

StoreInvest Enhanced Income Fund No. 1

Annual Report - 30 June 2022

StoreInvest Enhanced Income Fund No. 1
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30 June 2022

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General information

The financial statements cover StoreInvest Enhanced Income Fund No. 1 as a consolidated entity consisting of StoreInvest Enhanced Income Fund No. 1 and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is StoreInvest Enhanced Income Fund No. 1's functional and presentation currency.

StoreInvest Enhanced Income Fund No. 1 is a trust, with the trustee company incorporated and domiciled in Australia.

StoreInvest Enhanced Income Fund No. 1
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 \$	2021 \$
Revenue			
Rental revenue		8,737,960	-
Other revenue		703,790	-
		<u>9,441,750</u>	<u>-</u>
Other income	3	25,990,304	-
Expenses			
Other expenses	4	(3,587,783)	-
Management fees		(2,066,669)	-
Employee benefits expense		(994,050)	-
Depreciation and amortisation expense		(67,227)	-
Finance costs		<u>(2,232,015)</u>	<u>-</u>
Profit for the year attributable to the unitholders of StoreInvest Enhanced Income Fund No. 1		26,484,310	-
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the unitholders of StoreInvest Enhanced Income Fund No. 1		<u><u>26,484,310</u></u>	<u><u>-</u></u>

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

StoreInvest Enhanced Income Fund No. 1
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,698,385	1,501,410
Trade and other receivables	6	118,740	32,439
Inventories		46,320	41,882
Other	7	411,116	138,068
Total current assets		<u>3,274,561</u>	<u>1,713,799</u>
Non-current assets			
Investment properties	8	190,680,417	114,148,171
Property, plant and equipment	9	200,898	96,203
Intangibles		444,907	604,698
Total non-current assets		<u>191,326,222</u>	<u>114,849,072</u>
Total assets		<u>194,600,783</u>	<u>116,562,871</u>
Liabilities			
Current liabilities			
Trade and other payables	10	2,165,033	6,813,558
Contract liabilities	11	819,319	525,675
Employee benefits	12	104,838	38,846
Total current liabilities		<u>3,089,190</u>	<u>7,378,079</u>
Non-current liabilities			
Borrowings	13	86,565,388	51,282,168
Total non-current liabilities		<u>86,565,388</u>	<u>51,282,168</u>
Total liabilities		<u>89,654,578</u>	<u>58,660,247</u>
Net assets		<u>104,946,205</u>	<u>57,902,624</u>
Equity			
Issued units	14	79,387,647	57,902,624
Retained profits		25,558,558	-
Total equity		<u>104,946,205</u>	<u>57,902,624</u>

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

StoreInvest Enhanced Income Fund No. 1
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued units \$	Total equity \$
Balance at 1 July 2020	57,902,624	57,902,624
Profit for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Balance at 30 June 2021	<u>57,902,624</u>	<u>57,902,624</u>

Consolidated	Issued units \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	57,902,624	-	57,902,624
Profit for the year	-	26,484,310	26,484,310
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	26,484,310	26,484,310
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Issue of units	21,485,023	-	21,485,023
Distributions paid	-	(925,752)	(925,752)
Balance at 30 June 2022	<u>79,387,647</u>	<u>25,558,558</u>	<u>104,946,205</u>

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

StoreInvest Enhanced Income Fund No. 1
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		10,171,316	-
Payments to suppliers and employees		(11,136,869)	-
Finance costs paid		(2,232,015)	-
Net cash used in operating activities	18	(3,197,568)	-
Cash flows from investing activities			
Payments for investment property		(3,996,987)	-
Payments for property, plant and equipment		(144,055)	-
Payments for intangibles		(48,242)	-
Proceeds from disposal of property, plant and equipment		196,404	-
Net cash used in investing activities		(3,992,880)	-
Cash flows from financing activities			
Proceeds from borrowings		9,313,175	-
Distributions paid		(925,752)	-
Net cash from financing activities		8,387,423	-
Net increase in cash and cash equivalents		1,196,975	-
Cash and cash equivalents at the beginning of the financial year		1,501,410	-
Cash and cash equivalents acquired in trust rollup		-	1,501,410
Cash and cash equivalents at the end of the financial year	5	<u>2,698,385</u>	<u>1,501,410</u>

