

Special Purpose Financial Statements

Pathway Fourteen Unit Trust
For the year ended 30 June 2022

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Income Statement

Pathway Fourteen Unit Trust For the year ended 30 June 2022

	2022	2021
Income		
Interest Income	1	965
Net Profit/(Loss) on Rental Activities	78,495	666,837
Profit on Sale of Assets	1,032,467	5,783,660
Total Income	1,110,963	6,451,463
Expenses		
Accounting & Bookkeeping	21,411	10,499
Asset Management Fees	25,925	126,350
Bank Fees	-	1,505
Borrowing Costs	13,340	13,081
Commission Paid	4,500	-
Establishment Fees - Amortised	10,087	10,087
General Expenses	-	176
Interest Paid	283,088	516,197
Legal Fees	2,340	473
Memberships & Subscriptions	3,426	764
Success Fee	320,410	818,182
Total Expenses	684,528	1,497,313
Net Profit/(Loss)	426,435	4,954,150
Apply Carried Forward Losses		
Transfers from Loss Reserve	-	704,016
Total Available for Distribution	426,435	4,250,134
Distributions to Unitholders		
Distributions to Unitholders	426,435	4,250,134
Total Distributions to Unitholders	426,435	4,250,134
Accumulated Income/(Losses) at the End of the Financial Year	-	-

The accompanying notes form part of these financial statements.

Compiled without audit or review or independent verification - refer accountant's compilation report

Balance Sheet

Pathway Fourteen Unit Trust As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and Cash Equivalents	2	101,795	1,021,990
Trade and Other Receivables	3	89,143	248,356
Total Current Assets		190,938	1,270,346
Non-Current Assets			
Intangible Assets	4	2,650	2,650
Property, Plant and Equipment	5	2,439,937	6,859,292
Other Non-Current Assets	6	44,525	66,652
Total Non-Current Assets		2,487,112	6,928,594
Total Assets		2,678,050	8,198,940
Liabilities			
Current Liabilities			
Trade and Other Payables	7	48,027	207,573
Tax Liabilities	8	164,622	(71,672)
Total Current Liabilities		212,649	135,900
Non-Current Liabilities			
Borrowings	9	1,300,000	4,525,000
Total Non-Current Liabilities		1,300,000	4,525,000
Total Liabilities		1,512,649	4,660,900
Net Assets		1,165,400	3,538,040
Equity			
Accumulated Losses		-	-
Capital Distributions		(6,526,500)	(4,153,860)
Issued Units		7,691,900	7,691,900
Total Equity		1,165,400	3,538,040

The accompanying notes form part of these financial statements.

Compiled without audit or review or independent verification - refer accountant's compilation report.

Notes to the Financial Statements

Pathway Fourteen Unit Trust For the year ended 30 June 2022

Commencement & Duration

The unit trust was formed on 28 November 2018 with Properties & Pathways Pty Ltd (ACN 161 339 420) as trustee and may continue in operation until the vesting date of 30 June 2098.

1. Statement of Significant Accounting Policies

The trust does not have a statutory requirement to prepare financial statements in accordance with Australian Accounting Standards and in the trustee's opinion, the trust is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared for internal use and must not be used for any other purpose.

The Directors of the Trustee Company have determined that the accounting policies outlined below are appropriate to meet the needs of the beneficiaries. The financial report is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Borrowing Costs

Costs incurred in obtaining borrowings are capitalised and amortised over the period of the loan or 5 years, whichever is shorter.

Cash and Cash Equivalents

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life to the trust commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Goods and Services Tax

Income, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by the trustee to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable

These notes should be read in conjunction with the attached compilation report.

amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at cost, less subsequent depreciation for buildings.

Land & Buildings at Cost

The Trust contracted to purchase the land and buildings at 50 Arc Place Larapinta QLD 4110.

On 13 February 2019, the Trust settled this property.

The Trust contracted to sell 50 Arc Place Larapinta QLD 4110 on 24 April 2021 for \$14,300,000.

On 4 May 2021, the Trust settled this sale.

The Trust contracted to purchase the land and buildings at Level 4, 1008 Hay Street Perth, WA 6000.

On 15 March 2019, the Trust settled this property.

The Trust contracted to purchase the land and buildings at 1340, 6-8 Geonic Street, Woodridge 4114.

On 2 May 2019, the Trust settled this property.

The properties were financed by unitholders subscriptions \$7,441,900 and loans from the Bankwest.

Revenue Recognition

Revenue from rental properties is recognised when the trust has a right to receive the rent in accordance with the lease agreement.

Interest revenue is recognised on a receipts basis.

All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the trust that remain unpaid at 30 June 2022. Trade payables are recognised at their transaction price.

	2022	2021
2. Cash and Cash Equivalents		
Bank Accounts		
Bankwest	101,795	1,016,990
Gold Term Deposit	-	5,000
Total Bank Accounts	101,795	1,021,990
Total Cash and Cash Equivalents	101,795	1,021,990

These notes should be read in conjunction with the attached compilation report.

