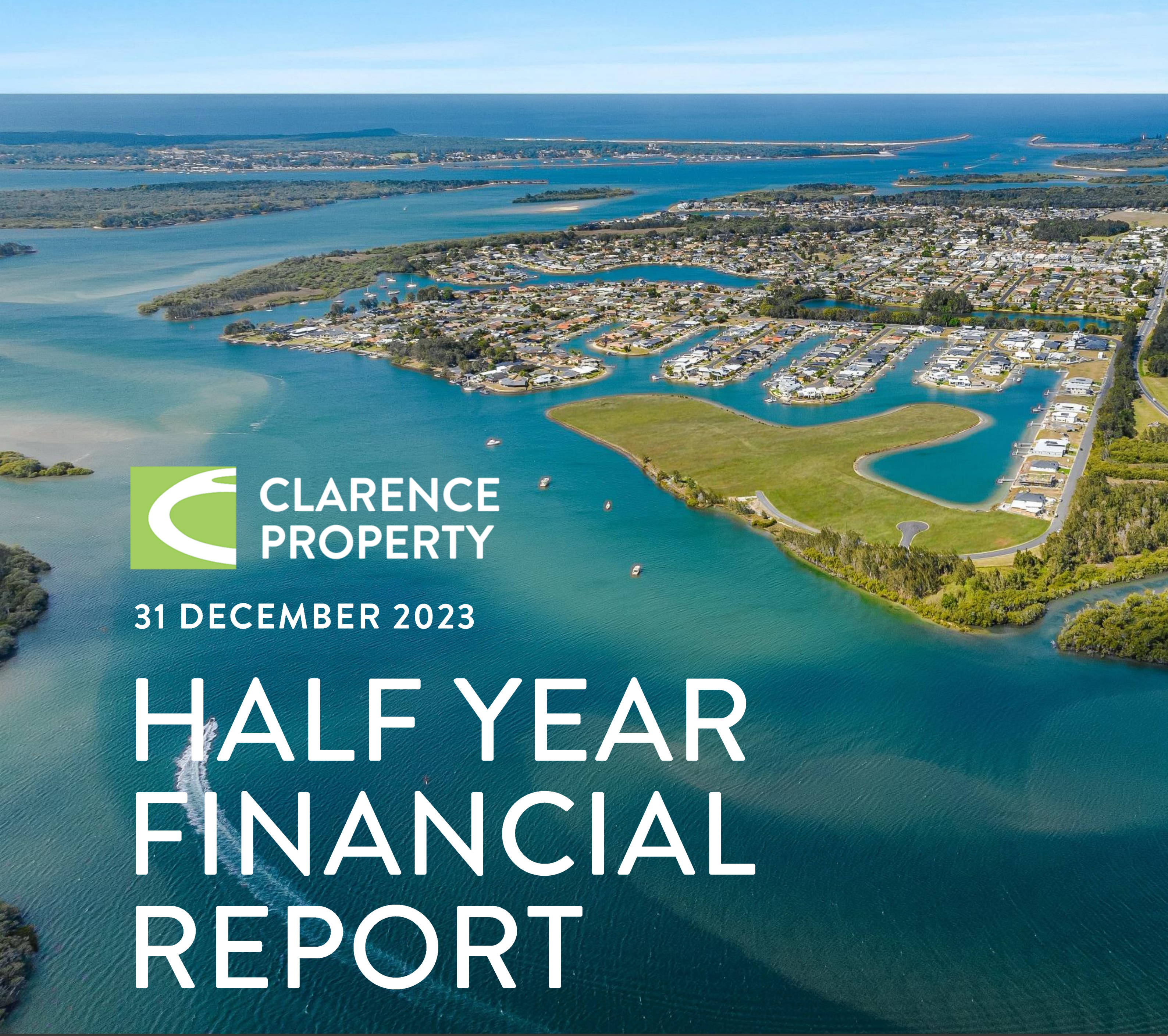

CLARENCE PROPERTY

31 DECEMBER 2023

HALF YEAR FINANCIAL REPORT

CLARENCE PROPERTY DIVERSIFIED FUND

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1300 853 069

MANAGER & RESPONSIBLE ENTITY
Clarence Property Corporation Limited
PO BOX 1478, Ballina NSW 2478
ACN 094 710 942 | AFSL 230212

As responsible entity for Clarence Property Diversified Fund ARSN 095 611 804 and Epiq Lennox Property Trust ARSN 626 201 974.

KEY HIGHLIGHTS

OPERATIONAL OUTCOMES

INVESTMENT PROPERTY ADDITIONS

3 CHILDCARE CENTRES

Construction of 3 Childcare Centres was completed and leases commenced

RESIDENTIAL DEVELOPMENT PIPELINE

744 LOTS

$448M

Estimated gross realisation value

WALE & OCCUPANCY

4.1 YEARS

98%

SOLAR METRICS

23 PROPERTIES

2.99MW

Increase of 5 properties fitted with rooftop solar systems. Increase in generating capacity of 216 kW

BALANCE SHEET METRICS

GEARING

37%

INTEREST COVER

3.1 TIMES

CASH & UNUSED FINANCE FACILITIES

CASH **$36M**

UNDRAWN FACILITIES **$53M**

TOTAL ASSETS

$778M

CONTENTS **PAGE**

DIRECTORY

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

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Auditor for the Group
PKF Brisbane Audit
Level 2, 66 Eagle Street
Brisbane QLD 4000

Auditor for the Manager
PKF Brisbane Audit
Level 2, 66 Eagle Street
Brisbane QLD 4000

The directors of Clarence Property Corporation Limited ("Responsible Entity"), the responsible entity of Clarence Property Diversified Fund ("CPDF") and Epiq Lennox Property Trust ("ELPT"), present their report together with the consolidated financial statements for the half year ended 31 December 2023 (the "Period") for both:

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

The units in CPDF and the units in 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 together as stapled securities.

1 Directors and officers

i) Directors

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

Peter Fahey
Chairman of Directors (Executive) - Appointed Chairman 23 November 2023
Peter has been involved in the property industry for more than 35 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 Clarence Property Diversified Fund, and subsequently numerous other syndicates. He holds a Bachelor of Business (Retail Property Valuation and Administration).

Darrell Irwin
Director (Executive)
Darrell has over 30 years experience in advising, consulting, developing and selling in the commercial property arena including the office, industrial, retail and residential sectors as well as having 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.

Paul Rippon - Appointed 14 February 2024
Director (Executive)
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 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 Responsible Entity's compliance committee.

Tony Tippett
Director (Non-Executive)
Tony has been actively involved in the property industry for more than 30 years, from project conception, feasibility, financing, marketing, to sales and delivery of 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 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)

i) Directors (continued)

Andrew Carlton
Director (Non-Executive)

Andrew is a licensed real estate agent and is a Senior Director at CBRE Brisbane. He commenced his real estate career with CBRE in 1999 and has also held senior roles at Knight Frank. Across his career, Andrew's primary focus has been in the office sector, and he has been involved in numerous key leasing and development campaigns across the Near City markets. Andrew is well respected in the commercial property industry and has built a strong network of industry relationships across all aspects of the real estate and the wider Brisbane business community. He holds a Bachelor of Applied Science, Property Economics from Queensland University of Technology, and has completed a Graduate Diploma of Applied Finance and Investment from Securities Institute of Australia.

James Dougherty OAM - Resigned 23 November 2023
Chairman of Directors (Non- Executive)

James 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. James has been a director of Westlawn Finance Limited since 1994 and had been chairman of directors of Clarence Property Corporation Limited since 2000.

ii) Company Secretary

Rachel Weeks - Appointed 20 November 2023

Rachel was admitted as a solicitor to the Supreme Court of Queensland in 1999. She has more than 20 years corporate and financial services experience, having worked in both private practice, including as partner at a national Australian firm, and as in-house legal counsel for listed and unlisted Australian financial services licensees. Rachel holds a Bachelor of Laws from QUT, Master of Laws from Seoul National University, Bachelor of Arts (Modern Asian Studies) and a Graduate Diploma in Legal Practice.

Paul Rippon - Resigned 20 November 2023

iii) Directors meetings

Six directors meetings were held in the period 1 July 2023 to 31 December 2023 and attendances were:

Peter Fahey	6	
Darrell Irwin	5	
Tony Tippett	6	
Andrew Carlton	6	
James Dougherty	6	(6 held up until date of resignation)

2 Principal activity

The principal activity of the Group during the Period was to invest in commercial rental properties and residential and commercial land development properties, with the aim of providing regular property income to its investors, while at the same time preserving and enhancing the capital value of the portfolio. There was no significant change in the nature of this activity during this Period, other than as stated in these statements.

3 Operating and financial review

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

i) Operating results

The profit of the Group after income tax for the Period amounted to $6,971,106 (December 2022: $35,219,290). After taking account of distribution of income for the period of $13,962,876 and brought forward undistributed income, the total undistributed income carried forward to future periods is $75,879,990.

The results for the prior period (to December 2022) were positively influenced by the profit on sale of two investment properties (Ormeau Marketplace and Zone Underwood), totalling $15,547,142. There were no investment property sales during the Period.

Net property income (property revenue less property expenses and outgoings) for the Period was $13,732,641, being in line with the corresponding period last year.

Net profit from the sale of inventory (i.e. development land) for the Period was $7,689,325, being a significant increase over the corresponding period last year. This is predominantly due to an increased volume of sales during the Period, particularly at Epiq Superlot 7 and Yamba Quays Stage 3.

