CLARENCE PROPERTY DIVERSIFIED FUND ARSN 095 611 804

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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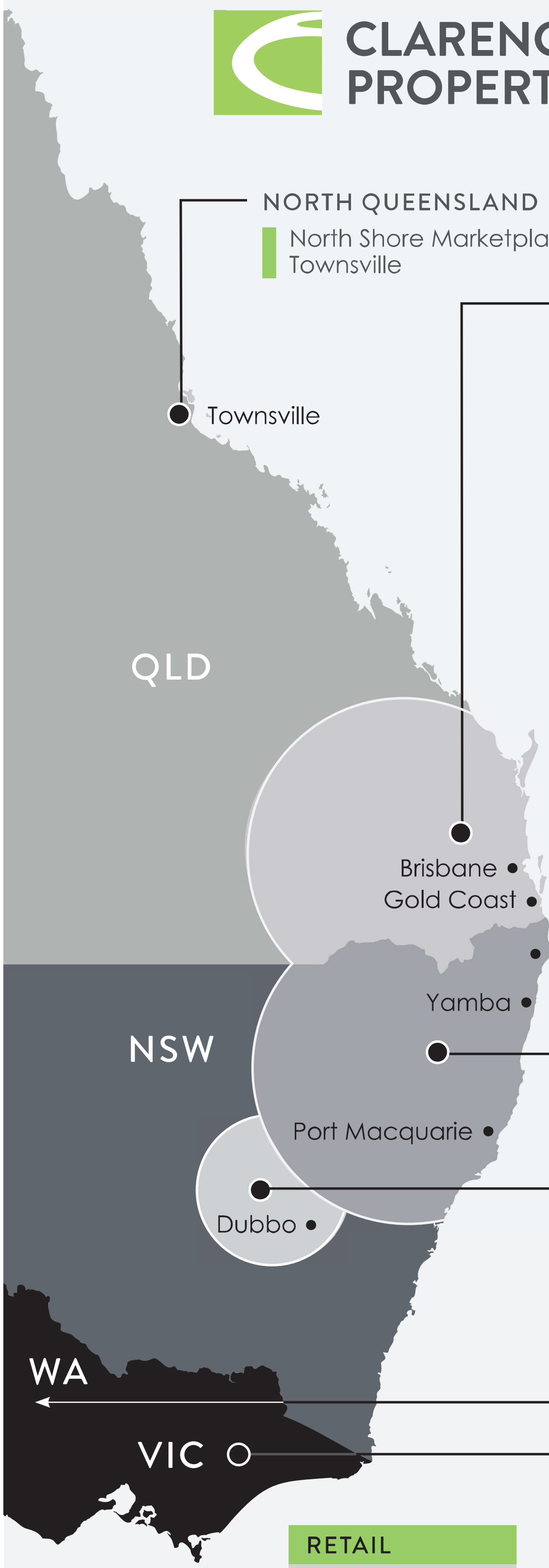
MANAGER & RESPONSIBLE ENTITY

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

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

CLARENCE PROPERTY

CLARENCE PROPERTY DIVERSIFIED FUND (CPDF) PORTFOLIO MAP



RETAIL
CHILDCARE
MEDICAL
INDUSTRIAL
OFFICE
DEVELOPMENT

*Map not to scale

NORTH QUEENSLAND

- North Shore Marketplace, Townsville

SOUTH-EAST QUEENSLAND

- Bell Central, Mudgeeraba
- Logan Village Marketplace
- Bellbowrie Childcare
- Edge Early Learning Centre, Milton
- Little Locals Early Learning, Salisbury
- Lota Childcare, Lota
- Rangeville Early Education Centre
- Rochedale South Childcare
- Hub Heathwood
- Alexandra Place, Murarrie
- Bell-Are Avenue, Northgate
- Macgregor Place, Richlands
- Mcroyle Street, Wacol
- Paringa Road, Murarrie
- Queensport Road, Murarrie
- Stradbroke Street, Heathwood
- Tile Street, Wacol
- Hercules Street, Hamilton
- Leichhardt Street, Spring Hill
- Park Road, Milton
- The Base, Robina
- The Rocket, Robina
- Varsity Parade, Varsity Lakes

NORTH-EAST NSW

- Byron Bay Fair
- Epiq Marketplace, Lennox Head
- Tamar Village, Ballina
- Yamba Service Station
- Yamba Fair
- Harmony Early Learning, Lennox Head
- Blundell Boulevard, Tweed Heads South
- Grant Street, Port Macquarie
- Westlawn Building, Lismore
- Arndilly, Lawrence
- Bark Hut Road, Woolgoolga
- Epiq Lennox, Lennox Head
- Newmans Road, Woolgoolga
- North Boambee Road, North Boambee
- Skinners Shoot, Byron Bay
- Yamba Quays, Yamba
- Wallum, Brunswick Heads

WESTERN AUSTRALIA

- Forrestfield Childcare, Perth

VICTORIA

- Mount Evelyn Childcare, Melbourne
- Delahey Childcare, Melbourne

CENTRAL NSW

- East Tamworth Medical Centre, Tamworth
- Macquarie Street, Dubbo

KEY HIGHLIGHTS

OPERATIONAL OUTCOMES

SALES OF INVENTORIES

$102M PROPERTY DEVELOPMENT REVENUE

$30M NET PROPERTY DEVELOPMENT PROFIT

RESIDENTIAL DEVELOPMENT PIPELINE

736 LOTS

$433M

Estimated gross realisation value

WALE & OCCUPANCY

LEASE

3.8 YEARS

99%

SOLAR METRICS

25 PROPERTIES

3.24MW

Increase of 7 properties fitted with rooftop solar systems. Increase in generating capacity of 473 kW.

BALANCE SHEET METRICS

GEARING

34%

INTEREST COVER

4.5TIMES

CASH

$70M

TOTAL ASSETS

$753M

CONTENTS

DIRECTORY

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

Registered Office
Level 1 Suite 4, Epiq Marketplace
5 Snapper Drive
Lennox Head NSW 2478

Postal
PO Box 1478
Ballina NSW 2478

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

DIRECTORS' REPORT

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 year ended 30 June 2024 (the "Period") for:

the Clarence Property Diversified Group ("Group") consisting of Clarence Property Diversified Fund, Epiq Lennox Property Trust and their controlled entities.

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

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

Peter Fahey
Darrell Irwin
Paul Rippon - Appointed 14 February 2024
Tony Tippett
Andrew Carlton
James Dougherty OAM - Resigned 23 November 2023

2 Principal activity

The principal activity of the Group during the Period was to invest in retail, commercial office, warehousing/logistics, childcare, medical & rural rental properties and residential & commercial land developments, with the aim of providing regular property income to 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

Statutory profit
The profit of the Group after income tax for the Period amounted to $21,383,888 (2023: $42,592,579).

Investment property income
Investment property profit for the Period was $27,403,797, being a 4% increase over the corresponding period last year.

Property development income
Property development profit for the Period was $29,909,278, being an increase of 56% over the corresponding period last year.

Financing costs
Financing costs for the Period totalled $11,473,213, being a 6% increase over the corresponding period last year.

The impact on operations during the Period due to 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

At 30 June 2024 the Group had a diversified portfolio of forty investment properties with a total value of $526,761,051 (increase of 1% from 30 June 2023) spread across the retail, commercial office, warehousing/logistics, childcare, medical & rural asset sectors.

At 30 June 2024 the Group's investment properties had a weighted average lease expiry of 3.8 years (June 2023: 4.3 years) and an occupancy rate of 99% (June 2023: 91%).

