201**	919,930	**1,035,941**	638,258
Other assets	**492,553**	456,882	**220,485**	350,972
	1,890,754	1,376,812	**1,256,426**	989,230
Non-current				
Prepayments	**154,500**	88,211	**154,500**	88,211
	154,500	88,211	**154,500**	88,211
Total other assets	**2,045,254**	1,465,023	**1,410,926**	1,077,441

12 **Investment property**	**Consolidated Group** **31 December 2020 $**	Consolidated Group 30 June 2020 $	**Westlawn Property Trust** **31 December 2020 $**	Westlawn Property Trust 30 June 2020 $
Investment property (at fair value)				
Commercial				
100 Blundell Boulevard, Tweed Heads	**9,000,000**	9,000,000	**9,000,000**	9,000,000
29 Molesworth Street, Lismore	**19,300,000**	19,300,000	**19,300,000**	19,300,000
The Rocket, Robina (i)	**39,250,000**	39,250,000	**39,250,000**	39,250,000
183 Varsity Parade, Varsity Lakes	**12,250,000**	11,400,000	**12,250,000**	11,400,000
201 Leichhardt Street, Spring Hill	**13,600,000**	13,600,000	**13,600,000**	13,600,000
9 Hercules Street, Hamilton	**10,200,000**	8,300,000	**10,200,000**	8,300,000
Epiq Childcare	**3,925,000**	3,925,000	**3,925,000**	3,925,000
188 Macquarie Street, Dubbo	**10,700,000**	-	**-**	-
East Tamworth Medical Centre	**14,500,000**	-	**14,500,000**	-
Milton Childcare	**8,435,000**	-	**-**	-
Retail				
Yamba Fair	**34,500,000**	34,500,000	**34,500,000**	34,500,000
Yamba residential property (ii)	**350,000**	350,000	**350,000**	350,000
Byron Bay Fair	**14,000,000**	11,000,000	**14,000,000**	11,000,000
Tamar Village, Ballina	**7,325,000**	7,325,000	**7,325,000**	7,325,000
Yamba Fuel Station	**4,510,000**	4,510,000	**4,510,000**	4,510,000
Bell Central, Mudgeeraba	**16,500,000**	15,500,000	**16,500,000**	15,500,000
Zone, Underwood	**33,000,000**	31,250,000	**33,000,000**	31,250,000
Epiq Marketplace	**32,900,000**	32,900,000	**32,900,000**	32,900,000
Logan Village Marketplace	**16,000,000**	16,000,000	**-**	-
Ormeau Marketplace	**29,000,000**	29,000,000	**-**	-
Northshore Marketplace	**16,677,500**	-	**-**	-
Industrial/Logistics/Distribution				
45 Alexandra Place, Murarrie	**12,000,000**	12,000,000	**12,000,000**	12,000,000
48 Bell-Are Avenue, Northgate	**11,600,000**	8,600,000	**11,600,000**	8,600,000
42 Mcroyle Street, Wacol	**7,850,000**	7,850,000	**-**	-
146 Canberra Street, Hemmant	**6,500,000**	6,500,000	**-**	-
81 Stradbroke Street, Heathwood	**7,400,000**	-	**-**	-
185 Queensport Road, Murarrie	**8,800,000**	-	**-**	-
	400,072,500	322,060,000	**288,710,000**	262,710,000

(i) The amounts quoted represent the Group's 50% ownership in the property
(ii) This property adjoins Yamba Fair and is held for future development of the centre.

Movement in investment properties				
Opening balance	**322,060,000**	228,400,471	**262,710,000**	220,550,471
Additions at cost				
Acquisition price	**66,335,000**	51,500,000	**14,500,000**	-
Transaction costs	**5,177,028**	4,743,584	**1,265,482**	-
Improvements	**1,917,876**	3,251,499	**1,544,619**	3,233,579
Disposals	**-**	-	**-**	-
Net fair value adjustment	**3,954,069**	1,555,766	**8,195,911**	6,374,982
Transfers from inventory	**-**	30,580,802	**-**	30,580,802
Lease incentives and leasing fees deferred	**688,293**	1,665,334	**635,073**	1,634,974
Amortisation of lease incentives and leasing fees	**(310,144)**	(427,846)	**(295,077)**	(420,272)
Movement in straight-lining rental income asset	**250,378**	790,390	**153,992**	755,464
Closing balance	**400,072,500**	322,060,000	**288,710,000**	262,710,000