Financing costs for the Period totalled to $5,908,858, being a 17% increase over the corresponding period last year. This is due to the increase in the cash rate set by the RBA, partially offset by forward-start interest rate swaps the Group had entered into becoming active.

The impact on operations due to the current economic uncertainties was relatively minor. The operating results reflect the strength, diversity and resilient nature of the Group's properties, tenants and development activities.

ii) Investment property portfolio

As at 31 December 2023 the Group had a diversified portfolio of forty investment properties with a total value of $537,407,080 (increase of 3% from June 2023), spread across the retail, commercial office, warehousing/logistics, childcare, medical & rural asset sectors. Of these properties, five are under construction through fund-through arrangements with developers and one is a vacant parcel of land pending future development.

a) Leasing and occupancy

Since 1 July 2023 the Group has completed 12,918m² of leasing across 34 separate transactions, representing approximately 10% of the portfolio by area.

At 31 December 2023 the Group's investment properties had a weighted average lease expiry of 4.1 years (June 2023: 4.3 years) and an occupancy rate of 98% (June 2023: 91%).

b) Acquisitions

Although there were no investment property acquisitions during the Period, the construction of three childcare centres was completed and leases commenced.

c) Disposals

There were no investment property sales settled during the Period.

In December 2023 the Group entered into an unconditional contract of sale for Ripley Childcare. It is anticipated the sale will settle in mid-March 2024.

3 Operating and financial review (continued)

ii) Investment property portfolio (continued)

d) Valuations

During the Period eleven investment properties (27.5% of the portfolio by number) were independently revalued, resulting in a net 1% increase in their valuations:

Property description	Valuation date	Previous valuation $	New valuation $	Change since last valuation $
Commercial office				
100 Blundell Boulevard, Tweed Heads	Aug-23	10,000,000	10,500,000	500,000
29 Molesworth Street, Lismore	Aug-23	20,200,000	19,000,000	(1,200,000)
The Rocket, Robina	Sep-23	87,000,000	88,000,000	1,000,000
201 Leichhardt Street, Spring Hill	Aug-23	14,800,000	14,100,000	(700,000)
Retail				
Yamba Fair	Sep-23	41,600,000	40,300,000	(1,300,000)
Yamba residential property	Sep-23	475,000	600,000	125,000
Yamba Fuel Station	Sep-23	5,650,000	5,490,000	(160,000)
Northshore Marketplace, Townsville	Aug-23	23,250,000	25,250,000	2,000,000
Childcare & Medical				
Tamar Village, Ballina	Sep-23	8,800,000	8,600,000	(200,000)
Logistics/Distribution/Industrial/Other				
45 Alexandra Place, Murarrie	Oct-23	14,900,000	15,750,000	850,000
185 Queensport Road, Murarrie	Aug-23	10,350,000	11,100,000	750,000
		237,025,000	**238,690,000**	**1,665,000**

Additionally, as part of the directors' review of property valuations as at 31 December 2023, five property valuations were reduced from their last independent or Directors' valuation as follows:

Property description	Sector	Previous valuation $	Directors valuation $	Movement in valuation $
29 Molesworth Street, Lismore	Commercial office	19,000,000	18,500,000	(500,000)
183 Varsity Parade, Varsity Lakes (i)	Commercial office	11,350,000	10,400,000	(950,000)
201 Leichhardt Street, Spring Hill	Commercial office	14,100,000	13,600,000	(500,000)
9 Hercules Street, Hamilton (i)	Commercial office	11,450,000	10,950,000	(500,000)
Logan Village Marketplace (i)	Retail	14,600,000	14,000,000	(600,000)
		70,500,000	**67,450,000**	**(3,050,000)**

(i) At 30 June 2023 the Directors reduced these properties from their then current independent valuation. The movement reflects a further reduction at 31 December 2023.

As a result of the above valuation changes, together with completion of the three fund-through childcare centres during the Period, the weighted average capitalisation rate for the portfolio increased to 6.6% as at 31 December 2023 (June 2023: 6.4%).

The property market is dynamic and property values will rise or fall from time to time. The Group has no capacity to influence the market, but we are continually looking to enhance the value of our properties. Any change in property values affects the Group's net tangible asset backing and also the Group's financial covenants.

3 Operating and financial review (continued)

ii) Investment property portfolio (continued)

e) Sustainability

Sustainability is a key focus of the Group when managing its properties and assessing acquisition opportunities. This includes consideration of the property's energy efficiency, water efficiency and solar power generating capability.

The Group's commercial office buildings have all achieved NABERS Energy Ratings of 4 star or better, with two properties receiving a 6 star rating and a further four properties achieving 5.5 star ratings, resulting in 67% of the Group's commercial office properties being rated as excellent or market leading.

Nineteen (48%) of the Group's investment properties have on-site solar power with the capacity to generate in excess of 2.13MW, enhancing energy efficiency and reducing reliance on the grid. Additionally the Group has leases at a further four properties where it has installed solar panels with generating capacity of over 861kW.

iii) Inventory & property development

The Group has a residential land development pipeline of 744 lots (June 2023: 769 lots) with a forecast gross realisation value of $448m (June 2023: $465m) across 7 projects. Additionally, the Group owns a 24 lot industrial land subdivision with a forecast gross realisation of $89m.

Across the Group there are development properties at all stages of their life-cycle - in planning & design, with local Councils or the NSW Dept. of Planning for approval, under construction and selling. Development activity during the Period has been subdued, contributed to by a blowout in Council approval timeframes (largely flood and resource related), rising construction costs and a slowdown in the rate of sale. That said, we are beginning to see signs of improvement.

iv) Finance facilities and capital management

As at 31 December 2023 the Group had drawn borrowings of $288,060,244 (June 2023: $277,329,553) with a weighted average post-hedging interest cost of 4.42% (June 2023 4.97%) and gearing of 37% (June 2023: 36%). Cash and cash equivalents decreased slightly by $3.4m during the period to $35.8m.

The Group has interest rate derivatives in place totalling $199,800,000 representing 69% of drawn borrowings. $149,800,000 was active as at 31 December 2023, with the remainder being forward-start positions coming into effect during the next 6 months.

The Group has borrowings which are exposed to interest rate movements, and rising interest costs will negatively impact net profit. The Directors believe Group gearing and forecast cashflow is such that foreseeable increases in interest costs can reasonably be managed.

In November 2023 the Group extended its existing $50,000,000 ANZ finance facility for a further 3 years to August 2027.

In December 2023 the Group extended its existing $46,602,000 Westpac finance facility for a further 3 years to September 2027.

In December 2023 the Group extended its existing $2,255,000 BOQ finance facility for a further 2 years to August 2026.

In December 2023 the Group renegotiated and extended its existing $45,000,000 BOQ development finance facility for a further 2 years to August 2026. The renegotiation included the release of the "Sceniq" Bilambil Heights development and the inclusion of the Newmans Road and North Boambee Valley developments into the facility security pool.

The Group continues to comply with all its financial covenants in relation to each of its finance facilities.

3 Operating and financial review (continued)

v) Capital raising

During the Period a total of 135,819 units were issued at an average $1.10 per unit, resulting in new issued capital of $149,401.

Pursuant to the Distribution Reinvestment Plan 2,164,549 units were issued at an average $1.07 per unit during the Period, representing a unitholder participation rate of 15.8%.

vi) Outlook

The past year has been a challenging one for the real estate sector which continued to be impacted by inflation, interest rates and geopolitical risks. While a slowing in the economy is a consideration in the short term, with inflation having now peaked and a forecast fall in interest rates in FY25, they are expected to be major positives for the real estate sector as investors factor in a lower cost of capital. Despite the challenges, the Group is well placed to overcome them reflecting the strength, diversity and resilient nature of the Group's properties, tenants and development activities.

The Group aims to mitigate the potential impacts of fluctuating economic conditions by seeking to maintain a strong and conservative balance sheet and financial position. The Group's gearing at Period end was 37%, it had cash and cash equivalents of $36m and $53m of undrawn finance facilities.

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 Period end, economic uncertainty 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 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.

On 1 January 2024 units totalling 341,238 were issued in relation to funds received during December 2023 pursuant to the PDS and the DRP, and is shown as a current liability in the financial statements.

On 8 November 2023 the Group entered into a contract to acquire 42 Cumberland Road, Forrestfield WA for $1,300,000 on which it is proposed to build a childcare centre. Settlement took place on 15 January 2024 and was funded from cash reserves.

Since Period end, eight lots have settled at the Group's Hub Heathwood development, resulting in the loan with Westpac ($30.5m drawn balance at Period end) being fully repaid.

On 16 February 2024 the Group went unconditional on the purchase of a DA approved 4,300m² mixed-use development site for $3,150,000. The acquisition is expected to settle in August 2024 and will be funded from cash reserves.

5 Matters arising since the period end (continued)

On 8 February 2024 Byron Shire Council approved the release of the first construction certificate for the Group's Wallum Brunswick Heads residential land development, despite a concerted and ongoing effort by a small Byron Shire-based group seeking to stop the development in its entirety. In 2021 the CPDF Group acquired this already approved development site, which is a continuation of the Bayside Brunswick development approved in 2013 and commenced in 2014. In the coming months we will commence constructing the remaining 123 house lots and three medium density lots, which as completed and sold will help ease the significant housing supply shortage in Byron Shire. The first nineteen lots in Stage 1 have been sold, many to young, local families. The final eleven Stage 1 lots are about to be released and based on over 900 expressions of interest received from prospective buyers, we expect these lots to be in strong demand.