During the Period fourteen investment properties (35% of the portfolio by number) were independently revalued, resulting in a net 0.3% decrease in their valuations.

Additionally, as part of the directors' review of property valuations as at 30 June 2024, twenty four property valuations were adjusted from their last independent or Directors' valuation resulting in a net decrease in valuation of $6,918,508.

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 the portfolio. Any change in property values affects the Group's net tangible asset backing and also the Group's financial covenants.

Sustainability

Sustainability is a consideration 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 3.5 star or better, with one property receiving a 6 star rating and a further three properties achieving 5.5 star ratings, resulting in 70% 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 systems totalling in excess of 2.22MW, enhancing energy efficiency and reducing reliance on the grid. Additionally the Group has leases at a further six properties where it has installed solar panels with system sizes totalling over 1.02MW.

iii) Inventory and property development

The Group has a residential land development pipeline of 736 lots (June 2023: 769 lots).

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 was subdued, contributed to by continuing long Council approval timeframes, rising construction costs, higher interest rates and a resultant slowdown in the rate of sale.

iv) Finance facilities and capital management

At 30 June 2024 the Group had drawn borrowings of $257,504,700 (June 2023: $277,329,553) with a weighted average post-hedging interest cost of 4.4% (June 2023: 5.0%) and gearing of 34% (June 2023: 36%). Cash and cash equivalents increased by $31.2m during the Period to $70.4m.

During the period the Group renegotiated and extended six of its finance facilities and fully repaid another facility.

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

v) Capital raising

During the Period 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 4,154,260 units were issued during the period at an average $1.07 per unit, representing a unitholder participation rate of 14.5%.

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, inflation having seemingly now peaked and a forecast fall in interest rates in FY25 are expected to be 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 by seeking to maintain a strong and conservative balance sheet and financial position. The Group's gearing at Period end was 34%, had cash and cash equivalents of $70m and $50m 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 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.

Details of other matters arising since period end are disclosed in Note 23 on page 38 of the financial statements.

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 2025 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 subject to various state and federal environmental regulations in Australia. The Directors are not aware of any material non compliance with environmental regulations pertaining to the operations or activities of the Group.

8 Distributions to unit holders

During the Period unit holders received or were entitled to receive cash distributions of $27,988,050 (2023: $27,808,950). The average annualised rate of cash distributions for the Period was 6.1 cents per unit (2023: 6.2 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 21 on Page 36 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	4,290,079
	Units redeemed during the period	-
	Units as at 30 June 2024	460,669,611

Details of units held by related parties are disclosed in Note 21 on page 36 of the financial statements.

ii) The value of the Group's total assets at 30 June 2024 was $753,458,380.
Assets were valued at cost or fair value.

13 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 6.

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

Peter Fahey
Chairman

Darrell Irwin
Director

Dated 16th day of September 2024

AUDITORS' INDEPENDENCE DECLARATION

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CLARENCE PROPERTY DIVERSIFIED GROUP

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Clarence Property Diversified Group and the entities it controlled during the year.

PKF

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

BRISBANE
16 SEPTEMBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	**30 June 2024 $**	30 June 2023 $
Investment property			
Rental income and recoverable outgoings	1	**45,616,349**	42,889,052
Property expenses and outgoings		**(18,182,547)**	(16,442,984)
Bad and doubtful debts expense		**(30,005)**	(221,293)
Sub-total investment property profit		**27,403,797**	26,224,775
Property development			
Property development revenue	1	**101,812,627**	34,764,226
Property development sales costs		**(9,673,638)**	(5,260,518)
Cost of property developments sold		**(62,229,711)**	(10,346,641)
Sub-total property development profit		**29,909,278**	19,157,067
Other revenue and expenses			
Other income	1	**98,027**	38,491
Fund management fees	21	**(6,102,290)**	(5,933,851)
Other expenses		**(1,205,420)**	(1,071,387)
Sub-total other revenue and expenses		**(7,209,683)**	(6,966,747)
Total operating profit		**50,103,392**	38,415,095
Other income			
Interest revenue	1	**1,702,107**	777,508
Profit/(loss) on disposal of assets	5	**(506,273)**	15,303,938
Fair value gain/(loss) from investment property	5	**(7,416,272)**	1,856,056
Sub-total other income		**(6,220,438)**	17,937,502
Net profit before financing and income tax		**43,882,954**	56,352,597
Financing			
Financing costs		**(11,473,213)**	(10,775,391)
Fair value gain/(loss) on derivative financial instruments		**(3,716,120)**	738,367
Total financing		**(15,189,333)**	(10,037,024)
Net profit before income tax		**28,693,621**	46,315,573
Income tax expense	3	**(7,309,733)**	(3,722,994)
Net profit after income tax attributable to unitholders		**21,383,888**	42,592,579
Other comprehensive income		**-**	-
Total comprehensive income attributable to unitholders		**21,383,888**	42,592,579

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 $	30 June 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	8	**70,449,472**	39,265,543
Trade and other receivables	9	**4,614,896**	11,271,830
Inventory	6	**19,072,142**	48,232,801
Prepaid income tax		**159,792**	693,696
Investment property held for sale	5	**11,250,000**	-
Derivative financial instruments	14	**748,608**	-
Other assets	10	**2,648,544**	2,110,235
Total current assets		**108,943,454**	101,574,105
Non-current assets			
Trade and other receivables	9	**5,039,419**	-
Inventory	6	**110,818,334**	133,044,844
Deferred tax assets	3	**2,492,781**	1,537,829
Property, plant and equipment	7	**2,904,844**	2,320,118
Investment property	5	**515,511,051**	521,087,350
Derivative financial instruments	14	**7,513,703**	11,978,432
Other assets	10	**234,794**	151,291
Total non-current assets		**644,514,926**	670,119,864
Total assets		**753,458,380**	771,693,969
LIABILITIES			
Current liabilities			
Trade and other payables	11	**13,191,198**	8,542,704
Income tax		**1,009,118**	-
Other liabilities	12	**2,397,390**	4,451,250
Financial liabilities	13	**-**	19,824,853
Total current liabilities		**16,597,706**	32,818,807
Non-current liabilities			
Other liabilities	12	**2,000,000**	2,000,000
Deferred tax liabilities	3	**765,291**	770,078
Financial liabilities	13	**257,504,700**	257,504,700
Total non-current liabilities		**260,269,991**	260,274,778
Total liabilities		**276,867,697**	293,093,585
Net assets		**476,590,683**	478,600,384
EQUITY			
Unitholders' equity			
Issued capital		**400,323,085**	395,728,624
Undistributed income		**76,267,598**	82,871,760
Total unitholders' equity		**476,590,683**	478,600,384

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	No. of units on issue	Issued capital $	Undistributed income $	Total $
Consolidated Group				
Balance at 1 July 2023	***456,379,532***	**395,728,624**	**82,871,760**	**478,600,384**
Total comprehensive income attributable to unitholders	**-**	**-**	**21,383,888**	**21,383,888**
	456,379,532	**395,728,624**	**104,255,648**	**499,984,272**
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	**-**	**-**	**(27,988,050)**	**(27,988,050)**
Units issued	***4,290,079***	**4,594,461**	**-**	**4,594,461**
Balance at 30 June 2024	***460,669,611***	**400,323,085**	**76,267,598**	**476,590,683**