12 Investment property (continued)

Fair value measurement, valuation techniques and inputs

Given the changing economic conditions as a result of the COVID-19 pandemic, there is uncertainty surrounding the potential impact on future cash flows and the potential impact on the valuation of investment property. Rent relief allowances in accordance with the National Cabinet's Code of Conduct (the 'Code') which set out commercial leasing principles for businesses during the pandemic were taken into consideration when determining the cashflows for the property, however actual future cashflows may differ from this.

The adopted valuations (both Director and independent) for investment properties are a combination of the valuations determined using the Discounted Cash Flow method and the income capitalisation method supported by recent market sales evidence.

The valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market’s general perception of their credit-worthiness, the allocation of maintenance and insurance responsibilities between the lessor and lessee and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

The most significant unobservable input used in the above valuation techniques and its relationship with fair value measurement is the capitalisation rate. A 0.25% change in the capitalisation rate would have the affect of changing investment property valuations by $16,600,000.

		Fair Value Sensitivity	
Term and definition	**Input Range**	**Increase in input**	**Decrease in input**
Capitalisation rate The rate at which net market income is capitalised to determine the value of a property. The rate is determined having regard to market evidence and the prior external valuation.	5.25% - 10.00%	Decrease	Increase
Discount rate The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. It reflects the opportunity cost of capital, that is, the rate of return the capital can earn if put to other uses having similar risk. The rate is determined having regard to market evidence and the prior external valuation.	6.00% - 9.00%	Decrease	Increase
Net market rent The estimated amount for which a property or space within a property should lease between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion. In a net rent lease agreement, the owner recovers outgoings from the tenant on a pro-rata basis (where applicable).	$29/m² - $1,439/m²	Increase	Decrease
Weighted average lease expiry (“WALE”) WALE is used to measure the overall tenancy risk of a particular property to assess the likelihood of a property being vacated. WALE of a property is measured across all tenants’ remaining lease terms (in years) and is weighted with the tenants’ income against total combined income.	1.2yrs - 22.5yrs	Increase	Decrease
Occupancy Occupancy is used to measure the proportion of the lettable space of a property which is occupied by tenants under current lease contracts and therefore how much rent is received from the property as a percentage of total rent possible if the property was fully occupied.	34% - 100%	Increase	Decrease

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	30 June 2020	**31 December 2020**	30 June 2020
12 Investment property (continued)	**$**	$	**$**	$

All the significant inputs noted above are not observable market data, hence investment property valuations are considered Level 3 fair value measurements as detailed in note 26(f).

Future minimum lease receivables

Future minimum lease payments receivable from non-cancellable operating leases:				
Within one year	**27,177,395**	21,919,468	**18,398,312**	17,706,423
Later than one year but not later than five years	**73,832,234**	55,453,561	**49,631,734**	41,695,632
Later than five years	**75,109,872**	55,105,056	**34,403,724**	30,925,170
	176,119,501	132,478,085	**102,433,770**	90,327,225

The Group, as lessor, typically enters into operating leases with tenants for periods of 3 years to 10 years with option periods. The lease agreements provide for either rental increases as specified in the agreement or CPI increases.