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 2024 as in the past. The Responsible Entity 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 and vegetation management plans at its Wallum Brunswick and Hub Heathwood developments.

8 Distributions to unitholders

During the Period unitholders received or were entitled to receive cash distributions of $13,962,876 (2022: $13,522,722). The average annualised rate of cash distributions for the Period was 6.1 cents per unit (2022: 6.1 cents per unit).

9 Options on units

There are no options over any units in the Group.

10 Responsible Entity fees

Fees paid to the Responsible Entity in accordance with the Constitutions of the Group during the Period are disclosed in Note 26 on Page 39 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 (i.e. issued units) in the Group for the Period were:

i)	Units as at 1 July 2023	456,379,532
	Units issued during the period	2,300,368
	Units redeemed during the period	-
	Units as at 31 December 2023	458,679,900

Details of units held by related parties are disclosed in Note 26 on page 38 of the financial statements.

ii) The value of the Group's total assets at 31 December 2023 was $778,345,022.
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 11.

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

Peter Fahey	**Darrell Irwin**
Chairman	Director

Dated 7th day of March 2024

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023, 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

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

7 MARCH 2024
BRISBANE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2023

	Note	Consolidated Group 31 December 2023 $	Consolidated Group 31 December 2022 $	CPDF 31 December 2023 $	CPDF 31 December 2022 $
Revenue and other income					
Interest revenue		**740,774**	112,753	**664,003**	86,044
Property revenue		**22,246,288**	22,175,115	**15,564,115**	15,398,000
Sale of inventories		**16,520,577**	931,818	**-**	-
Profit on disposal of assets	**13**	**-**	15,547,142	**-**	14,408,077
Other income	**2**	**39,618**	13,491	**65,673**	3,389,210
Fair value gain from investment property	**13**	**1,515,010**	13,469,857	**390,028**	5,193,726
Fair value gain/(loss) on derivative financial instruments		**(3,517,295)**	187,859	**(3,276,170)**	187,859
Total revenue		**37,544,972**	52,438,035	**13,407,649**	38,662,916
Expenses					
Financing costs	**3**	**(5,908,858)**	(5,071,781)	**(3,860,241)**	(3,518,897)
Property expenses and outgoings		**(8,513,647)**	(8,411,960)	**(4,679,976)**	(4,970,481)
Bad and doubtful debts expense		**(8,258)**	(101,830)	**(5,563)**	-
Inventory sales costs		**(2,413,654)**	(291,754)	**-**	-
Cost of inventories sold		**(6,417,598)**	(276,621)	**-**	-
Fund management fees	**26**	**(3,074,616)**	(2,896,384)	**(2,291,718)**	(2,237,924)
Other expenses		**(596,467)**	(539,332)	**(291,042)**	(361,868)
Total expenses		**(26,933,098)**	(17,589,662)	**(11,128,540)**	(11,089,170)
Net profit before income tax		**10,611,874**	34,848,373	**2,279,109**	27,573,746
Income tax (expense)/benefit	**5**	**(3,640,768)**	370,917	**-**	-
Profit after income tax attributable to unitholders		**6,971,106**	35,219,290	**2,279,109**	27,573,746
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income attributable to unitholders		**6,971,106**	35,219,290	**2,279,109**	27,573,746

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 2023 $	Consolidated Group 30 June 2023 $	CPDF 31 December 2023 $	CPDF 30 June 2023 $
ASSETS					
Current assets					
Cash and cash equivalents	**6**	**35,866,313**	39,265,543	**31,506,705**	38,437,436
Trade and other receivables	**7**	**5,630,172**	11,271,830	**2,648,157**	10,267,038
Inventory	**9**	**58,404,411**	48,232,801	**-**	-
Prepaid income tax		**-**	693,696	**-**	-
Investment property held for sale	**13**	**7,560,000**	-	**-**	-
Derivative financial instruments	**19**	**223,969**	-	**-**	-
Other assets	**12**	**2,439,288**	2,110,235	**841,007**	821,351
Total current assets		**110,124,153**	101,574,105	**34,995,869**	49,525,825
Non-current assets					
Trade and other receivables	**7**	**5,039,419**	-	**303,674,667**	298,893,628
Financial assets	**8**	**-**	-	**10,163,620**	10,163,620
Inventory	**9**	**120,517,494**	133,044,844	**629,014**	629,014
Deferred tax assets	**10**	**1,639,786**	1,537,829	**-**	-
Property, plant and equipment	**11**	**2,626,567**	2,320,118	**-**	-
Investment property	**13**	**529,847,080**	521,087,350	**343,320,000**	341,555,000
Derivative financial instruments	**19**	**8,237,168**	11,978,432	**8,237,168**	11,513,338
Other assets	**12**	**313,355**	151,291	**313,355**	151,291
Total non-current assets		**668,220,869**	670,119,864	**666,337,824**	662,905,891
Total assets		**778,345,022**	771,693,969	**701,333,693**	712,431,716
LIABILITIES					
Current liabilities					
Trade and other payables	**14**	**8,113,835**	8,542,704	**3,899,301**	4,584,359
Income tax	**15**	**1,953,534**	-	**-**	-
Other liabilities	**16**	**3,258,732**	4,451,250	**2,274,126**	3,468,790
Financial liabilities	**18**	**30,555,544**	19,824,853	**-**	-
Total current liabilities		**43,881,645**	32,818,807	**6,173,427**	8,053,149
Non-current liabilities					
Other liabilities	**16**	**2,000,000**	2,000,000	**-**	-
Deferred tax liabilities	**17**	**884,593**	770,078	**-**	-
Financial liabilities	**18**	**257,504,700**	257,504,700	**237,504,500**	237,504,500
Total non-current liabilities		**260,389,293**	260,274,778	**237,504,500**	237,504,500
Total liabilities		**304,270,938**	293,093,585	**243,677,927**	245,557,649
Net assets		**474,074,084**	478,600,384	**457,655,766**	466,874,067
EQUITY					
Unitholders' equity					
Issued capital		**398,194,094**	395,728,624	**398,194,094**	395,728,624
Undistributed income		**75,879,990**	82,871,760	**59,461,672**	71,145,443
Total unitholders' equity		**474,074,084**	478,600,384	**457,655,766**	466,874,067

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 2023	**456,379,532**	**395,728,624**	**82,871,760**	**478,600,384**
Total comprehensive income attributable to unitholders	**-**	**-**	**6,971,106**	**6,971,106**
	456,379,532	**395,728,624**	**89,842,866**	**485,571,490**
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	**-**	**-**	**(13,962,876)**	**(13,962,876)**
Units issued	**2,300,368**	**2,465,470**	**-**	**2,465,470**
Units redeemed	**-**	**-**	**-**	**-**
Balance at 31 December 2023	**458,679,900**	**398,194,094**	**75,879,990**	**474,074,084**

Consolidated Group	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2022	433,282,172	370,448,605	68,088,131	438,536,736
Total comprehensive income attributable to unitholders	-	-	35,219,290	35,219,290
	433,282,172	370,448,605	103,307,421	473,756,026
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	-	-	(13,522,722)	(13,522,722)
Units issued	15,382,336	16,856,270	-	16,856,270
Units redeemed	-	-	-	-
Balance at 31 December 2022	448,664,508	387,304,875	89,784,699	477,089,574

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

Clarence Property Diversified Fund	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2023	**456,379,532**	**395,728,624**	**71,145,443**	**466,874,067**
Total comprehensive income attributable to unitholders	**-**	**-**	**2,279,109**	**2,279,109**
	456,379,532	**395,728,624**	**73,424,552**	**469,153,176**
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	**-**	**-**	**(13,962,880)**	**(13,962,880)**
Units issued	**2,300,368**	**2,465,470**	**-**	**2,465,470**
Units redeemed	**-**	**-**	**-**	**-**
Balance at 31 December 2023	**458,679,900**	**398,194,094**	**59,461,672**	**457,655,766**

Clarence Property Diversified Fund	No. of units on issue	Issued capital $	Undistributed income $	Total $
Balance at 1 July 2022	433,282,172	370,448,605	56,985,885	427,434,490
Total comprehensive income attributable to unitholders	-	-	27,573,746	27,573,746
	433,282,172	370,448,605	84,559,631	455,008,236
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	-	-	(13,522,723)	(13,522,723)
Units issued	15,382,336	16,856,270	-	16,856,270
Units redeemed	-	-	-	-
Balance at 31 December 2022	448,664,508	387,304,875	71,036,908	458,341,783