	No. of units on issue	Issued capital $	Undistributed income $	Total $
Consolidated Group				
Balance at 1 July 2022	*433,282,172*	370,448,605	68,088,131	438,536,736
Total comprehensive income attributable to unitholders	-	-	42,592,579	42,592,579
	433,282,172	**370,448,605**	**110,680,710**	**481,129,315**
Transactions with unitholders recorded directly in equity:				
Distributions paid/payable	-	-	(27,808,950)	(27,808,950)
Units issued	*23,097,360*	25,280,019	-	25,280,019
Balance at 30 June 2023	***456,379,532***	**395,728,624**	**82,871,760**	**478,600,384**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	**30 June 2024 $**	30 June 2023 $
Cash flows from operating activities			
Receipts from investment property (including GST)		**57,682,081**	42,609,522
Interest received		**1,702,107**	777,508
Trust distributions received		**-**	1,657
Proceeds from sale of development property		**101,812,617**	34,764,226
Payment for derivative financial instruments		**-**	(1,998,920)
Other receipts		**98,027**	36,834
Payment to suppliers		**(36,090,080)**	(35,588,347)
Payment for property development		**(15,098,288)**	(57,108,424)
Goods & services tax received (paid)		**(2,369,168)**	683,558
Borrowing costs paid		**(11,485,700)**	(10,533,000)
Income taxes received (paid)		**(6,726,450)**	(3,692,242)
Net cash provided by (used in) operating activities	18	**89,525,146**	(30,047,628)
Cash flows from investing activities			
Proceeds (payments) from sale of investment property		**13,509,008**	93,126,770
Payment for investment property		**(27,308,347)**	(30,590,323)
Payment for property, plant and equipment		**(696,830)**	(600,565)
Net cash provided by (used in) investing activities		**(14,496,169)**	61,935,882
Cash flows from financing activities			
Proceeds from issue of units		**4,402,434**	21,248,159
Proceeds from borrowings		**2,356,905**	59,988,364
Repayment of borrowings		**(22,181,758)**	(56,088,583)
Distributions paid		**(28,422,629)**	(27,235,164)
Net cash used in financing activities		**(43,845,048)**	(2,087,224)
Net increase (decrease) in cash held		**31,183,929**	29,801,030
Cash at beginning of financial period		**39,265,543**	9,464,513
Cash at the end of the financial year	8, 18	**70,449,472**	39,265,543

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

This section sets out the basis upon which the Group's financial report is prepared as a whole. Specific accounting policies are described in the section to which they relate.

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 year ended 30 June 2024 (the "Period"). CPDF and ELPT are both registered managed investment schemes in accordance with the Corporations Act 2001 and are domiciled in Australia.

Statement of compliance

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 the Corporations Act 2001, as appropriate for for-profit orientated entities.

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 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.

Material accounting policy information

The Australian Accounting Standards Board has released guidance on what is considered to be material accounting policy information. Accounting policy information is expected to be material if the users of an entity's financial statements would need it to understand other material information in the financial statements. For example, an entity is likely to consider accounting policy information material to its financial statements if that information relates to material transactions, other events or conditions and:

i) the entity changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
ii) the entity chose the accounting policy from one or more options permitted by Australian Accounting Standards (e.g. choice to measure an asset at historical cost or fair value);
iii) the accounting policy was developed in accordance with AASB 108 in the absence of an accounting standard that specifically applies;
iv) the accounting policy relates to a significant area of judgement or estimate (which also require disclosure); or
v) the accounting required for them is complex and the accounting policy information is required in order for the users of financial statements to understand them.

Consequently, the quantum of accounting policy information disclosed in these financial statements has been reduced from the previous financial reporting year.

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

Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical costs conventions, except for investment properties (including current assets held for sale), derivative financial instruments and certain financial assets and liabilities which are stated at fair value.

Principles of consolidation

Stapling

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 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").

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Clarence Property Diversified Fund and Epiq Lennox Property Trust as at 30 June 2024 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.

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 consolidated 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 uncertainty 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.

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 consolidated statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The preparation of financial statements requires the Responsible Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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 5 - Investment property.
Note 6 - Inventory.
Note 7 - Property, plant and equipment.
Note 14 - Derivative financial instruments.

RESULTS

This section provides additional information about those individual line items in the financial statements the Directors consider most relevant in the context of the operations of the Group.

1 Revenue

	30 June 2024 $	30 June 2023 $
Rental income and recoverable outgoings		
Rental income	**38,547,206**	36,802,411
Recoverable outgoings	**7,069,143**	6,086,641
	45,616,349	42,889,052
Property development revenue		
Residential land sales	**64,425,566**	-
Industrial land sales	**37,387,061**	34,764,226
	101,812,627	34,764,226
Other income		
Interest revenue	**1,702,107**	777,508
Trust distributions	**-**	1,657
Other revenue	**98,027**	36,834
	1,800,134	815,999
Total revenue	**149,229,110**	78,469,277

ACCOUNTING POLICY

Rental income and recoverable outgoings

Rental income and recoverable outgoings comprises rental income from tenants under operating leases of investment properties and amounts charged to tenants for property outgoings such as rates, land tax, utilities, cleaning etc.

Rental income is recognised on a straight-line basis over the lease term. Lease incentives granted are considered an integral part of the total rental income and are recognised as a reduction in rental income over the term of the lease, on a straight-line basis. Amounts charged for outgoings to tenants are expense recoveries and are recognised upon incurring the expense.

Property development revenue

Property development revenue is revenue earned from development projects. It primarily comprises revenue from residential and industrial lot sales. Development revenue is recognised in accordance with AASB 15 Revenue from Contracts with Customers at the time settlement of the lot sale occurs.

2 Distributions

	30 June 2024 Cents per unit	30 June 2023 Cents per unit	30 June 2024 $	30 June 2023 $
Franked distribution from Epiq Lennox Property Trust	3.00	2.70	**13,764,618**	12,110,349
Distribution from Clarence Property Diversified Fund	3.10	3.50	**14,223,432**	15,698,601
	6.10	**6.20**	**27,988,050**	27,808,950

The Group's franking credits available for subsequent years as at 30 June 2024 is $3,989,700 (June 2023: $147,460), based on a tax rate of 30% (June 2023: 25%).

3 Income tax

A) Income tax expense

	30 June 2024 $	30 June 2023 $
Income tax (expense)/benefit		
Current tax	**(8,269,112)**	(3,616,761)
Deferred tax (expense)/income	**959,379**	(106,233)
Total income tax (expense)/benefit	**(7,309,733)**	(3,722,994)

B) Numerical reconciliation of income tax expense and tax at the statutory rate

	30 June 2024 $	30 June 2023 $
Net profit before income tax	**28,693,621**	46,315,573
Tax at the statutory tax rate of 30% (2023: 25%)	**(8,608,086)**	(11,578,893)
Tax effect amounts which are (not deductible)/taxable in calculating taxable income:		
Capital gain on disposal of assets	**(151,882)**	3,825,985
Movement in market values	**(3,228,781)**	621,151
Tax rate differential	**4,703,373**	3,525,037
Sundry items	**(24,357)**	(116,274)
Income tax (expense)/benefit	**(7,309,733)**	(3,722,994)

C) Deferred tax

	30 June 2024 $	30 June 2023 $
Deferred tax assets		
Deferred tax assets comprises temporary differences attributable to:		
Accrued expenses	**19,478**	-
Capitalised costs	**2,582**	4,302
Government grants	**243,500**	197,519
Infrastructure agreement	**512,937**	-
Inventory	**41,110**	157,187
Tax losses	**1,673,174**	1,178,821
Total deferred tax assets	**2,492,781**	1,537,829
Deferred tax liabilities		
Deferred tax liabilities comprises temporary differences attributable to:		
Plant and equipment	**745,724**	653,804
Financial assets	**19,567**	116,274
Total deferred tax liabilities	**765,291**	770,078

ACCOUNTING POLICY

Clarence Property Diversified Fund

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.