13 Trade and other payables

Current				
Other creditors	**1,899,280**	1,966,126	**1,368,869**	1,176,567
Distributions to unitholders	**1,536,626**	911,302	**1,536,626**	911,302
GST payable	**-**	-	**-**	-
	3,435,906	2,877,428	**2,905,495**	2,087,869
Included in the above are amounts due to related parties:				
Other creditors at an arm's length basis	**-**	-	**-**	-
	-	-	**-**	-

14 Income tax

Current				
Provision for income tax	**3,023,847**	-	**-**	-
	3,023,847	-	**-**	-

15 Other liabilities

Current				
Rent received in advance	**1,544,572**	915,191	**996,303**	648,289
Units to be issued	**12,359,248**	109	**12,359,248**	109
Other liabilities	**513,884**	494,929	**396,657**	389,745
	14,417,704	1,410,229	**13,752,208**	1,038,143

16 Deferred tax liabilities

Deferred tax liabilities comprises temporary differences attributable to:				
Inventory	**-**	759,588	**-**	-
Total deferred tax liabilities	**-**	759,588	**-**	-

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	30 June 2020	**31 December 2020**	30 June 2020
17 Financial liabilities	**$**	$	**$**	$
Current				
Loans - financial institutions	**36,602,000**	39,266,479	**36,602,000**	39,266,479
	36,602,000	39,266,479	**36,602,000**	39,266,479
Non-current				
Loans - financial institutions	**135,368,359**	110,007,007	**135,368,359**	110,007,007
	135,368,359	110,007,007	**135,368,359**	110,007,007
	171,970,359	149,273,486	**171,970,359**	149,273,486

Details of the Group's financial liabilities at balance date are as follows:

Facility	**Maturity Date**	**Facility 31 December 2020 $**	**Utilised 31 December 2020 $**	Facility 30 June 2020 $	Utilised 30 June 2020 $
Joint secured loan facility (i)	**Nov-23**	**23,550,000**	**21,015,000**	19,937,500	19,937,500
Secured loan facility (ii)	**Feb-23**	**24,750,000**	**24,750,000**	24,750,000	24,750,000
Secured loan facility (ii)	**Sep-23**	**19,800,000**	**19,800,000**	19,800,000	19,328,979
Secured loan facility (ii)	**Aug-24**	**2,255,000**	**2,255,000**	2,255,000	2,255,000
Secured bilateral loan facilities (iii) (iv)	**Sep-21**	**46,602,000**	**36,602,859**	46,602,000	36,602,007
Secured bilateral loan facilities (iii)	**Sep-23**	**26,922,500**	**21,147,500**	-	-
Secured bilateral loan facilities (iii)	**Sep-25**	**46,400,000**	**46,400,000**	46,400,000	46,400,000
Total facilities		**190,279,500**	**171,970,359**	159,744,500	149,273,486

The Group had $18,309,141 (June 2020: $10,471,014) in unused finance facilities at balance date.

(i) The joint secured loan facility is secured by a first registered mortgage over, and a General Security Agreement limited to, the property known as 'The Rocket' of which the Group owns 50%. This is a joint facility with the co-owner of that property. The amounts quoted represent the Group's 50% interest.

(ii) The secured loan facilities are secured by a first registered mortgage over, and a General Security Agreement limited to, a specific property or group of properties.

(iii) Secured bilateral loan facilities are held with multiple providers. All providers are contracted under a Common Terms Deed Poll and are secured pari passu by first registered mortgages over a specific pool of investment properties held by the Group. All principal amounts outstanding are due at the expiry of each facility. Each provider individually contracts its commitment amount and expiry date (see table above for more detail) and fee structure. The Group is able to repay and refinance individual providers.

(iv) Subsequent to balance date, the Group has agreed terms for a renewal of this facility to September 2024.

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	30 June 2020	**31 December 2020**	30 June 2020
18 Derivative financial instruments	**$**	$	**$**	$
Assets				
Non-current				
Interest rate contracts – at fair value	**35,160**	-	**35,160**	-
	35,160	-	**35,160**	-
Liabilities				
Non-current				
Interest rate contracts – at fair value	**-**	1,951,720	**-**	1,951,720
	-	1,951,720	**-**	1,951,720

The Group manages its cash flow interest-rate risk by using floating-to-fixed interest rate derivatives. Such interest rate derivatives have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates.

Information regarding the Group's exposure to interest rates is provided in note 26(d). Details of principal amounts, expiry dates and interest ranges of interest rate derivative (hedging) contracts are set out in note 26(d).

Fair value measurement

The fair value of interest rate swaps is the estimated amount that would be received or paid to transfer the interest rate contract at the reporting date, taking into account current interest rates and the current creditworthiness of contract counterparties.