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

	Note	**Consolidated Group**		**CPDF**	
		31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
		$	$	**$**	$
Cash flows from operating activities					
Receipts from operations (including GST)		**24,382,500**	17,387,551	**23,993,432**	9,827,713
Interest received		**740,774**	112,753	**664,003**	86,044
Trust distributions received		**-**	1,657	**53,328**	3,389,210
Proceeds from sale of inventories		**16,520,577**	931,818	**-**	-
Other receipts		**39,618**	11,834	**12,345**	-
Payment to suppliers		**(9,933,552)**	(12,481,056)	**(8,594,468)**	(7,463,116)
Payment for inventory		**(12,841,839)**	(40,613,865)	**-**	-
Goods & services tax received (paid)		**1,174,513**	1,206,637	**(158,652)**	(281,857)
Borrowing costs paid		**(6,072,355)**	(4,966,637)	**(4,023,739)**	(3,413,753)
Income taxes received (paid)		**(980,980)**	607,755	**-**	-
Net cash provided by (used in) operating activities	**24**	**13,029,256**	(37,801,553)	**11,946,249**	2,144,241
Cash flows from investing activities					
Net loans repaid (advanced)		**-**	-	**(4,781,039)**	(4,254,238)
Proceeds (payments) from sale of investment property		**(270,115)**	85,175,610	**(270,115)**	52,536,542
Payment for investment property		**(14,421,902)**	(12,118,509)	**(1,717,539)**	(2,628,400)
Payment for property, plant and equipment		**(358,877)**	(145,047)	**-**	-
Net cash provided by (used in) investing activities		**(15,050,894)**	72,912,054	**(6,768,693)**	45,653,904
Cash flows from financing activities					
Proceeds from issue of units		**2,299,278**	13,902,791	**2,299,278**	13,902,791
Proceeds from borrowings		**11,923,150**	101,061,827	**1,192,459**	62,850,000
Repayment of borrowings		**(1,192,459)**	(91,890,404)	**(1,192,459)**	(64,600,171)
Distributions paid		**(14,407,561)**	(13,444,530)	**(14,407,565)**	(13,444,528)
Net cash provided by (used in) financing activities		**(1,377,592)**	9,629,684	**(12,108,287)**	(1,291,908)
Net increase (decrease) in cash held		**(3,399,230)**	44,740,185	**(6,930,731)**	46,506,237
Cash at beginning of financial period		**39,265,543**	9,464,513	**38,437,436**	6,220,389
Cash at the end of the financial period	**6, 24**	**35,866,313**	54,204,698	**31,506,705**	52,726,626

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

1 Summary of significant accounting policies

The Clarence Property Diversified Group ("Group") represents the combination or stapling of Clarence Property Diversified Fund ("CPDF") and Epiq Lennox Property Trust ("ELPT") and the entities they controlled at the end of or during the 6 months ended 31 December 2023 (the "Period"). CPDF and ELPT are both registered managed investment schemes in accordance with the Corporations Act 2001 and are domiciled in Australia.

The constitutions of CPDF 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 unitholders 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 the winding up of either CPDF 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 Clarence Property Diversified Group ("Consolidated Group") and Clarence Property Diversified Fund 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 current, 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.

Economic outlook

The past year has been a challenging one for the real estate sector which continued to be impacted by inflation, interest rates and geopolitical risks. While a slowing in the economy is a consideration in the short term, with inflation having now peaked and a forecast fall in interest rates in FY25, they are expected to be major positives for the real estate sector as investors factor in a lower cost of capital. Despite the challenges, the Group is well placed to overcome them reflecting the strength, diversity and resilient nature of the Group's properties, tenants and development activities.

1 Summary of significant accounting policies (continued)

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 Clarence Property Diversified Fund and Epiq Lennox Property Trust as at 31 December 2023 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.

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 the statement of profit or loss and other comprehensive income.

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.

1 Summary of significant accounting policies (continued)

b) Investment property (continued)

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.

Fully developed investment property that is actively marketed for sale is classified as investment property held for sale in statement of profit or loss and other comprehensive income.

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.

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 16 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.

1 Summary of significant accounting policies (continued)

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) Property, plant and equipment

In-use property, plant and equipment is measured at cost, less accumulated depreciation and impairment. Initial costs includes directly attributable acquisition expenditure. Subsequent costs are capitalised if it is probable they will result in a flow of future economic benefits and they can be reliably measured. Other costs are expensed as incurred.

In use property, plant and equipment depreciation is calculated on a straight-line basis over the estimated useful life of the relevant asset. Solar energy generation systems are depreciated over 20 years.

Assets under construction represent initial costs relating to the purchase and installation of solar energy generation systems. Assets under construction are transferred to in-use property, plant and equipment once the asset is ready for commercial use and are not depreciated until transfer.

Government grants received for assets under construction including small-scale technology certificates (STCs) are recognised to offset the carrying value of the asset and depreciated over the useful life of the asset upon commercial operation.

f) 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, 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)

f) AASB 9 Financial Instruments (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 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 which 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 the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

1 Summary of significant accounting policies (continued)

f) 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 evidencing 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 which 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.

g) 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 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)

h) 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.

Economic uncertanties has had an adverse 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 and do not believe, based on the information currently available, it has had a significant impact in the assessment of impairment at balance date.

i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable 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.

j) 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.

k) 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.

l) 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)

m) 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.

n) Taxation

i) Income Tax

Under current Australian income tax legislation, CPDF is not liable to income tax provided its taxable income (including any realised capital gains) is fully distributed to unitholders each year. CPDF 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 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 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 it is no longer probable future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent 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)

n) 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.

o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

p) 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 which 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 which have the most significant effect on the amount recognised in the financial statements is described in the following notes:

Note 9 - Inventory.
Note 11 - Property, plant & equipment.
Note 13 - Investment property.
Note 19 - Derivative financial instruments.

Economic uncertainty

Judgement has been exercised in considering the impacts economic uncertainty 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. The board continues to actively monitor the situation.

	Consolidated Group		CPDF	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
2 Revenue and other income	**$**	$	**$**	$
Other income comprises:				
Trust distributions	**-**	1,657	**53,328**	3,389,210
Other revenue	**39,618**	11,834	**12,345**	-
	39,618	13,491	**65,673**	3,389,210
3 Profit				
Net profit before income tax has been determined after:				
Financing costs				
Interest expense	**5,718,235**	4,789,828	**3,669,619**	3,296,209
Borrowing costs	**190,623**	281,953	**190,622**	222,688
	5,908,858	5,071,781	**3,860,241**	3,518,897
4 Auditors' remuneration				
Detail of remuneration of auditor is set out below:				
Auditing or reviewing the financial statements	**78,650**	71,010	**57,250**	60,500
	78,650	71,010	**57,250**	60,500
5 Income tax (expense)/benefit				
Income tax (expense)/benefit				
Current tax	**(3,628,047)**	(79,359)	**-**	-
Derecognition of previous deferred taxes	**-**	-	**-**	-
Deferred tax (expense)/income	**(12,721)**	450,276	**-**	-
Tax rate differential	**-**	-	**-**	-
Total income tax (expense)/benefit	**(3,640,768)**	370,917	**-**	-
Numerical reconciliation of income tax expense and tax at the statutory rate				
Net profit before income tax	**10,611,874**	34,848,373	**2,279,109**	27,573,746
Tax at the statutory tax rate of 30.0% (2022: 25.0%)	**(3,183,562)**	(8,712,093)	**(683,733)**	(6,893,437)
Tax effect amounts which are (not deductible)/taxable in calculating taxable income:				
Capital gain on disposal of assets	**-**	-	**-**	-
Movement in market values	**(528,348)**	3,414,428	**(865,843)**	1,345,396
Tax rate differential (i)	**2,250,533**	5,668,582	**1,549,576**	5,548,041
Infrastructure agreement (ii)	**(2,112,200)**	-	**-**	-
Sundry items	**(67,191)**	-	**-**	-
Income tax (expense)/benefit	**(3,640,768)**	370,917	**-**	-

(i) Under current Australian income tax legislation, CPDF and some of its subsidiaries are not liable to income tax provided their taxable income is distributed to unitholders each year. This amount represents the tax not payable by the Group on income fully distributed to unitholders.

(ii) The tax treatment in relation to the infrastructure agreement receivable from Brisbane City Council in relation to the Group's industrial subdivision at Hub Heathwood (refer Note 7) is different to the accounting treatment. The receivable is fully taxable in the current financial year.

	Consolidated Group		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
6 Cash and cash equivalents	**$**	$	**$**	$
Security deposits	**-**	-	**-**	-
Cash held in trust	**497,500**	776,300	**447,500**	776,300
Cash at bank	**35,368,813**	38,489,243	**31,059,205**	37,661,136
	35,866,313	39,265,543	**31,506,705**	38,437,436

7 Trade and other receivables

Current				
Trade and other debtors	**1,931,402**	500,233	**1,648,157**	344,272
Less provision for doubtful debts	**(2,695)**	(125,244)	**-**	(125,244)
GST receivable	**181,755**	896,841	**-**	48,010
Infrastructure agreement (i)	**2,519,710**	-	**-**	-
Sundry debtors (ii)	**1,000,000**	10,000,000	**1,000,000**	10,000,000
Total current	**5,630,172**	11,271,830	**2,648,157**	10,267,038
Non-current				
Infrastructure agreement (i)	**5,039,419**	-	**-**	-
Loan to ELPT and subsidiaries (iii)	**-**	-	**303,674,667**	298,893,628
Total non-current	**5,039,419**	-	**303,674,667**	298,893,628
Total trade and other receivables	**10,669,591**	11,271,830	**306,322,824**	309,160,666

(i) In December 2023 the Group entered into an infrastructure agreement with Brisbane City Council in relation to its industrial subdivision at Hub Heathwood. The agreement requires Brisbane City Council to pay the Group $7,559,129 over three equal instalments, to be paid by 31 December 2024, 31 December 2025 and 31 December 2026.

(ii) As part of the sale of Zone Underwood in December 2022, $10,000,000 was withheld by the purchaser to be released pending achievement of specific milestones during the reinstatment of the building impacted by the fire. $9,000,000 was released during the Period. An additional $500,000 was released in January 2024. The balance $500,000 is expected to be received by April 2024.

(iii) Refer Note 26(e)(ii) for further information on loans to subsidiaries.