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

StoreInvest Enhanced Income Fund No. 1
Notes to the financial statements
30 June 2022

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

In the trustees' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the trust deed requirements to prepare and distribute financial statements to the unitholders of StoreInvest Enhanced Income Fund No. 1. The trustees have determined that the accounting policies adopted are appropriate to meet the needs of the unitholders of StoreInvest Enhanced Income Fund No. 1.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Comparatives

The entity was established and the rollup occurred on 25 June 2021. Due to the proximity to 30 June and immaterial level of transactions between establishment and 30 June 2021, no revenue and expenses have been recorded. As a result there is no comparative information on the statement of profit or loss and other comprehensive income.

The statement of financial position comparatives reflects the assets, liabilities and equity at 30 June 2021, upon completion of the rollup and establishment of the entity.

Parent entity information

These financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 16.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of StoreInvest Enhanced Income Fund No. 1 ('trust' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. StoreInvest Enhanced Income Fund No. 1 and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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.

1. Significant accounting policies (continued)

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.

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

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on a fixed price.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

1. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Raw materials are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a either a straight-line or diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	4-20 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

1. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary units are classified as equity.

Incremental costs directly attributable to the issue of new units or options are shown in equity as a deduction from the proceeds.

1. Significant accounting policies (continued)

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. These are not expected to have a material impact on the consolidated entity.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

3. Other income

	Consolidated	
	2022	2021
	\$	\$
Net fair value gain on investment properties	25,811,156	-
Net gain on disposal of property, plant and equipment	179,148	-
	<hr/>	<hr/>
Other income	<u>25,990,304</u>	<u>-</u>

4. Other expenses

	Consolidated	
	2022	2021
	\$	\$
Accounting and audit fees	144,789	-
Advertising and marketing	311,159	-
Bad debts expense	63,155	-
Bank fees	88,013	-
Consulting and legal expenses	736,054	-
Insurance expense	365,689	-
Property expenses	848,447	-
Other expenses	755,283	-
Repairs and maintenance	275,194	-
	<hr/>	<hr/>
	<u>3,587,783</u>	<u>-</u>

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5. Cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
Cash on hand	3,663	3,086
Cash at bank	2,694,722	1,498,324
	<u>2,698,385</u>	<u>1,501,410</u>

6. Trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
Other receivables	118,740	32,439

7. Other

	Consolidated	
	2022	2021
	\$	\$
Prepayments	411,116	138,068

8. Investment properties

	Consolidated	
	2022	2021
	\$	\$
Investment properties - at independent valuation	188,625,000	113,750,000
Work in progress	2,055,417	398,171
	<u>190,680,417</u>	<u>114,148,171</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	114,148,171	-
Additions	3,996,987	-
Additions through trust rollups	46,724,103	114,148,171
Revaluation increments	25,811,156	-
Closing fair value	<u>190,680,417</u>	<u>114,148,171</u>

Valuations of investment properties

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

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Notes to the financial statements
30 June 2022

9. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
Plant and equipment - at cost	540,986	338,498
Less: Accumulated depreciation	<u>(340,088)</u>	<u>(242,295)</u>
	<u><u>200,898</u></u>	<u><u>96,203</u></u>

10. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
Trade payables	753,077	289,786
Other payables	<u>1,411,956</u>	<u>6,523,772</u>
	<u><u>2,165,033</u></u>	<u><u>6,813,558</u></u>

11. Contract liabilities

	Consolidated	
	2022	2021
	\$	\$
Revenue in advance	<u>819,319</u>	<u>525,675</u>

12. Employee benefits

	Consolidated	
	2022	2021
	\$	\$
Annual leave	83,820	38,846
Long service leave	<u>21,018</u>	<u>-</u>
	<u><u>104,838</u></u>	<u><u>38,846</u></u>