The fair values of derivative financial instruments are determined using generally accepted pricing models which discount estimated future cash flows based on the terms and maturity of each contract and current market interest rates and/or foreign currency rates, adjusted for specific features of the instruments.

Derivative financial instrument valuations are considered Level 2 fair value measurements as detailed in note 26(f).

19 Franking credits

Franking credits available for subsequent years based on a tax rate of 26%	**3,023,847**	-	**-**	-
	3,023,847	-	**-**	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date.

20 Segment reporting

The Group operates as one segment and in one geographical location as a property investor throughout Australia.

21 Commitments for capital expenditure

As at 31 December 2020 the Group had the following commitments contracted for which costs have not been recognised as liabilities:

Development and construction costs in respect to "Epiq Lennox"	**1,755,470**	2,617,495	**-**	-
Capital expenditure on property refurbishments	**83,561**	-	**83,561**	-
Acquisition of 81 Stradbroke Street, Heathwood	**-**	7,400,000	**-**	-
Acquisition of 31 Paringa Rd, Murarrie	**18,200,000**	-	**-**	-
	20,039,031	10,017,495	**83,561**	-

All the above amounts are payable within 12 months.

22 Contingencies

The Group has given bank guarantees as at 31 December 2020 of $2,720,578 (June 2020: $2,965,727) to Ballina Shire Council in respect to maintenance and construction obligations at its "Epiq" Lennox development.

23 Notes to the statement of cash flows

	Note	Consolidated Group		Westlawn Property Trust	
		31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
		$	$	**$**	$
a) Cash and cash equivalents					
Cash at the end of the Period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:					
Security deposits	**6**	**3,700**	3,700	**3,700**	3,700
Cash held in trust	**6**	**3,062,265**	160,972	**3,062,265**	160,972
Cash at bank	**6**	**31,010,901**	6,739,432	**30,358,673**	6,266,134
		34,076,866	6,904,104	**33,424,638**	6,430,806
b) Reconciliation of net profit to net cash flows from operating activities					
Total comprehensive profit attributable to unitholders		**17,115,967**	10,264,077	**11,511,853**	8,977,698
Non-cash items:					
Fair value adjustments to investment properties		**(3,954,069)**	(1,703,177)	**(8,195,911)**	(5,883,813)
Straightlining of rental income		**(250,379)**	(275,554)	**(153,992)**	(273,079)
Amortisation of lease incentives and leasing fees		**310,144**	174,992	**295,077**	173,740
Changes in assets and liabilities:					
Decrease (increase) in current receivables		**58,928**	372,128	**13,172**	366,675
Decrease (increase) in inventories		**11,293,512**	(13,283,241)	**-**	(11,100,374)
Decrease (increase) in tax assets		**545,005**	811,147	**590**	-
Decrease (increase) in other assets		**(580,231)**	(75,192)	**(333,485)**	(263,473)
Increase (decrease) in sundry creditors		**(66,846)**	3,222,887	**192,302**	1,770,730
Increase (decrease) in other liabilities		**18,955**	7,844	**6,912**	(19,655)
Increase (decrease) in GST payable		**1,768,071**	(777,811)	**146,595**	(923,046)
Increase (decrease) in provision for income tax		**3,023,847**	1,092,286	**-**	-
Increase (decrease) in deferred tax liabilities		**(759,588)**	-	**-**	-
Increase (decrease) in income in advance		**629,381**	(195,877)	**348,014**	(198,441)
Increase (decrease) in derivative financial instruments		**(1,986,880)**	(256,383)	**(1,986,880)**	(256,383)
Net cash provided by/(used in) operating activities		**27,165,817**	(621,874)	**1,844,247**	(7,629,421)

24 Events subsequent to reporting date

Since the Period end, the COVID-19 pandemic has continued to evolve with potential impacts on specific areas of judgement applied in preparing these financial statements. The Group has continued to re-evaluate the potential impacts of the pandemic on significant inputs and key areas of judgement as outlined in Note 1. Based on these evaluations, the Group has determined there are no material events since Period end which would give rise to an adjustment.