Epiq Lennox Property Trust

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

4 Segment information

Operating segments are distinct business activities from which the Group earns revenue and incurs expenses. The Group has two operating segments:

i) Investment property - This involves the ownership of commercial investment properties located in Australia. These properties are held for long term income generating purposes and contribute net rental income and cashflows.

ii) Property development - This involves the acquisition of land with the aim to subsequently develop, sub-divide into individual lots and sell for a profit. The development properties are both residential and industrial and located in Australia.

OPERATING ASSETS AND LIABILITIES

This section shows the real estate and other operating assets used to generate the Group's trading performance and the liabilities incurred as a result.

5 Investment property

A) Investment property portfolio

	Independent valuation Date	Independent valuation Amount $	**30 June 2024 $**	30 June 2023 $
Commercial office				
100 Blundell Boulevard, Tweed Heads	Aug-23	10,500,000	**9,575,000**	10,000,000
29 Molesworth Street, Lismore	Aug-23	19,000,000	**18,500,000**	20,200,000
The Rocket, Robina	Sep-23	88,000,000	**81,900,000**	83,900,000
183 Varsity Parade, Varsity Lakes	Aug-22	12,750,000	**11,300,000**	11,350,000
201 Leichhardt Street, Spring Hill	Aug-23	14,100,000	**12,300,000**	12,600,000
9 Hercules Street, Hamilton	Aug-22	12,000,000	**10,950,000**	11,450,000
188 Macquarie Street, Dubbo	Aug-22	11,300,000	**9,050,000**	9,900,000
65 Park Road, Milton	Aug-22	5,950,000	**4,325,000**	4,325,000
The Base, 197 Robina Town Centre Drive, Robina (i)	Mar-22	3,820,000	**5,641,037**	5,364,311
27-29 Grant Street, Port Macquarie	Oct-22	15,700,000	**15,000,000**	15,700,000
		193,120,000	**178,541,037**	184,789,311
Retail				
Yamba Fair	Sep-23	40,300,000	**40,300,000**	41,600,000
Yamba residential property (ii)	Sep-23	600,000	**600,000**	475,000
Byron Bay Fair	Sep-22	15,500,000	**15,500,000**	15,500,000
Yamba Fuel Station	Sep-23	5,490,000	**5,490,000**	5,650,000
Bell Central, Mudgeeraba	Sep-22	17,600,000	**18,525,000**	17,600,000
Epiq Marketplace, Lennox Head	Mar-22	39,080,000	**39,080,000**	39,080,000
Logan Village Marketplace	May-24	14,600,000	**14,600,000**	14,600,000
Northshore Marketplace, Townsville	Aug-23	25,250,000	**24,750,000**	23,250,000
		158,420,000	**158,845,000**	157,755,000
Childcare & Medical				
Tamar Village, Ballina	Sep-23	8,600,000	**8,600,000**	8,800,000
Epiq Childcare, Lennox Head	Jan-23	4,750,000	**4,750,000**	4,750,000
East Tamworth Medical Centre	Sep-22	15,600,000	**15,600,000**	15,600,000
Milton Childcare	Sep-22	9,450,000	**9,325,000**	9,450,000
Bahrs Scrub Childcare (iii)	Sep-22	6,800,000	**-**	6,800,000
Ripley Childcare (iii)	Nov-22	7,560,000	**-**	6,018,201
Salisbury Childcare (iv)	Nov-22	8,225,000	**5,961,772**	3,477,091
Rochedale South Childcare (iv)	Nov-22	6,345,000	**1,967,460**	1,737,014
Lota Childcare (iv)	Feb-23	7,175,000	**3,879,068**	1,754,831
Rangeville Childcare (v)	Nov-22	6,090,000	**5,850,000**	3,308,935
Delahey Childcare	Jun-24	6,400,000	**6,400,000**	4,633,360
Mount Evelyn Childcare (iv)	Jan-23	8,425,000	**4,607,562**	2,776,551
Bellbowrie Childcare (v)	Feb-23	5,600,000	**5,400,000**	1,587,056
Forrestfield Childcare (iv)	Jan-24	6,800,000	**3,035,152**	-
		107,820,000	**75,376,014**	70,693,039

	Independent valuation Date	Amount $	30 June 2024 $	30 June 2023 $
Logistics/Distribution/Industrial/Other				
45 Alexandra Place, Murarrie	Oct-23	15,750,000	**15,750,000**	14,900,000
48 Bell-Are Avenue, Northgate	Aug-22	12,400,000	**12,150,000**	12,400,000
42 Mcroyle Street, Wacol	Sep-22	10,000,000	**11,000,000**	10,000,000
81 Stradbroke Street, Heathwood	Sep-22	9,400,000	**9,900,000**	9,400,000
31 Paringa Rd, Murarrie	Aug-22	20,200,000	**22,100,000**	20,200,000
185 Queensport Road, Murarrie	Aug-23	11,100,000	**11,200,000**	10,350,000
18 Macgregor Place, Richlands	Jun-24	18,000,000	**18,000,000**	17,300,000
96 Tile Street, Wacol	Oct-22	7,300,000	**7,300,000**	7,300,000
Arndilly, 662 Tullymorgan Road, Lawrence	Nov-21	6,000,000	**6,000,000**	6,000,000
Lot 220 Skinners Shoot Road, Skinners Shoot	Apr-24	599,000	**599,000**	-
		110,749,000	**113,999,000**	107,850,000
		570,109,000	**526,761,051**	521,087,350

(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) These properties were sold during the period.
(iv) These properties are currently under construction for future use as investment property. The actual amounts quoted include all costs of acquisition and subsequent development to date. The independent valuation quoted is the as-if-complete valuation.
(v) These properties are classified as held for sale as they are under an unconditional contracts for sale at 30 June 2024.

B) Movement in investment properties

	30 June 2024 $	30 June 2023 $
Opening balance	**521,087,350**	566,408,691
Additions at cost		
Acquisition price	**1,896,246**	5,122,467
Transaction costs	**245,169**	454,205
Improvements	**23,594,734**	22,770,984
Disposals	**(14,360,000)**	(77,465,043)
Net fair value adjustment	**(7,416,272)**	1,856,056
Transfers from inventory	**-**	-
Lease incentives and leasing fees deferred	**1,572,198**	2,242,667
Amortisation of lease incentives and leasing fees	**(1,510,592)**	(1,108,174)
Movement in straight-lining rental income asset	**1,652,218**	805,497
Closing balance	**526,761,051**	**521,087,350**

C) Future minimum lease receivables

	30 June 2024 $	30 June 2023 $
Future minimum lease payments receivable from non-cancellable operating leases:		
Within one year	**30,783,033**	29,425,629
Later than one year but not later than five years	**69,857,841**	72,159,792
Later than five years	**55,538,153**	49,258,702
	156,179,027	**150,844,123**

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.

D) Fair value measurement, valuation techniques and inputs

Given the uncertain economic conditions, there is uncertainty surrounding the potential impact on future investment property 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 space and the market's general perception of their credit-worthiness, the allocation of maintenance and insurance responsibilities between the lessor and lessee and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

The most significant unobservable input used in the above valuation techniques and its relationship with fair value measurement is the capitalisation rate. A 0.25% change in the capitalisation rate would have the affect of changing investment property valuations by $24,125,000.