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

Opening balance	**125,244**	-	**125,244**	-
Provision for doubtful receivables	**8,814**	243,422	**6,119**	131,409
Receivables written off during the year	**(131,363)**	(118,178)	**(131,363)**	(6,165)
Reversals of amounts provided	**-**	-	**-**	-
Closing balance	**2,695**	125,244	**-**	125,244

8 Financial assets

Non-current				
Financial assets at fair value through profit or loss				
Units in subsidiaries	**-**	-	**10,163,620**	10,163,620
	-	-	**10,163,620**	10,163,620

	Consolidated Group		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
9 Inventory	**$**	$	**$**	$
Current				
Land held for resale - at cost	**19,222,990**	21,638,648	**-**	-
Land under development - at cost	**39,181,421**	26,594,153	**-**	-
	58,404,411	48,232,801	**-**	-
Non-Current				
Land under development - at cost	**120,517,494**	133,044,844	**629,014**	629,014
	120,517,494	133,044,844	**629,014**	629,014
Total inventory	**178,921,905**	181,277,645	**629,014**	629,014

The total carrying amount of inventory pledged as security for liabilities is $131,824,064 (June 2023: $124,370,346).

10 Deferred tax assets

Deferred tax assets comprises temporary differences attributable to:

Capitalised costs	**3,872**	4,302	**-**	-
Government grants	**243,858**	197,519	**-**	-
Inventory	**45,844**	157,187	**-**	-
Tax losses	**1,346,212**	1,178,821	**-**	-
Total deferred tax assets	**1,639,786**	1,537,829	**-**	-

11 Property, plant & equipment

This section comprises in-use property, plant and equipment and assets under construction.

In-use property, plant & equipment				
Opening balance	**1,810,853**	1,739,693	**-**	-
Additions	**171,594**	201,522	**-**	-
Government grants received/accrued	**(92,316)**	(62,498)	**-**	-
Depreciation expense	**(52,427)**	(93,679)	**-**	-
Transfer to in-use property, plant and equipment	**176,468**	25,815	**-**	-
Closing balance	**2,014,172**	1,810,853	**-**	**-**
Assets under construction				
Opening balance	**509,265**	73,539	**-**	-
Additions	**279,598**	461,541	**-**	-
Government grants received/accrued	**-**	-	**-**	-
Impairment losses recognised/reversed	**-**	-	**-**	-
Transfer to in-use property, plant and equipment	**(176,468)**	(25,815)	**-**	-
Closing balance	**612,395**	509,265	**-**	**-**
Total				
Opening balance	**2,320,118**	1,813,232	**-**	-
Additions	**451,192**	663,063	**-**	-
Government grants received/accrued	**(92,316)**	(62,498)	**-**	-
Depreciation expense	**(52,427)**	(93,679)	**-**	-
Closing balance	**2,626,567**	2,320,118	**-**	-

	Consolidated Group		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
11 Property, plant & equipment (continued)	**$**	$	**$**	$
Cost				
Cost (net of government grants)	**2,842,320**	2,483,444	**-**	-
Accumulated depreciation	**(215,753)**	(163,326)	**-**	-
Net book value	**2,626,567**	2,320,118	**-**	-

The in-use property, plant and equipment consists of 20 solar energy generation systems in Queensland and New South Wales with nameplate capacity of 2.4 MW. Assets under construction includes capitalised initial costs in relation to future potential solar generation projects.

12 Other assets

	Consolidated Group 31 December 2023 $	Consolidated Group 30 June 2023 $	CPDF 31 December 2023 $	CPDF 30 June 2023 $
Current				
Prepayments	**1,810,713**	1,485,940	**791,575**	774,099
Other assets	**628,575**	624,295	**49,432**	47,252
	2,439,288	2,110,235	**841,007**	821,351
Non-current				
Prepayments	**313,355**	151,291	**313,355**	151,291
	313,355	151,291	**313,355**	151,291
Total other assets	**2,752,643**	2,261,526	**1,154,362**	972,642

	Consolidated Group		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
13 Investment property	**$**	$	**$**	$
Investment property (at fair value)				
Commercial office				
100 Blundell Boulevard, Tweed Heads	**10,500,000**	10,000,000	**10,500,000**	10,000,000
29 Molesworth Street, Lismore	**18,500,000**	20,200,000	**18,500,000**	20,200,000
The Rocket, Robina	**88,000,000**	83,900,000	**88,000,000**	83,900,000
183 Varsity Parade, Varsity Lakes	**10,400,000**	11,350,000	**10,400,000**	11,350,000
201 Leichhardt Street, Spring Hill	**13,600,000**	12,600,000	**13,600,000**	12,600,000
9 Hercules Street, Hamilton	**10,950,000**	11,450,000	**10,950,000**	11,450,000
188 Macquarie Street, Dubbo	**9,900,000**	9,900,000	**-**	-
65 Park Road, Milton	**4,325,000**	4,325,000	**-**	-
The Base, 197 Robina Town Centre Drive, Robina (i)	**5,542,423**	5,364,311	**-**	-
27-29 Grant Street, Port Macquarie	**15,700,000**	15,700,000	**15,700,000**	15,700,000
Retail				
Yamba Fair	**40,300,000**	41,600,000	**40,300,000**	41,600,000
Yamba residential property (ii)	**600,000**	475,000	**600,000**	475,000
Byron Bay Fair	**15,500,000**	15,500,000	**15,500,000**	15,500,000
Yamba Fuel Station	**5,490,000**	5,650,000	**5,490,000**	5,650,000
Bell Central, Mudgeeraba	**17,600,000**	17,600,000	**17,600,000**	17,600,000
Epiq Marketplace, Lennox Head	**39,080,000**	39,080,000	**39,080,000**	39,080,000
Logan Village Marketplace	**14,000,000**	14,600,000	**-**	-
Northshore Marketplace, Townsville	**25,250,000**	23,250,000	**-**	-
Childcare & Medical				
Tamar Village, Ballina	**8,600,000**	8,800,000	**8,600,000**	8,800,000
Epiq Childcare, Lennox Head	**4,750,000**	4,750,000	**4,750,000**	4,750,000
East Tamworth Medical Centre	**15,600,000**	15,600,000	**15,600,000**	15,600,000
Milton Childcare	**9,450,000**	9,450,000	**-**	-
Bahrs Scrub Childcare	**6,800,000**	6,800,000	**-**	-
Ripley Childcare (iii)	**7,560,000**	6,018,201	**-**	-
Salisbury Childcare (iv)	**4,575,802**	3,477,091	**-**	-
Rochedale South Childcare (iv)	**1,908,342**	1,737,014	**-**	-
Lota Childcare (iv)	**2,357,697**	1,754,831	**-**	-
Rangeville Childcare	**6,090,000**	3,308,935	**-**	-
Delahey Childcare	**6,900,000**	4,633,360	**-**	-
Mount Evelyn Childcare (iv)	**4,252,472**	2,776,551	**-**	-
Bellbowrie Childcare (iv)	**3,875,344**	1,587,056	**-**	-
Logistics/Distribution/Industrial/Other				
45 Alexandra Place, Murarrie	**15,750,000**	14,900,000	**15,750,000**	14,900,000
48 Bell-Are Avenue, Northgate	**12,400,000**	12,400,000	**12,400,000**	12,400,000
42 Mcroyle Street, Wacol	**10,000,000**	10,000,000	**-**	-
81 Stradbroke Street, Heathwood	**9,400,000**	9,400,000	**-**	-
31 Paringa Rd, Murarrie	**20,200,000**	20,200,000	**-**	-
185 Queensport Road, Murarrie	**11,100,000**	10,350,000	**-**	-
18 Macgregor Place, Richlands	**17,300,000**	17,300,000	**-**	-
96 Tile Street, Wacol	**7,300,000**	7,300,000	**-**	-
Arndilly, 662 Tullymorgan Road, Lawrence	**6,000,000**	6,000,000	**-**	-
	537,407,080	521,087,350	**343,320,000**	341,555,000

	Consolidated Group		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
13 Investment property (continued)	**$**	$	**$**	$

(i) This property is vacant land and held for future development.
(ii) This property adjoins Yamba Fair and is held for future development of the centre.
(iii) This property is classified as held for sale as it is under an unconditional contract for sale at 31 December 2023.
(iv) These properties are currently under construction for future use as investment property. The amounts quoted include all costs of acquisition and subsequent development to date.

Movement in investment properties				
Opening balance	**521,087,350**	566,408,691	**341,555,000**	374,880,000
Additions at cost				
Acquisition price	**-**	5,122,467	**-**	9,574
Transaction costs	**23,394**	454,205	**-**	-
Improvements	**13,457,023**	22,770,984	**1,022,248**	2,756,720
Disposals	**-**	(77,465,043)	**-**	(37,565,043)
Net fair value adjustment	**1,515,010**	1,856,056	**390,028**	406,858
Transfers from inventory	**-**	-	**-**	-
Lease incentives and leasing fees deferred	**941,485**	2,242,667	**695,291**	1,596,899
Amortisation of lease incentives and leasing fees	**(669,696)**	(1,108,174)	**(558,848)**	(951,232)
Movement in straight-lining rental income asset	**1,052,514**	805,497	**216,281**	421,224
Closing balance	**537,407,080**	521,087,350	**343,320,000**	341,555,000

Future minimum lease receivables				
Future minimum lease payments receivable from non-cancellable operating leases:				
Within one year	**31,935,436**	29,425,629	**21,055,079**	21,214,854
Later than one year but not later than five years	**77,038,866**	72,159,792	**47,306,791**	50,410,431
Later than five years	**65,361,776**	49,258,702	**22,272,775**	24,653,502
	174,336,078	150,844,123	**90,634,645**	96,278,787

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.