Since the Period end the Group has entered into conditional contracts to acquire two residential development sites in Northern NSW. The combined purchase price is approximately $45 million and is expected to be funded from cash reserves.

In February 2021 WPT Sub-Trust 6, a wholly-owned subsidiary of Westlawn Property Trust, entered into a contract to purchase a childcare centre at 5 Bahrs Scrub Road, Bahrs Scrub for $5,600,000 and a commercial office building at 65 Park Road, Milton for $6,000,000. The acquisitions will be funded from cash reserves, with settlements expected in March 2021 and May 2021

Renewal terms have been signed with Westpac for an extension to September 2024 of the original $46,602,000 CTD facility it provided, which was due to expire in September 2021 and reported as a current liability in the financial statements.

On 1 January 2021 units totalling 12,369,518 were issued in relation to funds received during December 2020 and shown as a current liability in the financial statements.

No matter or circumstance, other than as mentioned above, has arisen since the end of the Period that has significantly affected or may significantly affect:
i) the operations of the Group;
ii) the results of those operations; or
iii) the state of affairs of the Group in subsequent financial years.

25 Related party disclosures

a) Responsible Entity

Both WPT and ELPT are required to have an incorporated responsible entity to manage their activities. The Responsible Entity of both trusts is Clarence Property Corporation Limited.

.

b) Key management personnel

The following persons were key management personnel of the Responsible Entity from 1 July 2020 to 31 December 2020, unless otherwise stated.

Key management person	Position
James Dougherty	Chairman – Non-Executive
Peter Fahey	Managing Director - Executive
Darrell Irwin	Director – Executive
Tony Tippett	Director – Non-Executive

c) Key management personnel compensation

No compensation is paid to any of the key management personnel or employees of the Responsible Entity directly by the Group.

d) Unit holdings:

The Responsible Entity and its key management personnel held units in the Group as follows:

	Balance 01/07/2019	Net Purchases / (Sales)	**Balance 30/06/2020**	**Net Purchases / (Sales)**	**Balance 31/12/2020**
James Dougherty:					
JW & CP Dougherty Super Fund	372,021	162,388	**534,409**	**57,372**	**591,781**
Peter Fahey:					
P & D Fahey Super Fund	639,851	7,385	**647,236**	**230,237**	**877,473**
Peter Fahey	-	72,834	**72,834**	**(72,834)**	**-**
Yehaf Developments Pty Ltd	-	287,656	**287,656**	**(287,656)**	**-**
Darrell Irwin:					
Irwin Family Discretionary Trust	477,317	31,891	**509,208**	**7,605**	**516,813**
Tony Tippett:					
Tippett Superannuation Fund	494,537	947,368	**1,441,905**	**-**	**1,441,905**
Down To The Wire Pty Ltd	1,075,268	-	**1,075,268**	**-**	**1,075,268**
Responsible Entity:					
Clarence Property Corporation Ltd	653,436	(653,436)	**-**	**-**	**-**
Total	3,712,430	856,086	**4,568,516**	**(65,276)**	**4,503,240**

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
25 Related party disclosures (continued)	**$**	$	**$**	$

e) Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated:

(i) Paid/payable to:

	Consolidated Group 31 December 2020 $	Consolidated Group 31 December 2019 $	Westlawn Property Trust 31 December 2020 $	Westlawn Property Trust 31 December 2019 $
The Manager				
Paid/payable to the Manager:				
Management fees	**1,472,525**	1,102,349	**1,299,186**	957,627
Acquisition fees	**1,870,050**	1,350,000	**435,000**	-
Disposal fees	**517,480**	310,480	**-**	-
Development management fees	**60,320**	60,000	**4,000**	24,600
Project management fees	**54,224**	54,000	**4,000**	24,600
Accountancy fees	**6,000**	6,000	**-**	-
Development sales fees	**292,310**	155,240	**-**	-
Registry fees	**-**	9,000	**-**	9,000
Reimbursable expenses	**727**	-	**-**	-
	4,273,636	3,047,069	**1,742,186**	1,015,827
Received/receivable from the Manager:				
Rental of business premises	**54,315**	4,162	**54,315**	4,162
	54,315	4,162	**54,315**	4,162
Clarence Property Works Pty Ltd				
Property management, rent review & leasing fees	**1,396,365**	712,223	**1,137,042**	693,903