13. Borrowings

	Consolidated	
	2022	2021
	\$	\$
Bank loans	<u><u>86,565,388</u></u>	<u><u>51,282,168</u></u>

Assets pledged as security

The bank loans are secured by first mortgages over the consolidated entity's investment properties

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Notes to the financial statements
30 June 2022

14. Issued units

	2022	Consolidated	2022	2021
	Units	Units	\$	\$
Ordinary units - fully paid	<u>88,609,818</u>	<u>64,704,531</u>	<u>79,387,647</u>	<u>57,902,624</u>

Movements in ordinary unit capital

Details	Date	Units	Issue price	\$
Balance	1 July 2020	-		-
Units issued on establishment		<u>64,704,531</u>	\$0.89	<u>57,902,624</u>
Balance	30 June 2021	64,704,531		57,902,624
Units issued 10 February 2022		3,922,670	\$0.97	1,968,001
Units issued 12 April 2022		<u>19,982,617</u>	\$0.97	<u>19,517,022</u>
Balance	30 June 2022	<u>88,609,818</u>		<u>79,387,647</u>

15. Commitments

	Consolidated	
	2022	2021
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Investment properties	<u>4,236,515</u>	<u>1,008,752</u>

16. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Profit	<u>26,311,758</u>	-
Total comprehensive income	<u>26,311,758</u>	-

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Notes to the financial statements
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16. Parent entity information (continued)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	4,463,421	65,456
Total assets	192,344,602	109,376,796
Total current liabilities	1,005,626	14,525
Total liabilities	87,570,949	51,474,172
Equity		
Issued units	79,387,647	57,902,624
Retained profits	25,386,006	-
Total equity	<u>104,773,653</u>	<u>57,902,624</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at fair value, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

17. Events after the reporting period

The Stamp duty assessment for APG SS3 Pty Ltd ATF APG Self Storage Trust No.3 was received in July 2022 totalling approximately \$234,000 plus interest. The amount is currently in dispute with the Victorian State Revenue Office.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

StoreInvest Enhanced Income Fund No. 1
Notes to the financial statements
30 June 2022

18. Reconciliation of profit to net cash used in operating activities

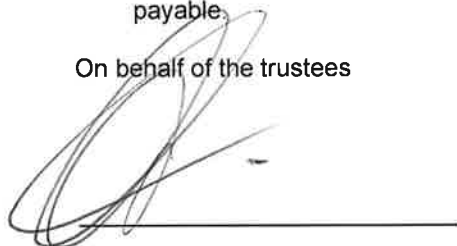
	Consolidated	
	2022	2021
	\$	\$
Profit for the year	26,484,310	-
Adjustments for:		
Depreciation and amortisation	67,227	-
Net gain on disposal of property, plant and equipment	(179,148)	-
Net fair value gain on investment properties	(25,811,156)	-
Borrowing costs expense (amortisation of intangibles)	208,033	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	435,922	-
Increase in inventories	(4,438)	-
Increase in prepayments	(273,048)	-
Decrease in trade and other payables	(4,484,906)	-
Increase in contract liabilities	293,644	-
Increase in employee benefits	65,992	-
Net cash used in operating activities	<u>(3,197,568)</u>	<u>-</u>

StoreInvest Enhanced Income Fund No. 1
Trustees' declaration
30 June 2022

In the trustees' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the trust deed requirements to prepare and distribute financial statements to the unitholders of StoreInvest Enhanced Income Fund No. 1;
- the attached financial statements and notes comply with the trust deed, the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

On behalf of the trustees

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

27 October 2022

StoreInvest Enhanced Income Fund No. 1 Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of StoreInvest Enhanced Income Fund No. 1. (the Trust and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the trust deed, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the trust deed.

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 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.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the trust deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors of the Trustee Company for the Financial Report

The directors of the Trustee of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the trust deed 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 are responsible for assessing the ability of the Group 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 has 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck (Qld)
ABN 21 559 713 106

M. Monaghan

M J Monaghan
Director
Brisbane 28 October 2022