Fair value measurement, valuation techniques and inputs

Given the uncertain economic conditions, there is uncertainty surrounding the potential impact on future cash flows and therefore on the valuation of investment property. Key assumptions have been made in the context of uncertainty regarding inflation, interest rates, social and geo-political events.

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.

13 Investment property (continued)

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 $22,700,000.

Term and definition	Input Range	Fair Value Sensitivity Increase in input	Fair Value Sensitivity 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.	4.50% - 9.50%	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.	5.50% - 9.75%	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).	$21/m² - $1,497/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 - 19.8yrs	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.	45% - 100%	Increase	Decrease

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 27(f).

	Consolidated Group		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
14 Trade and other payables	**$**	$	**$**	$
Current				
Other creditors	**5,782,227**	5,766,409	**1,532,660**	1,808,064
Distributions to unitholders	**2,331,608**	2,776,295	**2,331,608**	2,776,295
GST payable	**-**	-	**35,033**	-
	8,113,835	8,542,704	**3,899,301**	4,584,359
Included in the above are amounts due to related parties:				
Other creditors at an arm's length basis	**1,612,231**	973,168	**-**	-
	1,612,231	973,168	**-**	-

15 Income tax

Current				
Provision for income tax	**1,953,534**	-	**-**	-
	1,953,534	-	**-**	-

16 Other liabilities

Current				
Rent received in advance	**2,475,952**	2,502,963	**1,575,527**	1,744,632
Units to be issued	**365,944**	532,134	**365,944**	532,134
Provision for rental guarantees	**87,668**	357,783	**87,668**	357,783
Other liabilities	**329,168**	1,058,370	**244,987**	834,241
	3,258,732	4,451,250	**2,274,126**	3,468,790
Non-Current				
Deferred settlement liability (i)	**2,000,000**	2,000,000	**-**	-
	2,000,000	2,000,000	**-**	-
	5,258,732	6,451,250	**2,274,126**	3,468,790

(i) As part of the Group's purchase of 36 Bark Hut Road, Woolgoolga NSW, $2,000,000 of the $5,000,000 purchase price is a deferred payment for 4 years, due to be paid on 31 January 2027.

The movement in provision for rental guarantees during the period was as follows:				
Opening balance	**357,783**	-	**357,783**	-
Increase in provision for rental guarantees	**-**	858,991	**-**	858,991
Rental guarantees paid during the period	**(270,115)**	(501,208)	**(270,115)**	(501,208)
Reversals of amounts provided	**-**	-	**-**	-
Closing balance	**87,668**	357,783	**87,668**	357,783

As part of the sale of the Group's Zone Underwood property in December 2022, the Group provided a rental guarantee to the purchaser for the period of reinstatement up to a maximum of 12 months from settlement covering the building impacted by the fire. Additionally it provided a 1 year rental guarantee over the vacant shop within the property at the time of sale.

17 Deferred tax liabilities

	Consolidated Group 31 December 2023 $	Consolidated Group 30 June 2023 $	CPDF 31 December 2023 $	CPDF 30 June 2023 $
Deferred tax liabilities comprises temporary differences attributable to:				
Prepayments	**-**	-	**-**	-
Lease receivable debtor	**-**	-	**-**	-
Inventory	**-**	-	**-**	-
Plant and equipment	**817,402**	653,804	**-**	-
Financial assets	**67,191**	116,274	**-**	-
Total deferred tax liabilities	**884,593**	770,078	**-**	-

18 Financial liabilities

	Consolidated Group 31 December 2023 $	Consolidated Group 30 June 2023 $	CPDF 31 December 2023 $	CPDF 30 June 2023 $
Current				
Loans - financial institutions	**30,555,544**	19,824,853	**-**	-
	30,555,544	19,824,853	**-**	-
Non-current				
Loans - financial institutions	**257,504,700**	257,504,700	**237,504,500**	237,504,500
	257,504,700	257,504,700	**237,504,500**	237,504,500
	288,060,244	277,329,553	**237,504,500**	237,504,500

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

Facility	Maturity Date	Facility 31 December 2023 $	Utilised 31 December 2023 $	Facility 30 June 2023 $	Utilised 30 June 2023 $
Secured loan facility (i)	**May-24**	**32,945,000**	**30,555,544**	32,945,000	19,824,853
Secured loan facility (i)	**Aug-26**	**2,255,000**	**2,255,000**	2,255,000	2,255,000
Secured loan facility (i)	**Aug-26**	**45,000,000**	**20,000,200**	45,000,000	20,000,200
Secured loan facility (i)	**May-25**	**8,000,000**	**7,825,000**	8,000,000	7,825,000
Secured loan facility (i)	**Sep-25**	**19,800,000**	**19,800,000**	19,800,000	19,800,000
Secured bilateral loan facilities (ii)	**Aug-27**	**50,000,000**	**35,000,000**	50,000,000	35,000,000
Secured bilateral loan facilities (ii)	**Sep-27**	**46,602,000**	**36,602,000**	46,602,000	36,602,000
Secured bilateral loan facilities (ii)	**Jan-25**	**47,850,000**	**47,850,000**	47,850,000	47,850,000
Secured bilateral loan facilities (ii)	**Sep-25**	**46,400,000**	**46,400,000**	46,400,000	46,400,000
Secured bilateral loan facilities (ii)	**Sep-25**	**26,922,500**	**26,922,500**	26,922,500	26,922,500
Secured bilateral loan facilities (ii)	**May-27**	**14,850,000**	**14,850,000**	14,850,000	14,850,000
Total facilities		**340,624,500**	**288,060,244**	340,624,500	277,329,553

The Group had $52,564,256 (June 2023: $63,294,947) in unused finance facilities at balance date.

(i) 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.

(ii) Secured bilateral loan facilities are held with multiple providers. All providers are contracted under a Common Terms Deed 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, expiry date (see table above for more detail) and fee structure. The Group is able to repay and refinance individual providers.

	Consolidated Group		CPDF	
	31 December 2023 $	30 June 2023 $	**31 December 2023 $**	30 June 2023 $
19 Derivative financial instruments				
Assets				
Current				
Interest rate contracts – at fair value	**223,969**	-	**-**	-
	223,969	-	**-**	-
Non-current				
Interest rate contracts – at fair value	**8,237,168**	11,978,432	**8,237,168**	11,513,338
	8,237,168	11,978,432	**8,237,168**	11,513,338
	8,461,137	11,978,432	**8,237,168**	11,513,338

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 27(d). Details of principal amounts, expiry dates and interest ranges of interest rate derivative (hedging) contracts are set out in note 27(d).

Fair value measurement

The fair value of interest rate swaps is the estimated amount which 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 27(f).

20 Franking credits

Franking credits available for subsequent years based on a tax rate of 30%	**2,002,265**	147,460	**-**	-
	2,002,265	147,460	**-**	-

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

21 Segment reporting

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

22 Commitments for capital expenditure

As at 31 December 2023 the Group had the following commitments contracted for which costs have not been recognised as liabilities:

Development costs on inventories	**2,858,916**	5,973,583	**-**	-
Capital Expenditure on investment property	**-**	377,501	**-**	-
Plant and equipment	**87,762**	133,892	**-**	-
Development costs for future investment property	**22,575,250**	23,833,106	**-**	-
Acquisition of 42 Cumberland Road, Forrestfield	**1,300,000**	1,300,000	**-**	-
Acquisition of mixed use development site	**3,150,000**	-	**-**	-
	29,971,928	31,618,082	**-**	-

All the above amounts are payable within 12 months.

23 Contingencies

The Group has given bank guarantees as at 31 December 2023 of $715,372 (June 2023: $205,466) to various councils and utilities providers in respect to maintenance and construction obligations at its development properties.

Additionally, as part of the sale of the Group's Zone Underwood property in December 2022, the Group provided a rental guarantee to the purchaser covering the period of reinstatement up to a maximum of 12 months for the building impacted by the fire. Amounts have been included in the financial statements for the expected rent guarantee period which is shorter than the maximum 12 month period. Further, as part of the sale, the Group entered into a development deed to reinstate the building impacted by fire. Although the Group's insurers have accepted the Group's claim and will cover the cost of the rebuild, there is a possibility of variations to the works which the insurer will not fund and the Group will have to fund itself.