Term and definition	Input Range	Increase in input - valuation impact	Decrease in input - valuation impact
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).	$22/m² - $1,527/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.	0.8yrs - 19.3yrs	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.	84% - 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 15 E).

E) Impact of climate-related events on property valuations

Climate change, and associated regulations, may affect property values in two main ways. Firstly, adverse weather conditions may cause damage, lost income, and/or reduced useful lives at affected properties. Risk factors for this include property location and whether the property has been designed to mitigate the impacts of adverse weather. Secondly, there is a growing trend amongst investors to pay premiums, and for regulators to require additional measures, for buildings which minimise their impact on the environment, both during construction and throughout their operating life. Properties which minimise their impact will usually have lower operating expenses due to operational efficiency and attract premium rents which may support higher valuations, however increased regulation is likely to lead to an increase in compliance costs which may reduce valuations.

ACCOUNTING POLICY

Recognition and measurement

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 consolidated statement of profit or loss and other comprehensive income in the period in which it arose.

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.

Fully developed investment property that is actively marketed for sale is classified as investment property held for sale in the consolidated statement of financial position.

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.

Land & buildings (including integral plant and equipment) which comprise the investment property are not depreciated.

Subsequent costs

Subsequent development and refurbishment costs (other than repairs and maintenance) are capitalised to the investment property when they result in an enhancement in the future economic benefits of the property.

Leasing fees and incentives

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up-front cash payments, rent free periods, rental abatements over the period or a contribution to certain lessee costs such as fit-out costs or relocation costs. They are recognised as an asset in the consolidated statement of financial position as a component of the carrying amount of investment property and amortised over the lease period as a reduction of rental income.

Initial direct leasing costs incurred in negotiating and arranging operating leases are recognised as an asset in the consolidated statement of financial position as a component of the carrying amount of investment property and are amortised as an expense on a straight-line basis over the lease term.

Transfers

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.

Revaluation

External independent valuations are commissioned at least once every three years, when the directors are of the opinion there has been a material movement in the market value or more regularly as required under the Group's finance facilities. Internal valuations are also undertaken by suitably experienced and qualified appraisers for those properties not externally valued at each balance date.

6 Inventory

	30 June 2024 $	30 June 2023 $
Current		
Land held for resale - at cost	**3,641,518**	21,638,648
Land under development - at cost	**15,430,624**	26,594,153
	19,072,142	48,232,801
Non-Current		
Land under development - at cost	**110,818,334**	133,044,844
	110,818,334	133,044,844
Total inventory	**129,890,476**	181,277,645

The total carrying amount of inventory pledged as security for liabilities is $86,671,209 (June 2023: $124,370,346).

ACCOUNTING POLICY

Recognition and measurement

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

Transfers

Transfers are made from inventory 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 inventory to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the transfer takes place.

7 Property, plant and equipment

	30 June 2024 $	30 June 2023 $
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	**536,973**	201,522
Government grants received/accrued	**(186,717)**	(62,498)
Impairment losses (recognised) reversed	**-**	-
Capitalised interest	**-**	-
Depreciation expense	**(112,105)**	(93,679)
Transfer to in-use property, plant and equipment	**227,572**	25,815
Closing balance	**2,276,576**	1,810,853

	30 June 2024 $	30 June 2023 $
Assets under construction		
Opening balance	**509,265**	73,539
Additions	**414,851**	461,541
Government grants received/accrued	**(50,707)**	-
Impairment losses (recognised) reversed	**(17,569)**	-
Capitalised interest	**-**	-
Depreciation expense	**-**	-
Transfer to in-use property, plant and equipment	**(227,572)**	(25,815)
Closing balance	**628,268**	509,265
Total		
Opening balance	**2,320,118**	1,813,232
Additions	**951,824**	663,063
Government grants received/accrued	**(237,424)**	(62,498)
Impairment losses (recognised) reversed	**(17,569)**	-
Capitalised interest	**-**	-
Depreciation expense	**(112,105)**	(93,679)
Transfer to in use property, plant and equipment	**-**	-
Closing balance	**2,904,844**	2,320,118
Cost		
Cost - net of government grants	**3,180,275**	2,483,444
Accumulated depreciation	**(275,431)**	(163,326)
Net book value	**2,904,844**	2,320,118

The in-use property, plant and equipment consists of 22 solar energy generation systems in Queensland and New South Wales with nameplate capacity of 2.7 MW. Assets under construction includes capitalised initial costs in relation to future potential solar generation projects.

ACCOUNTING POLICY

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.

8 Cash and cash equivalents

	30 June 2024 $	30 June 2023 $
Cash held in trust	**6,597,500**	776,300
Cash at bank	**63,851,972**	38,489,243
	70,449,472	39,265,543

ACCOUNTING POLICY

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9 Trade and other receivables

	30 June 2024 $	30 June 2023 $
Current		
Trade and other debtors	**2,119,108**	500,233
Less provision for doubtful debts	**(23,922)**	(125,244)
GST receivable	**-**	896,841
Infrastructure agreement (i)	**2,519,710**	-
Sundry debtors (ii)	**-**	10,000,000
	4,614,896	11,271,830
Non-current		
Infrastructure agreement (i)	**5,039,419**	-
	5,039,419	-
Total trade and other receivables	**9,654,315**	11,271,830

(i) In December 2023 the Group entered into an infrastructure agreement with Brisbane City Council in relation to the Group's 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 reinstatement of the building impacted by the fire. The full amount was released during the Period.

	30 June 2024 $	30 June 2023 $
The movement in provision for doubtful debts during the period was as follows:		
Opening balance	**125,244**	-
Provision for doubtful receivables	**32,736**	243,422
Receivables written off during the year	**(134,058)**	(118,178)
Reversals of amounts provided	**-**	-
Closing balance	**23,922**	125,244

10 Other assets

	30 June 2024 $	30 June 2023 $
Current		
Prepayments	**1,600,674**	1,485,940
Term deposits	**574,075**	-
Other assets	**473,795**	624,295
	2,648,544	2,110,235

	30 June 2024 $	30 June 2023 $
Non-current		
Prepayments	**234,794**	151,291
	234,794	151,291
Total other assets	**2,883,338**	2,261,526

11 Trade and other payables

	30 June 2024 $	30 June 2023 $
Current		
Other creditors	**7,809,336**	5,766,409
Distributions to unitholders	**2,341,723**	2,776,295
GST payable	**3,040,139**	-
	13,191,198	8,542,704
Included in the above are amounts due to related parties:		
Property development profit share fees	**5,291,057**	973,168
	5,291,057	973,168

12 Other liabilities

	30 June 2024 $	30 June 2023 $
Current		
Rent received in advance	**1,836,764**	2,502,963
Units to be issued	**340,109**	532,134
Provision for rental guarantees	**13,056**	357,783
Other liabilities	**207,461**	1,058,370
	2,397,390	4,451,250
Non-Current		
Deferred settlement liability (i)	**2,000,000**	2,000,000
	2,000,000	2,000,000
Total other liabilities	**4,397,390**	6,451,250

(i) As part of the Group's purchase of a residential land development site at 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.

	30 June 2024 $	30 June 2023 $
The movement in provision for rental guarantees during the period was as follows:		
Opening balance	**357,783**	-
Increase in provision for rental guarantees	**-**	858,991
Rental guarantees paid during the period	**(277,844)**	(501,208)
Reversals of amounts provided	**(66,883)**	-
Closing balance	**13,056**	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.