	2022	2021
3. Trade and Other Receivables		
Current		
Hay St- Funds Held	3,642	99,247
Larapinta - Funds Held	-	49,109
Trust Account (Lawlab)	-	100,000
Trade Debtors	85,501	-
Total Current	89,143	248,356
Total Trade and Other Receivables	89,143	248,356
	2022	2021

4. Intangible Assets		
Formation Expenses	2,650	2,650
Total Intangible Assets	2,650	2,650
	2022	2021

5. Property, Plant and Equipment		
Land and Buildings		
Level 4, 1008 Hay Street, PERTH WA 6000		
Land & Buildings at Cost	2,415,181	2,415,181
Less Accumulated Depreciation	(104,605)	(72,867)
Total Level 4, 1008 Hay Street, PERTH WA 6000	2,310,576	2,342,314
1340, 6-8 Geonic Street, WOODRIDGE 4114		
Land & Buildings at Cost	-	4,172,611
Improvements at Cost	-	162,850
Less Accumulated Depreciation	-	(62,986)
Total 1340, 6-8 Geonic Street, WOODRIDGE 4114	-	4,272,475
Total Land and Buildings	2,310,576	6,614,789
Plant and Equipment		
Level 4, 1008 Hay Street, PERTH WA 6000		
Plant and Equipment at cost	212,043	212,043
Less Accumulated Depreciation	(86,927)	(67,750)
Low Value Pool	6,792	6,792
Less Accumulated Depreciation	(2,547)	-
Total Level 4, 1008 Hay Street, PERTH WA 6000	129,361	151,085
1340, 6-8 Geonic Street, WOODRIDGE 4114		
Plant and Equipment at cost	-	105,237
Less Accumulated Depreciation	-	(28,390)

These notes should be read in conjunction with the attached compilation report.

Low Value Pool	-	16,571
Total 1340, 6-8 Geonic Street, WOODRIDGE 4114	-	93,418
Total Plant and Equipment	129,361	244,503
Total Property, Plant and Equipment	2,439,937	6,859,292
	2022	2021

6. Other Non-Current Assets

Capitalised Borrowing Costs	24,351	36,391
Capitalised Establishment Fees	20,174	30,261
Total Other Non-Current Assets	44,525	66,652
	2022	2021

7. Trade and Other Payables

Current		
Trade Creditors	-	159,546
Accrued Interest	48,027	48,027
Total Current	48,027	207,573
Total Trade and Other Payables	48,027	207,573
	2022	2021

8. Tax Liabilities

Goods and Services Tax	1,946	(91,622)
Withholding Tax	162,676	19,950
Total Tax Liabilities	164,622	(71,672)
	2022	2021

9. Borrowings

Non Current		
Bankwest Loans	1,300,000	4,525,000
Total Non Current	1,300,000	4,525,000
Total Borrowings	1,300,000	4,525,000

These notes should be read in conjunction with the attached compilation report.

50 Arc Place, LARAPINTA QLD 4110

Pathway Fourteen Unit Trust For the year ended 30 June 2022

	2022	2021
Profit/(Loss)		
Income		
Rental Income	-	688,010
Other Rental Income	25,087	2,887
Total Income	25,087	690,897
Expenses		
Council rates	-	26,059
Depreciation - capital allowances	-	53,878
Depreciation - capital works	-	103,820
Depreciation - low value pool	-	21,797
Finance break-fee	-	144,237
Insurance	-	17,718
Land tax	-	50,715
Legal fees	-	473
Other expenses	20,906	64,499
Property management fees	614	12,393
Repairs & maintenance	-	3,450
Total Expenses	21,520	499,040
Net Profit/(Loss) on Rental Activities	3,567	191,857

Level 4, 1008 Hay Street, PERTH WA 6000

Pathway Fourteen Unit Trust For the year ended 30 June 2022

	2022	2021
Profit/(Loss)		
Income		
Rental Income	133,770	313,988
Total Income	133,770	313,988
Expenses		
Council rates	15,218	14,284
Depreciation - capital allowances	19,177	22,546
Depreciation - capital works	31,738	31,738
Depreciation - low value pool	2,547	4,075
Property management fees	24,241	9,838
Other expenses	35,322	44,128
Repairs & maintenance	1,031	3,040
Total Expenses	129,275	129,649
Net Profit/(Loss) on Rental Activities	4,495	184,339

1340, 6-8 Geonic Street, WOODRIDGE 4114

Pathway Fourteen Unit Trust For the year ended 30 June 2022

	2022	2021
Profit/(Loss)		
Income		
Rental Income	172,465	422,785
Other Rental Income	22,909	-
Total Income	195,373	422,785
Expenses		
Council rates	15,785	30,030
Depreciation - capital allowances	3,535	11,951
Depreciation - capital works	10,833	31,135
Depreciation - low value pool	2,162	9,942
Insurance	15,442	11,396
Land Tax	-	19,480
Other expenses	52,044	6,623
Property management fees	5,806	10,868
Repairs & maintenance	19,333	720
Total Expenses	124,940	132,144
Net Profit/(Loss) on Rental Activities	70,433	290,640

Trustee's Declaration

Pathway Fourteen Unit Trust For the year ended 30 June 2022

Directors' declaration of Properties & Pathways Pty Ltd

As stated in Note 1 to the financial statements, the Trust is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. This is a special purpose financial report that has been prepared for internal purposes.

The financial statements and notes have been approved and adopted.

The directors are responsible for the information contained in the report and have determined that the accounting policies used are appropriate for internal purposes.

Director: Cal Doggett

Cal Doggett

Director: Justin Robert Smith

Justin Smith

Director: Guy Doggett

Guy Doggett

Date: 25-Aug-2022 | 19:04:02 AEST

Compilation Report

Pathway Fourteen Unit Trust For the year ended 30 June 2022

Compilation report to Pathway Fourteen Unit Trust

We have compiled the accompanying special purpose financial statements of Pathway Fourteen Unit Trust, which comprise the balance sheet as at 30 June 2022, the income statement for the year, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Trustee

The Directors of the Trustee Company of Pathway Fourteen Unit Trust are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the Directors of the Trustee Company we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the Directors of the Trustee Company who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

PricewaterhouseCoopers

Perth



Date: 26-Aug-2022 | 12:46:55 AEST

Scott James

Partner

PricewaterhouseCoopers, ABN 52 780 433 757

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