24 Notes to the statement of cash flows

	Consolidated Group		CPDF	
a) Cash and cash equivalents	**31 December 2023 $**	31 December 2022 $	**31 December 2023 $**	31 December 2022 $
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	**-**	3,700	**-**	3,700
Cash held in trust	**497,500**	1,225,591	**447,500**	920,591
Cash at bank	**35,368,813**	52,975,407	**31,059,205**	51,802,335
	35,866,313	54,204,698	**31,506,705**	52,726,626

b) Reconciliation of net profit to net cash flows from operating activities

	Consolidated Group 31 December 2023 $	Consolidated Group 31 December 2022 $	CPDF 31 December 2023 $	CPDF 31 December 2022 $
Total comprehensive profit attributable to unitholders	**6,971,106**	35,219,290	**2,279,109**	27,573,746
Non-cash items:				
Profit (loss) on sale of non-current assets	**-**	(15,547,142)	**-**	(14,408,077)
Fair value adjustments to investment properties	**(1,515,010)**	(13,469,857)	**(390,028)**	(5,193,726)
Fair value adjustments to financial assets	**-**	-	**-**	-
Transfers to investment property from inventory	**-**	-	**-**	-
Straightlining of rental income	**(1,052,514)**	(363,309)	**(216,281)**	(213,463)
Amortisation of lease incentives and leasing fees	**669,696**	513,007	**558,848**	470,546
Depreciation	**52,428**	45,852	**-**	-
Changes in assets and liabilities:				
Decrease (increase) in receivables	**(112,847)**	(9,501,543)	**7,570,871**	(9,790,120)
Decrease (increase) in inventories	**2,355,740**	(39,645,207)	**-**	-
Decrease (increase) in tax assets	**591,739**	172,672	**-**	-
Decrease (increase) in other assets	**(491,117)**	(381,019)	**(181,720)**	(501,542)
Increase (decrease) in sundry creditors	**15,818**	2,909,175	**(275,404)**	1,861,634
Increase (decrease) in other liabilities	**(729,202)**	2,586,189	**(589,254)**	2,572,447
Increase (decrease) in GST payable	**715,086**	(19,809)	**83,043**	(74,171)
Increase (decrease) in provision for income tax	**1,953,534**	48,281	**-**	-
Increase (decrease) in deferred tax liabilities	**114,515**	15,885	**-**	-
Increase (decrease) in income in advance	**(27,011)**	(196,158)	**(169,105)**	34,827
Increase (decrease) in derivative financial instruments	**3,517,295**	(187,860)	**3,276,170**	(187,860)
Net cash provided by (used in) operating activities	**13,029,256**	(37,801,553)	**11,946,249**	2,144,241

25 Events subsequent to reporting date

Since Period end, economic uncertainty 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 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.

On 1 January 2024 units totalling 341,238 were issued in relation to funds received during December 2023 pursuant to the PDS and the DRP, and is shown as a current liability in the financial statements.

On 8 November 2023 the Group entered into a contract to acquire 42 Cumberland Road, Forrestfield WA for $1,300,000 on which it is proposed to build a childcare centre. Settlement took place on 15 January 2024 and was funded from cash reserves.

Since Period end, eight lots have settled at the Group's Hub Heathwood development, resulting in $24,900,000 being repaid against the loan with Westpac.

On 16 February 2024 the Group went unconditional on the purchase of a DA approved 4,300m² mixed-use development site for $3,150,000. The acquisition is expected to settle in August 2024 and will be funded from cash reserves.

On 8 February 2024 Byron Shire Council approved the release of the first construction certificate for the Group’s Wallum Brunswick Heads residential land development, despite a concerted and ongoing effort by a small Byron Shire-based group seeking to stop the development in its entirety. In 2021 the CPDF Group acquired this already approved development site, which is a continuation of the Bayside Brunswick development approved in 2013 and commenced in 2014. In the coming months we will commence constructing the remaining 123 house lots and three medium density lots, which as completed and sold will help ease the significant housing supply shortage in Byron Shire. The first nineteen lots in Stage 1 have been sold, many to young, local families. The final eleven Stage 1 lots are about to be released and based on over 900 expressions of interest received from prospective buyers, we expect these lots to be in strong demand.

No matter or circumstance, other than as mentioned above, has arisen since the end of the Period which 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.

26 Related party disclosures

a) Responsible Entity

Both CPDF 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 were key management personnel of the Responsible Entity from 1 July 2023 to 31 December 2023, unless otherwise stated.

Key management person	Position
Peter Fahey	Executive Chairman
Darrell Irwin	Director – Executive
Tony Tippett	Director – Non-Executive
Andrew Carlton	Director – Non-Executive
James Dougherty	Chairman – Non-Executive (resigned 23 November 2023)

c) Key management personnel compensation

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

d) Unit holdings

The Responsible Entity and its key management personnel (both personally and through their related entities) held units in the Group as follows:

	Balance 1/07/2022	Net Purchases / (Sales)	**Balance 30/06/2023**	**Net Purchases / (Sales)**	**Balance 31/12/2023**
Peter Fahey	1,586,469	475,607	**2,062,076**	**63,857**	**2,125,933**
Darrell Irwin	1,346,595	172,568	**1,519,163**	**45,052**	**1,564,215**
Tony Tippett	4,267,173	46,750	**4,313,923**	**-**	**4,313,923**
Andrew Carlton	139,183	13,865	**153,048**	**883**	**153,931**
James Dougherty	951,781	30,000	**981,781**	**-**	**981,781**
Total	8,291,201	738,790	**9,029,991**	**109,792**	**9,139,783**

	Consolidated Group		CPDF	
	31 December 2023	31 December 2022	**31 December 2023**	31 December 2022
26 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:				
The Responsible Entity				
Paid/payable to the Responsible Entity:				
Fund management fees	**3,074,616**	2,896,384	**2,291,718**	2,237,924
Acquisition fees	**-**	832,725	**-**	-
Disposal fees	**361,920**	1,520,000	**-**	840,000
Development & project management fees	**1,030,175**	956,166	**-**	-
Property management fees	**1,800**	1,800	**-**	-
Accountancy fees	**48,000**	44,258	**-**	-
Development sales fees	**135,140**	10,250	**-**	-
Property development performance fees	**1,315,361**	-	**-**	-
Debt management fees	**39,293**	39,079	**-**	-
Reimbursable expenses	**27,725**	13,872	**23,895**	13,861
	6,034,030	6,314,534	**2,315,613**	3,091,785
Received/receivable from the Responsible Entity:				
Rental of business premises	**158,699**	49,357	**158,699**	49,357
	158,699	49,357	**158,699**	49,357
Clarence Property Works Pty Ltd				
Property management, rent review & leasing fees	**1,557,373**	1,827,134	**1,103,099**	1,385,061

(ii) Loans

Loan to Epiq Lennox Property Trust

Clarence Property Diversified Fund has provided a loan facility of $155,000,000 to Epiq Lennox Property Trust to assist with the purchase and development of its 'Epiq Lennox' development project and to on-lend funds to its subsidiaries for development purposes. The balance owing at reporting date was $144,496,779. The facility has a maturity date of 30 June 2027. No interest is charged on the facility.

26 Related party disclosures (continued)

(ii) Loans (continued)

Loans to subsidiaries

Clarence Property Diversified Fund has provided loan facilities to its subsidiaries to assist with the purchase and operation of investment properties they own. No interest is charged on these facilities. Details of these loans are:

	Maturity Date	**Facility 31 December 2023 $**	**Utilised 31 December 2023 $**	Facility 30 June 2023 $	Utilised 30 June 2023 $
Wacol Industrial Trust	Jun-25	**16,000,000**	**7,832,570**	16,000,000	7,819,698
Logan Village Shopping Centre Trust	Jun-25	**17,500,000**	**16,270,967**	17,500,000	16,390,907
Ormeau Shopping Centre Trust	Jun-25	**31,000,000**	**-**	31,000,000	-
WPT Sub-Trust 3	Jun-25	**20,000,000**	**15,760,667**	20,000,000	15,759,584
WPT Sub-Trust 4	Jun-25	**27,500,000**	**18,030,329**	27,500,000	18,144,933
North Shore Townsville Property Trust	Jun-25	**20,000,000**	**14,379,546**	20,000,000	14,807,267
Macquarie Commercial Property Trust	Jun-25	**500,000**	**-**	500,000	-
WPT Sub-Trust 6	Jun-25	**22,500,000**	**20,613,969**	22,500,000	20,576,834
WPT Sub-Trust 7	Jun-25	**25,000,000**	**24,236,460**	25,000,000	24,036,283
WPT Sub-Trust 8	Jun-25	**17,500,000**	**12,208,842**	17,500,000	9,595,638
WPT Sub-Trust 9	Jun-25	**28,000,000**	**10,140,874**	28,000,000	6,874,783
WPT Sub-Trust 10	Jun-25	**45,000,000**	**5,772,305**	45,000,000	5,544,478
CPDF Sub-Trust 11	Jun-25	**16,000,000**	**10,487,085**	16,000,000	7,439,605
CPDF Sub-Trust 13	Jun-25	**7,500,000**	**3,444,274**	7,500,000	1,606,840
		294,000,000	**159,177,888**	294,000,000	148,596,850

27 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 which 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.

27 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		CPDF	
	31 December 2023	30 June 2023	**31 December 2023**	30 June 2023
	$	$	**$**	$
Cash and cash equivalents	**35,866,313**	39,265,543	**31,506,705**	38,437,436
Trade receivables	**10,490,530**	10,500,233	**2,648,157**	10,344,272
Loan receivables	**-**	-	**303,674,668**	298,893,629
Construction bonds	**579,143**	577,043	**-**	-
Financial assets at fair value through profit or loss	**-**	-	**10,163,620**	10,163,620
	46,935,986	50,342,819	**347,993,150**	357,838,957

c) Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2023	**Carrying amount**	**1 year or less**	**1-3 years**	**3 -5 years**	**More than 5 years**
	$	**$**	**$**	**$**	**$**
Non-derivatives					
Secured bank loans	**288,060,244**	**30,555,544**	**171,052,700**	**86,452,000**	**-**
Trade & other payables	**8,113,835**	**8,113,835**	**-**	**-**	**-**
Other liabilities	**5,258,732**	**3,258,732**	**-**	**2,000,000**	**-**
	301,432,811	**41,928,111**	**171,052,700**	**88,452,000**	**-**
Derivatives					
Net settled interest rate derivatives	**(8,461,137)**	**(4,335,567)**	**(3,917,770)**	**(207,801)**	**-**
	(8,461,137)	**(4,335,567)**	**(3,917,770)**	**(207,801)**	**-**

The Group entered into interest rate derivative instruments during the period which at balance date had a fair value of $8,461,137, as presented in current and non-current assets in the Statement of Financial Position. Refer Note 27(d) for further details.