FINANCE AND CAPITAL STRUCTURE

This section provides further information on the Group's capital that comprises debt and stapled unitholders' equity. It also outlines the financial risks the Group is exposed to and how these risks are managed.

13 Financial liabilities

	30 June 2024 $	30 June 2023 $
Current		
Loans - financial institutions	-	19,824,853
	-	19,824,853
Non-current		
Loans - financial institutions	257,504,700	257,504,700
	257,504,700	257,504,700
Total financial liabilities	257,504,700	277,329,553

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

	Maturity Date	Facility 30 June 2024 $	Utilised 30 June 2024 $	Facility 30 June 2023 $	Utilised 30 June 2023 $
Facility					
Secured bilateral loan facility (i)	N/A	-	-	32,945,000	19,824,853
Secured bilateral loan facility (i)	Sep-25	19,800,000	19,800,000	19,800,000	19,800,000
Secured bilateral loan facility (i)	Aug-26	2,255,000	2,255,000	2,255,000	2,255,000
Secured bilateral loan facility (i)	Aug-26	45,000,000	20,000,200	45,000,000	20,000,200
Secured bilateral loan facility (i)	Jul-27	8,000,000	7,825,000	8,000,000	7,825,000
Common terms loan facility (ii)	Sep-25	46,400,000	46,400,000	46,400,000	46,400,000
Common terms loan facility (ii)	Sep-25	26,922,500	26,922,500	26,922,500	26,922,500
Common terms loan facility (ii)	Feb-26	47,850,000	47,850,000	47,850,000	47,850,000
Common terms loan facility (ii)	May-27	14,850,000	14,850,000	14,850,000	14,850,000
Common terms loan facility (ii)	Aug-27	50,000,000	35,000,000	50,000,000	35,000,000
Common terms loan facility (ii)	Sep-27	46,602,000	36,602,000	46,602,000	36,602,000
Total facilities		307,679,500	257,504,700	340,624,500	277,329,553

The Group had $50,174,800 (2023: $63,294,947) in unused finance facilities at balance date.

(i) The secured bilaterial 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) Common terms 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, maturity date (see table above for more detail) and fee structure. The Group is able to repay and refinance individual providers.

ACCOUNTING POLICY

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

Borrowing costs are expensed as incurred, except where they are directly attributable to the acquisition, construction or production of a qualifying asset. When this is the case, they are capitalised as part of the acquisition cost of that asset.

14 Derivative financial instruments

	30 June 2024 $	30 June 2023 $
Assets		
Current		
Interest rate contracts – at fair value	**748,608**	-
	748,608	-
Non-current		
Interest rate contracts – at fair value	**7,513,703**	11,978,432
	7,513,703	11,978,432
Total derivative financial instruments	**8,262,311**	11,978,432

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 and details of principal amounts, expiry dates and interest ranges of interest rate derivative (hedging) contracts are set out in note 15 B).

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, adjusted for specific features of the instruments.

Derivative financial instrument valuations are considered Level 2 fair value measurements as detailed in note 15 E).

ACCOUNTING POLICY

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. The Manager has determined these arrangements do not qualify for hedge accounting as they do not meet the documentation, designation and effectiveness tests required by Australian Accounting Standards.

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 consolidated 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.

15 Financial risk management

The Group's activities expose it to a variety of risks; credit risk, liquidity risk and market risk. The Group's risk management program focuses on managing these risks and seeks to minimise potential adverse effects on financial performance.

The sensitivity analysis included in this note shows the impact a shift in the financial risks would have on the financial statements at balance date, but is not a forecast or prediction. In addition, it does not include any management action that might take place to mitigate these risks, were they to eventuate.

A) Overview

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Interest rate hedging arrangements (swaps, caps and collars)
Credit risk	Cash and cash equivalents, receivables, derivative financial instruments and assets held for sale.	Ageing analysis	Diversification of bank deposits and credit limits
Liquidity risk	Payables, interest bearing liabilities and derivative financial instruments.	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

B) Market risk - interest rate

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 interest rate swaps. Additionally the Group may hold interest rate caps to provide further protection should extreme unforeseen circumstances arise.

The table below provides an overview of the Group's interest rate swaps, caps and collars:

Type	Strike 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		

The table below shows the impact on profit and equity if interest rates changed by 100 basis points based on net interest bearing liabilities and interest rate derivatives held at period-end with all other variables held constant. The impact on profit and equity includes impact on finance costs (cash flow risk) and the fair value of derivative financial instruments (fair value risk).

Interest rate increase / decrease of:	**+ 1%**		**- 1%**	
	Profit $	**Equity $**	**Profit $**	**Equity $**
30 June 2024	**2,900,012**	**2,900,012**	**(2,900,012)**	**(2,900,012)**
30 June 2023	2,796,865	2,796,865	(2,796,865)	(2,796,865)

C) 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.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. 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.

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

	30 June 2024 $	30 June 2023 $
Cash and cash equivalents	**70,449,472**	39,265,543
Term deposits	**574,075**	-
Trade receivables	**9,678,238**	10,500,233
Construction bonds	**380,064**	577,043
	81,081,849	50,342,819

D) 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.

The following are the contractual maturities of financial liabilities:

30 June 2024	**Carrying amount**	**1 year or less**	**1-3 years**	**3 -5 years**	**More than 5 years**
Non-derivatives					
Secured bank loans	**257,504,700**	**-**	**178,077,700**	**79,427,000**	**-**
Trade & other payables	**13,191,198**	**13,191,198**	**-**	**-**	**-**
Other liabilities	**4,397,390**	**2,397,390**	**-**	**2,000,000**	**-**
	275,093,288	**15,588,588**	**178,077,700**	**81,427,000**	**-**
Derivatives					
Net settled interest rate derivatives	**(8,262,311)**	**(5,134,926)**	**(3,127,385)**	**-**	**-**
	(8,262,311)	**(5,134,926)**	**(3,127,385)**	**-**	**-**
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 derivatives	**(11,978,432)**	**(4,340,440)**	**(6,695,925)**	**(942,067)**	**-**
	(11,978,432)	**(4,340,440)**	**(6,695,925)**	**(942,067)**	**-**

The Group has entered into interest rate derivative instruments which at balance date had a fair value of $8,262,311, as presented in current and non-current assets in the Statement of Financial Position. Refer Note 15 B) for further details.

E) 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 5).
Derivative financial instruments (refer Note 14).

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.

ACCOUNTING POLICY

Financial instruments initial recognition and measurement

Financial assets and financial liabilities are recognised in the consolidated 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 consolidated statement of profit or loss and other comprehensive income.

Financial asset 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.

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.

Economic uncertainty

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.

GROUP STRUCTURE

This section provides information about the Group's structure including parent entity information and information about controlled entities (subsidiaries).

16 Parent entity disclosures

A) Overview

The Corporations Act 2001 (Cth) requires the disclosure of summarised financial information for the parent entity of a consolidated group. Further, Australian Accounting Standards require stapled groups to identify the parent entity of the group and identify equity attributable to the parent entity separately from other entities stapled to the parent entity.