(ii) Loans:

Loan to Epiq Lennox Property Trust

Westlawn Property Trust has provided a loan facility of $35,000,000 to Epiq Lennox Property Trust to assist with the purchase and development of its 'Epiq Lennox' development project. The balance owing at reporting date was $7,650,904. The facility has a maturity date of 30 June 2023. $21,750,000 of net sales proceeds from Stage 5 settlements was repaid against the loan during the period. No interest is charged on the facility.

Loan to Yamba Quays Pty Ltd

Westlawn Property Trust has provided a loan facility of $30,000,000 to Yamba Quays Pty Ltd to assist with the purchase and development of its 'Yamba Quays' development project. The balance owing at reporting date was $18,561,131. The facility has a maturity date of 30 June 2023. $4,950,000 of net sales proceeds from settlement of the Stage 1 developed lots was repaid against the loan during the period. An additional $50,000 of net sales proceeds from the Stage 1 settlements is to be repaid by 30 June 2021. No interest is charged on the facility.

Loan to Wacol Industrial Trust

Westlawn Property Trust has provided a loan facility of $16,000,000 to Wacol Industrial Trust to assist with the purchase of properties at 42 Mcroyle Street, Wacol and 146 Canberra Street, Hemmant. The balance owing at reporting date was $14,891,851. The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

25 Related party disclosures (continued)

Loan to Logan Village Shopping Centre Trust

Westlawn Property Trust has provided a loan facility of $17,500,000 to Logan Village Shopping Centre Trust to assist with the purchase of Logan Village Marketplace. The balance owing at reporting date was $17,015,675. The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

Loan to Ormeau Shopping Centre Trust

Westlawn Property Trust has provided a loan facility of $31,000,000 to Ormeau Shopping Centre Trust to assist with the purchase of Ormeau Marketplace. The balance owing at reporting date was $30,558,313. The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

Loan to WPT Sub-Trust 3

Westlawn Property Trust has provided a loan facility of $20,000,000 to WPT Sub-Trust 3 to assist with the purchase of 81 Stradbroke Street, Heathwood (settled on 3 September 2020) and 185 Queensport Road, Murarrie (settled on 12 October 2020). The balance owing at reporting date was $17,483,973. The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

Loan to WPT Sub-Trust 4

Westlawn Property Trust has provided a loan facility of $27,500,000 to WPT Sub-Trust 4. The balance owing at reporting date was $65,372. The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

Loan to North Shore Townsville Property Trust

Westlawn Property Trust has provided a loan facility of $20,000,000 to North Shore Townsville Property Trust to assist with the purchase of North Shore Marketplace Townsville which settled on 31 July 2020. The balance owing at reporting date was $17,743,036. The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

Loan to WPT Sub-Trust 6

Westlawn Property Trust has provided a loan facility of $17,500,000 to WPT Sub-Trust 6 to assist with the purchase of investment properties. The balance owing at reporting date was $9,224,626 (utlised for the settlement of Marie Street, Milton). The facility has a maturity date of 30 June 2023. No interest is charged on the facility.

26 Financial instruments

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk (interest rate risk & equity price risk).

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterpart to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from tenants and investment in securities.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each purchaser. The Group has a diverse range of tenants and therefore there is no significant concentration of credit risk, either by nature of industry or geographically.

Investment in securities
The Group limits its exposure to credit risk by only investing in liquid securities or securities that have fixed term durations.

ii) Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has liquidity risk management policies, which assist in monitoring cash flow requirements. Typically the Group ensures it has sufficient cash on demand to meet expected operational expenses and commitments for a period of 90 days, including the servicing of financial obligations. Cash on demand is defined as cash held or unutilised borrowing facilities.

The Group also ensures that as far as practicable, sufficient borrowing facilities are approved for a minimum of 3 years.

iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The Group enters into financial liabilities in order to manage market risks.