30 June 2023					
Non-derivatives					
Secured bank loans	277,329,553	19,824,853	242,654,700	14,850,000	-
Trade & other payables	8,542,704	8,542,704	-	-	-
Other liabilities	6,451,250	4,451,250	-	2,000,000	-
	292,323,507	32,818,807	242,654,700	16,850,000	-
Derivatives					
Net settled interest rate swaps	(11,978,432)	(4,340,440)	(6,695,925)	(942,067)	-
	(11,978,432)	(4,340,440)	(6,695,925)	(942,067)	-

27 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 2023 %	30 June 2023 %	**31 December 2023 $**	30 June 2023 $
Fixed rate financial assets				
Term deposits with banks	**4.80**	N/A	**20,606,442**	-
			20,606,442	-
Variable rate financial assets				
Cash at bank	**4.10**	3.85	**14,762,371**	38,489,243
			14,762,371	38,489,243
Variable rate financial liabilities				
Interest bearing liabilities	**4.42**	4.97	**288,060,244**	277,329,553
			288,060,244	277,329,553

In addition the Group holds the following treasury instruments:

Type	BBSY Rate	Amount $	Start Date	Expiry Date
Cap	1.00%	10,000,000	Mar-21	Mar-26
Fixed Rate Swap	0.50%	20,000,000	Jun-21	Mar-26
Cap and Collar	1.00% - 0.05%	30,000,000	Dec-22	Dec-25
Fixed Rate Swap	1.70%	10,000,000	Mar-23	Mar-26
Cap	1.00%	10,000,000	Jun-24	Jun-26
Cap and Collar	1.50% - 0.75%	10,000,000	Dec-23	Jun-27
Cap and Collar	1.50% - 0.75%	10,000,000	Dec-23	Jun-27
Fixed Rate Swap	2.94%	40,000,000	Jun-24	Jun-26
Fixed Rate Swap	1.00%	20,000,000	May-23	May-25
Fixed Rate Swap	2.25%	19,800,000	Apr-23	Sep-25
Fixed Rate Swap	2.50%	20,000,000	Mar-23	Aug-24
		199,800,000		

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 which 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 Swaps, Caps and Cap & 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 $2,673,349 (June 2023: a decrease of $2,796,865).

27 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 13).
Derivative financial instruments (refer Note 19).

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.

28 Group details

The principal place of business of the Group is Level 1 Suite 4 Epiq Marketplace, 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 2023 there were thirty eight employees of the Responsible Entity.

29 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.

Name	Principal place of business / Country of incorporation	Consolidated Group 31 December 2023 %	Consolidated Group 30 June 2023 %
Yamba Quays Pty Ltd	Australia	**100%**	100%
WPT Solar Pty Ltd	Australia	**100%**	100%
Bayside Brunswick Pty Ltd	Australia	**100%**	100%
Bilambil Heights Pty Ltd	Australia	**100%**	100%
North Coffs Pty Ltd	Australia	**100%**	100%
WPT Land Developments 1 Pty Ltd	Australia	**100%**	100%
WPT Land Developments 2 Pty Ltd	Australia	**100%**	100%
WPT Land Developments 3 Pty Ltd	Australia	**100%**	100%
ELPT Land Developments 4 Pty Ltd	Australia	**100%**	100%
ELPT Land Developments 5 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%**	100%
Macquarie Commercial Property Trust	Australia	**100%**	100%
WPT Sub-Trust 7	Australia	**100%**	100%
WPT Sub-Trust 8	Australia	**100%**	100%
WPT Sub-Trust 9	Australia	**100%**	100%
WPT Sub-Trust 10	Australia	**100%**	100%
CPDF Sub-Trust 11	Australia	**100%**	100%
CPDF Sub-Trust 12	Australia	**100%**	100%
CPDF Sub-Trust 13	Australia	**100%**	100%
CPDF Sub-Trust 14	Australia	**100%**	100%
CPDF Sub-Trust 15	Australia	**100%**	100%
CPDF Sub-Trust 16	Australia	**100%**	100%

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 Clarence Property Diversified Fund as set out on pages 12 to 45 are in accordance with the Corporations Act 2001 and:

   a) Comply with Australian Accounting Standard AASB 134 Interim Financial Reporting, 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 2023 and of the performance for the half year ended on that date of the consolidated Group and Clarence Property Diversified Fund.

2. In the directors' opinion there are reasonable grounds to believe the consolidated Group and Clarence Property Diversified Fund 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
Chairman

Darrell Irwin
Director

Dated 7th day of March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE UNITHOLDERS OF CLARENCE PROPERTY DIVERSIFIED GROUP

Conclusion

We have reviewed the accompanying half-year financial report of the Clarence Property Diversified Group (Clarence Property Diversified Fund and the Epic Lennox Property Trust) ("the Group"), and Clarence Property Diversified Fund ("the Fund"), which comprises the consolidated statement of financial position as at 31 December 2023, 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 Fund and the Group, comprising the Fund and the entities it controlled at the period's end or from time to time during the financial period.

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 the Group and the Fund is not in accordance with the *Corporations Act 2001* including:-

(a) giving a true and fair view of the Group's and the Fund's financial position as at 31 December 2023, and of the Group and the Fund'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 consolidated entity 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.

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 Fund's financial position as at 31 December 2023 and of the Group and the Fund'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.

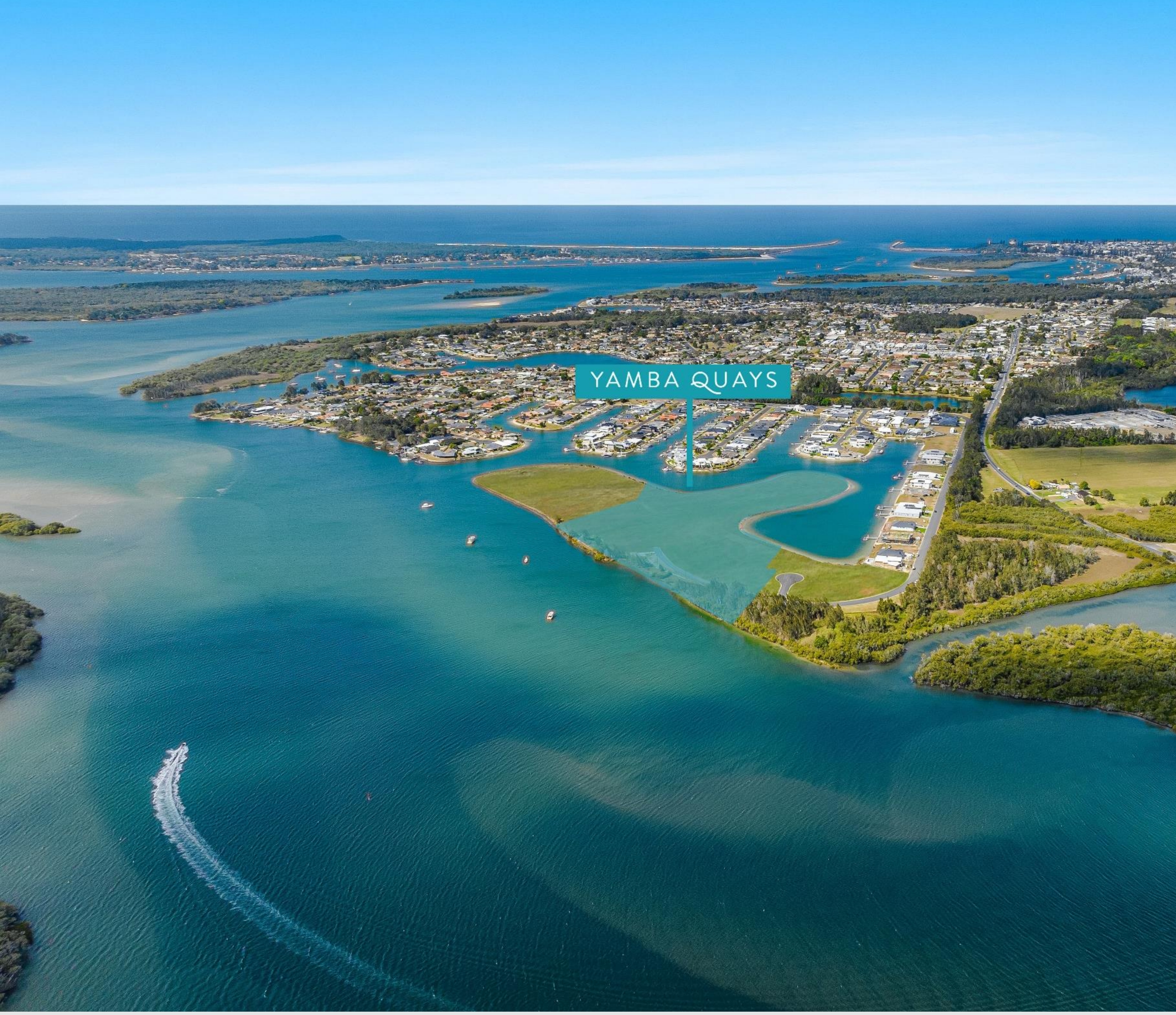
PKF

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

7 MARCH 2024
BRISBANE

NOTES



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