B) Summary financial information

	CPDF (parent entity)	
	30 June 2024 $	30 June 2023 $
Results		
Profit after tax	**1,119,405**	29,858,160
Total comprehensive income	**1,119,405**	29,858,160
Financial Position		
Current assets	**51,345,304**	49,525,825
Total assets	**701,308,286**	712,431,716
Current liabilities	**5,439,291**	8,053,149
Total liabilities	**242,943,791**	245,557,649
Equity		
Issued capital	**400,323,085**	395,728,624
Undistributed income	**58,041,410**	71,145,443
Total equity	**458,364,495**	466,874,067

C) Loans

i) Loan to Epiq Lennox Property Trust

CPDF as the parent entity 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 ELPT's subsidiaries for development purposes. The balance owing at reporting date was $139,561,395 (2023: $150,296,778). The facility has a maturity date of 31 July 2028. No interest is charged on the facility.

ii) Loans to subsidiaries

The parent entity 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 30 June 2024 $**	**Utilised 30 June 2024 $**	Facility 30 June 2023 $	Utilised 30 June 2023 $
Wacol Industrial Trust	**Jul-28**	**16,000,000**	**7,845,597**	16,000,000	7,819,698
Logan Village Shopping Centre Trust	**Jul-28**	**17,500,000**	**16,152,486**	17,500,000	16,390,907
Ormeau Shopping Centre Trust	**Jul-28**	**31,000,000**	**-**	31,000,000	-
WPT Sub-Trust 3	**Jul-28**	**20,000,000**	**15,613,991**	20,000,000	15,759,584
WPT Sub-Trust 4	**Jul-28**	**27,500,000**	**17,718,997**	27,500,000	18,144,933
North Shore Townsville Property Trust	**Jul-28**	**20,000,000**	**14,713,262**	20,000,000	14,807,267
Macquarie Commercial Property Trust	**Jul-28**	**500,000**	**7,733**	500,000	-
WPT Sub-Trust 6	**Jul-28**	**22,500,000**	**14,339,910**	22,500,000	20,576,834
WPT Sub-Trust 7	**Jul-28**	**25,000,000**	**24,002,427**	25,000,000	24,036,283
WPT Sub-Trust 8	**Jul-28**	**17,500,000**	**6,491,220**	17,500,000	9,595,638
WPT Sub-Trust 9	**Jul-28**	**28,000,000**	**12,481,347**	28,000,000	6,874,783
WPT Sub-Trust 10	**Jul-28**	**45,000,000**	**5,907,999**	45,000,000	5,544,478
CPDF Sub-Trust 11	**Jul-28**	**16,000,000**	**11,733,559**	16,000,000	7,439,605
CPDF Sub-Trust 12	**Jul-28**	**70,000,000**	**29,402**	-	-
CPDF Sub-Trust 13	**Jul-28**	**7,500,000**	**5,526,069**	7,500,000	1,606,840
CPDF Sub-Trust 14	**Jul-28**	**7,500,000**	**3,386,321**	-	-
		371,500,000	**155,950,320**	294,000,000	148,596,850

D) Commitments for capital expenditure

The parent entity had no commitments (2023: Nil) in relation to capital expenditure contracted but not recognised as liabilities.

E) Contingent liabilities

As part of the sale of the parent entity's Zone Underwood property in December 2022, it entered into a development deed to reinstate the building impacted by fire. Although the insurers have accepted the parent entity'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 parent entity will have to fund itself, which is not expected to exceed $300,000.

ACCOUNTING POLICY

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

These are accounted for at cost less any accumulated impairment charges in the financial report of the parent entity. Distributions received from subsidiaries are not eliminated and recognised in profit or loss.

17 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries of Clarence Property Diversified Fund and Epiq Lennox Property Trust:

Name	Principal place of business / Country of incorporation	30 June 2024 $	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%

OTHER ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

18 Notes to the statement of cash flows

Reconciliation of net profit to net cash flows from operating activities

	30 June 2024 $	30 June 2023 $
Total comprehensive profit attributable to unitholders	**21,383,888**	42,592,579
Non-cash items:		
Profit (loss) on sale of non-current assets	**506,273**	(15,303,938)
Fair value adjustments to investment properties	**7,416,272**	(1,856,056)
Fair value adjustments to financial assets	**-**	-
Transfers to investment property from inventory	**-**	-
Straightlining of rental income	**(1,652,218)**	(805,498)
Amortisation of lease incentives and leasing fees	**1,510,592**	1,108,174
Depreciation	**112,105**	93,679
Changes in assets and liabilities:		
Decrease (increase) in receivables	**720,674**	(9,154,300)
Decrease (increase) in trust distributions receivable	**-**	-
Decrease (increase) in inventories	**51,387,169**	(48,091,732)
Decrease (increase) in tax assets	**(421,048)**	(83,623)
Decrease (increase) in other assets	**(621,812)**	501,645
Increase (decrease) in sundry creditors	**2,042,927**	1,834,999
Increase (decrease) in other liabilities	**(850,909)**	2,496,499
Increase (decrease) in GST payable	**3,936,980**	(302,008)
Increase (decrease) in provision for income tax	**1,009,118**	(20,609)
Increase (decrease) in deferred tax liabilities	**(4,787)**	134,984
Increase (decrease) in income in advance	**(666,199)**	(455,136)
Increase (decrease) in derivative financial instruments	**3,716,121**	(2,737,287)
Net cash provided by (used in) operating activities	**89,525,146**	(30,047,628)

19 Commitments

As at 30 June 2024 the Group had the following commitments contracted for which costs have not been recognised as liabilities:

	30 June 2024 $	30 June 2023 $
Development costs on inventories	**359,253**	5,973,583
Capital expenditure on investment property	**4,000,000**	377,501
Plant and equipment	**56,550**	133,892
Development costs for future investment property	**14,773,394**	23,833,106
Acquisition of 42 Cumberland Road, Forrestfield	**-**	1,300,000
Acquisition of mixed use development site	**3,150,000**	-
Acquisition of 120 Edward Street, Brisbane	**119,000,000**	-
	141,339,197	31,618,082

All the above amounts are payable within 12 months.

20 Contingencies

The Group has given bank guarantees as at 30 June 2024 of $584,075 (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 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, which is not anticipated to exceed $300,000.

In relation to the court proceedings underway in respect to the Group's Wallum Brunswick development property, there is a likelihood of further legal expenses, consultant fees and onsite security costs will be incurred. The amount and extent of these costs is unknown and will depend upon the court's decision in relation to the matters before it.

21 Related party disclosures

A) Responsible entity

Both Clarence Property Diversified Fund and Epiq Lennox Property Trust 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 30 June 2024, unless otherwise stated.