Interest rate risk
Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rate. The Group has a guideline that at least 50% of its exposure to changes in interest rates on borrowings is hedged through entering into fixed rate bills or interest rate swaps. Additionally the Group may hold interest rate caps to provide further protection should extreme unforeseen circumstances arise.

Equity securities price risk
Equity securities price risk is the movement in the quoted price of stocks which is influenced by a range of factors, most of which are outside the control of the Group. The Group only invests in securities which are primarily backed by real property assets.

26 Financial instruments (continued)

b) Credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The maximum exposure to credit risk at reporting date was:

	Consolidated Group		Westlawn Property Trust	
	31 December 2020	30 June 2020	**31 December 2020**	30 June 2020
	$	$	**$**	$
Cash and cash equivalents	**34,076,866**	20,843,983	**33,424,638**	20,388,697
Trade receivables	**672,869**	901,923	**682,807**	866,104
Loan receivables	**-**	-	**133,190,538**	112,304,364
Construction Bonds	**437,972**	353,532	**203,212**	257,851
Financial assets at fair value through profit or loss	**1,524,690**	1,524,690	**11,687,510**	1,525,290
	36,712,397	23,624,128	**179,188,705**	135,342,306

c) Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2020	**Carrying amount**	**1 year or less**	**1-3 years**	**3 -5 years**	**More than 5 years**
	$	**$**	**$**	**$**	**$**
Non-derivatives					
Secured bank loans	**171,970,359**	**36,602,859**	**86,712,500**	**48,655,000**	**-**
Trade & other payables	**17,853,610**	**17,853,610**	**-**	**-**	**-**
	189,823,969	**54,456,469**	**86,712,500**	**48,655,000**	**-**
Derivatives					
Net settled interest rate swaps	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**

The Group entered into a Cap and Collar interest rate instrument during the period which at balance date had a fair value of $35,160, as presented in non-current assets in the Statement of Financial Position. Refer Note 26(d) for further details.

30 June 2020					
Non-derivatives					
Secured bank loans	149,273,486	19,937,500	107,752,007	21,583,979	-
Trade & other payables	4,287,657	4,287,657	-	-	-
	153,561,143	24,225,157	107,752,007	21,583,979	-
Derivatives					
Net settled interest rate swaps	1,951,720	599,790	1,135,064	121,902	-
	1,951,720	599,790	1,135,064	121,902	-

26 Financial instruments (continued)

d) Interest rate risk

At reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	Weighted average effective interest rate		**Consolidated Group**	
	31 December 2020 %	30 June 2020 %	**31 December 2020 $**	30 June 2020 $
Variable rate financial assets				
Cash at bank	**0.10**	0.10	**31,010,901**	20,635,185
			31,010,901	20,635,185
Variable rate financial liabilities				
Interest bearing liabilities	**2.02**	2.72	**171,970,359**	149,273,486
			171,970,359	149,273,486

In addition the Group holds the following treasury instruments:

Type	**BBSY Rate**	**Amount $**	**Start Date**	**Expiry Date**
Cap and Collar	1.00% - 0.05%	30,000,000	Dec-22	Dec-25

Sensitivity analysis

Interest rate risk represents the effect of a change in interest rates applied to the interest rate risk exposures at reporting date, including the estimated change in the value of derivative financial instruments that are carried at fair value. Cash and floating rate debt at reporting date are multiplied by the reasonably possible change in interest rates to determine the effect on profit for the financial year. The Group's derivative financial instruments whose carrying values are affected by changes in interest rates are interest rate Cap and Collars. In calculating the change in value of interest rate contracts, a change in interest rates at reporting date is assumed to result in a parallel shift in the forward yield curve. A change in interest rates of up to 100 basis points (1%) is considered to be reasonably possible in the current economic environment.

An increase of 100 basis points in interest rates at the reporting date would have decreased net profit before tax by $1,416,117 (June 2020: an decrease of $228,909); an equal change in the opposite direction would have increased net profit before tax by $1,416,117 (June 2020: a increase of $228,909).