Key management person	Position
Peter Fahey	Executive Chairman
Darrell Irwin	Director – Executive
Paul Rippon	Director – Executive (appointed 15 February 2024)
Tony Tippett	Director – Non-Executive
Andrew Carlton	Director – Non-Executive
James Dougherty	Chairman – Non-Executive (resigned 23 November 2023)
Simon Kennedy	Chief Executive Officer (appointed 1 January 2024)

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

C) 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 30/06/2024**
Peter Fahey	1,586,469	475,607	2,062,076	**120,751**	**2,182,827**
Darrell Irwin	1,346,595	172,568	1,519,163	**140,195**	**1,659,358**
Paul Rippon	613,586	148,313	761,899	**251,887**	**1,013,786**
Tony Tippett	4,267,173	46,750	4,313,923	**-**	**4,313,923**
Andrew Carlton	139,183	13,865	153,048	**15,883**	**168,931**
James Dougherty	951,781	30,000	981,781	**50,000**	**1,031,781**
Simon Kennedy	270,757	2,566	273,323	**28,901**	**302,224**
Total	9,175,544	889,669	10,065,213	**607,617**	**10,672,830**

D) Transactions

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

	30 June 2024 $	30 June 2023 $
The Responsible Entity		
Paid/payable to the Responsible Entity:		
Fund management fees	**6,102,290**	5,933,851
Acquisition fees	**56,970**	1,098,975
Disposal fees	**1,737,831**	2,345,940
Development & project management fees	**1,835,990**	2,052,827
Property management fees	**3,600**	47,741
Accountancy fees	**93,000**	92,258
Development sales fees	**293,780**	834,490
Property development profit share fees	**4,992,308**	3,450,459
Registry fees	**-**	-
Debt arrangement & management fees	**123,462**	77,732
Reimbursable expenses	**90,860**	108,341
	15,330,091	16,042,614
Received/receivable from the Responsible Entity:		
Rental of business premises	**323,179**	197,441
	323,179	197,441
Clarence Property Works Pty Ltd		
Property management, rent review & leasing fees	**3,179,264**	3,353,700

22 Auditors' remuneration

	30 June 2024 $	30 June 2023 $
Detail of remuneration of auditor is set out below:		
Auditing or reviewing the financial statements	**81,500**	75,638
	81,500	75,638

23 Events subsequent to reporting date

Since Period end, economic uncertainty has continued 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.

Other matters arising since the end of the financial period are as follows:

On 1 July 2024 units totalling 317,599 were issued in relation to funds received during June 2024 pursuant to the PDS and the DRP, and is shown as a current liability in the financial statements.

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. Settlement took place in August 2024 and was funded from cash reserves.

In June 2024 the Group entered into a contract to acquire 120 Edward Street, Brisbane QLD, an 18 level A-grade commercial office building in the Brisbane CBD, for $119,000,000. Settlement took place on 30 July 2024, and was funded by establishing a new $54.5m finance facility and drawing down $12m from an existing facility by providing two further properties to the security pool. The balance of settlement monies was funded from cash reserves.

In June 2024 the Group signed a contract for the sale of its Rangeville Childcare property for $5,850,000. Settlement took place in July 2024.

In June 2024 the Group signed a contract for the sale of its Bellbowrie Childcare property for $5,400,000. Settlement is expected to occur in September 2024.

In 2021 the Group acquired an already approved residential development site at Brunswick Heads, NSW known as "Wallum". Wallum is the final component of the Bayside Brunswick development approved in 2013 and commenced in 2014. The site is approved for 123 house lots and 3 medium density lots, which once developed will help ease the critical residential land supply shortage in Byron Shire. Wallum is included in Byron Shire's Residential Strategy 2041 adopted in March 2024, as one of only two already-approved residential development sites in Brunswick Heads. On 8 February 2024 Byron Council issued the first construction certificate for the development. Since then, activists have hampered commencement of any meaningful onsite work other than some early ecological work. The matter is now before the courts.

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.

DIRECTORS' DECLARATION

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 as set out on pages 7 to 38 are in accordance with the Corporations Act 2001:

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

   b) Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the consolidated Group.

2. In the directors' opinion, there are reasonable grounds to believe the consolidated Group will be able to pay its 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 16th day of September 2024

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

Opinion

We have audited the accompanying financial report of the Clarence Property Diversified Group (representing the combination or stapling of Clarence Property Diversified Fund and Epiq Lennox Property Trust) and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and the directors' declaration.

In our opinion the financial report of Clarence Property Diversified Group is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of the Group's performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/_Home.aspx. This description forms part of our auditor's report.

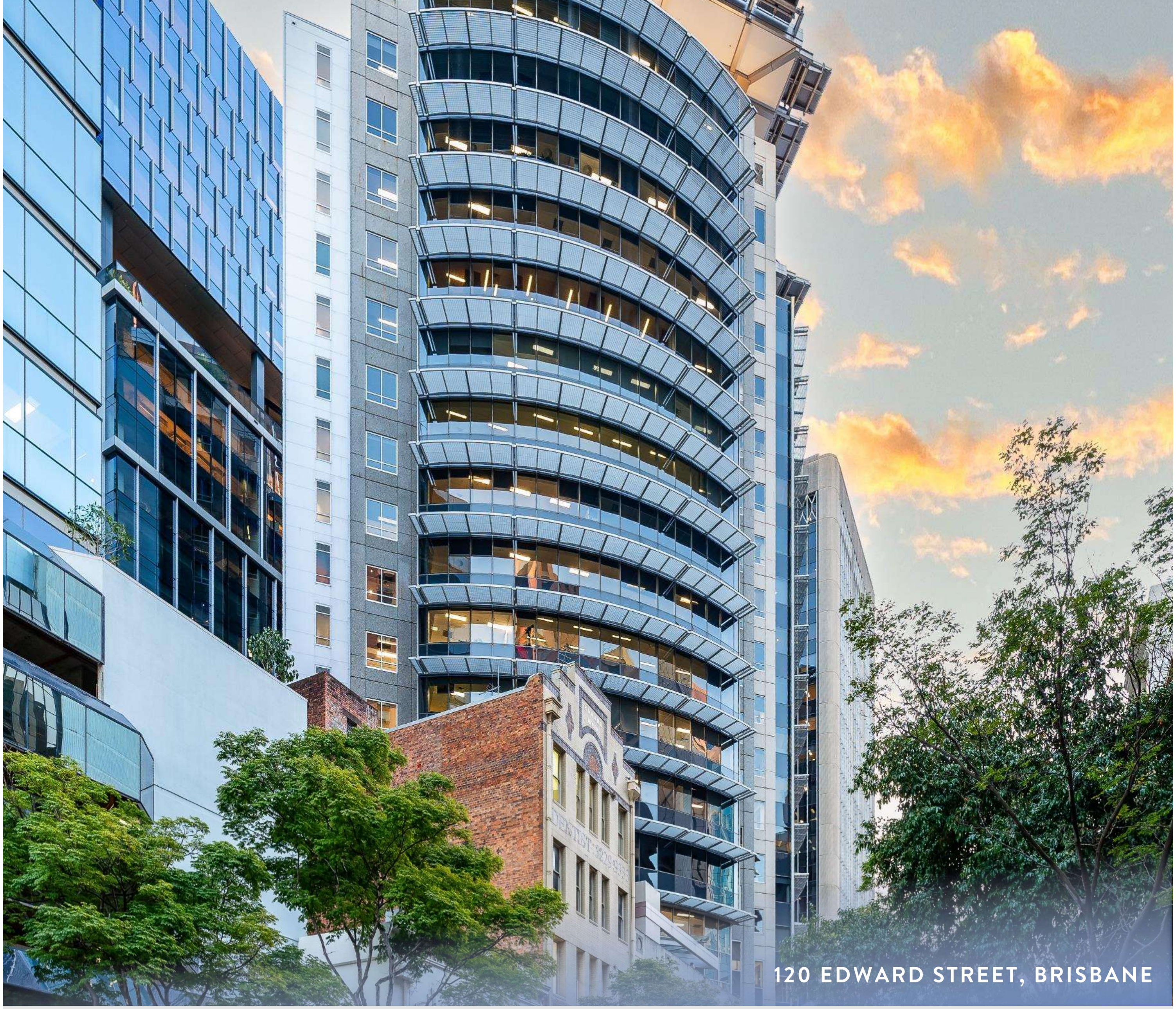
PKF

PKF BRISBANE AUDIT

LIAM MURPHY
PARTNER

BRISBANE
16 SEPTEMBER 2024

NOTES



CLARENCE PROPERTY

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