26 Financial instruments (continued)

e) Equity securities price risk

The Group has no exposure to equity investments listed on the Australian Securities Exchange.

f) Fair values

The Group uses a number of methods to determine the fair value of its assets and liabilities as described in AASB 13 Fair Value Measurement. The methods comprise the following:

Level 1:	quoted prices (unadjusted) 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 (as prices) or indirectly (derived from prices).
Level 3:	inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:
Investment property (refer Note 12).
Derivative financial instruments (refer Note 18).

The carrying amounts of receivables, other current assets and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

27 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1.

		Consolidated Group	
		31 December	30 June
	Principal place of business /	**2020**	2020
Name	**Country of incorporation**	**%**	%
Yamba Quays Pty Ltd	Australia	**100%**	100%
Wacol Industrial Trust	Australia	**100%**	100%
Logan Village Shopping Centre Trust	Australia	**100%**	100%
Ormeau Shopping Centre Trust	Australia	**100%**	100%
WPT Sub-Trust 3	Australia	**100%**	100%
WPT Sub-Trust 4	Australia	**100%**	100%
North Shore Townsville Property Trust	Australia	**100%**	100%
WPT Sub-Trust 6	Australia	**100%**	-
Macquarie Commercial Property Trust	Australia	**100%**	-
WPT Sub-Trust 7	Australia	**100%**	-
WPT Sub-Trust 8	Australia	**100%**	-

On 9th October 2020 Westlawn Property Trust acquired all the units on issue of the Macquarie Commercial Property Trust. The sole asset of the trust is 188 Macquarie Street, Dubbo. The acquisition was funded from cash reserves and the issue of 7,786,912 units in the Group.

On 10th November 2020 Westlawn Property Trust established wholly-owned subsidiary entities 'WPT Sub-Trust 6', 'WPT Sub-Trust 7' and 'WPT Sub-Trust 8'.

28 Group details

The principal place of business is Level 1 Suite 4, 5 Snapper Drive Lennox Head NSW and its principal activity is investing in commercial rental properties and residential and commercial land development properties.

At 31 December 2020 there were twenty four employees of the Responsible Entity.

In accordance with a resolution of the directors, the directors of the responsible entity declare that:

1. The financial statements and notes of the consolidated Group and Westlawn Property Trust as set out on pages 10 to 41 are in accordance with the Corporations Act 2001 and:

   a) Comply with Australian Accounting Standards , the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) Give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half year ended on that date of the consolidated Group and Westlawn Property Trust.

2. In the directors' opinion there are reasonable grounds to believe the consolidated Group and Westlawn Property Trust will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the responsible entity.

On behalf of the directors of the responsible entity,

Peter Fahey
Managing Director

James Dougherty
Director

Dated in Robina this 10th day of March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE UNITHOLDERS OF WESTLAWN PROPERTY GROUP

Conclusion

We have reviewed the accompanying half-year financial report of Westlawn Property Group (Westlawn Property Trust and the Epiq Lennox Property Trust) ("the Group"), and Westlawn Property Trust ("the Trust"), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the Trusts and the Group, comprising the Trusts and the entities they controlled at the half-year's end or from time to time during the financial half-year.

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 Property Group and Westlawn Property Trust is not in accordance with the *Corporations Act 2001* including:-

(a) giving a true and fair view of the Group's and the Trust's financial position as at 31 December 2020, and of the Group's and the Trust's financial performance for the half-year ended on that date; and

(b) complying with the Australian 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 Group and 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.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the responsible entity a written Auditor's Independence Declaration.

Responsibility of the Directors for the Financial Report

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

PKF Brisbane Audit ABN 33 873 151 348
Level 6, 10 Eagle Street, Brisbane, QLD 4000 | GPO Box 1568, Brisbane, QLD 4001 | T: +61 7 3839 9733
Brisbane | Rockhampton www .pkf.com.au

Liability limited by a scheme approved under Professional Standards Legislation.
PKF Brisbane Pty Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Auditor's Responsibilities for the Review of the Financial Report

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 Group's and the Trust's financial position as at 31 December 2020 and of the Group's and the Trust's 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.

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

10 MARCH 2021
BRISBANE