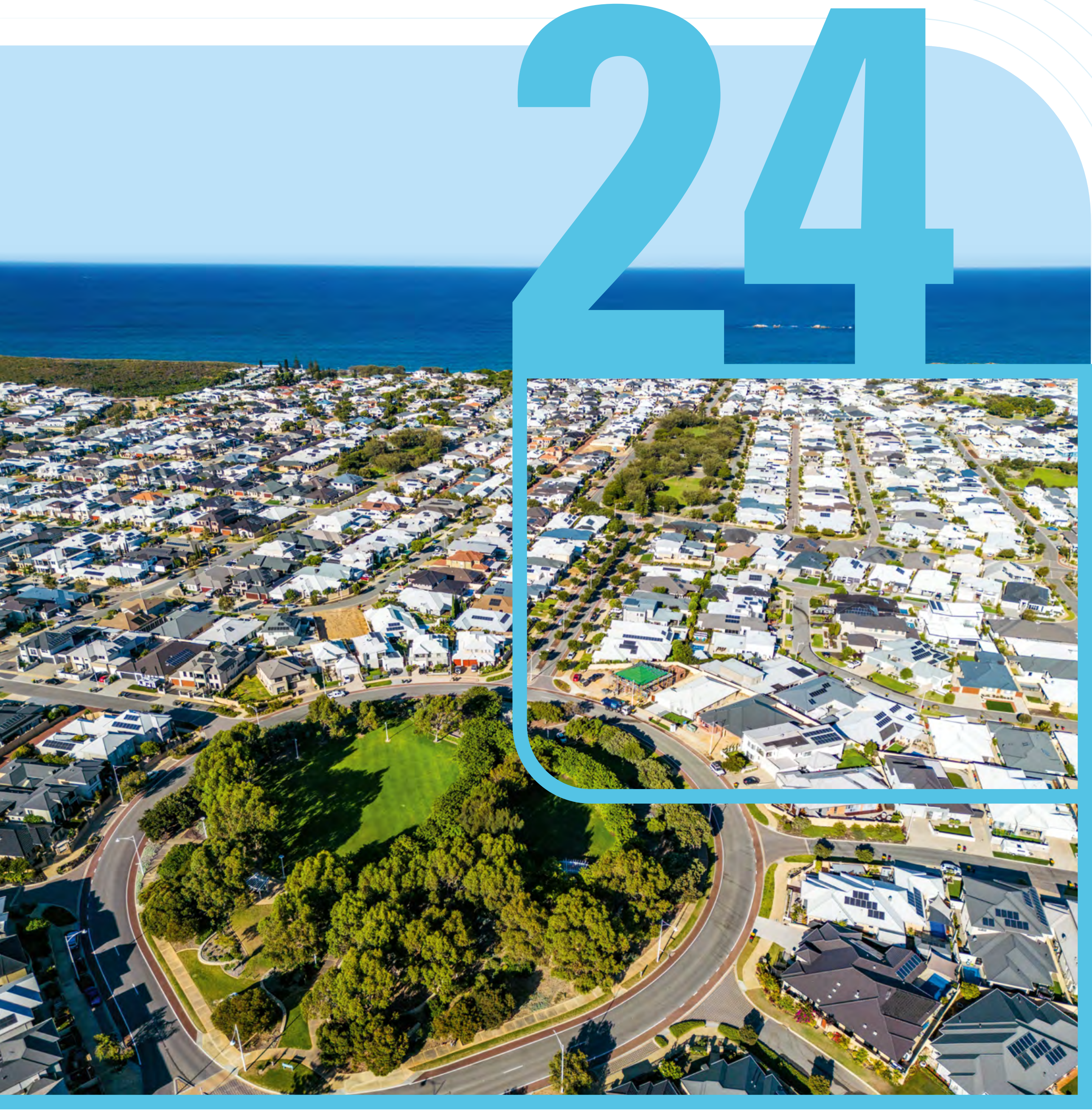
Burns Beach Property Trust

ARSN 094 229 464

Financial Report

Year ended 30 June 2024



BURNS BEACH

Where you belong PEET

Corporate Directory
Burns Beach Property Trust
ABN: 70 006 850 309
ARSN: 094 229 464

Responsible Entity
Peet Funds Management Limited
ABN 81 145 992 169

Australian Financial Services Licence
No 415 753

Registered Office
Level 7, 200 St Georges Terrace
Perth WA 6000

Telephone: (08) 9420 1111

Website: www.peet.com.au

Postal Address
PO Box 7224, Cloisters Square
Perth WA 6850

Directors of the Responsible Entity
Anthony James Lennon
Brendan Gore
Trevor Allen
Margaret Kennedy (appointed in October 2023)
Vicki Krause (ceased in October 2023)

Unit Registry
Computershare Investor Services Pty Limited
Level 17
221 St Georges Terrace
Perth WA 6000

Company Secretaries of the Responsible Entity
Dom Scafetta
Andrew Fruvall

Contents **Page**

Directors' Report

The Directors of Peet Funds Management Limited (ABN 81 145 992 169) as Responsible Entity for the Burns Beach Property Trust ("the Trust") submit this report for the year ended 30 June 2024.

Responsible Entity Directors

The following persons were Directors of Peet Funds Management Limited during the financial year and up to the date of this report:

Anthony James Lennon
BA, Grad Dip Bus Admin, MAICD
Chairman

Mr Lennon joined Peet Limited ("Peet") in 1991 and became a Director in 1996.

He moved to Victoria to establish Peet's operations in Australia's eastern states and oversaw significant expansion. He is currently Chairman of Peet's Nomination Committee and a member of its Audit and Risk Management Committee.

Before joining Peet, Mr Lennon worked in the United Kingdom, working for major international construction and development company, John Laing PLC. His time with this global company saw him gain valuable experience in property planning, marketing, feasibility analysis and project management.

Mr Lennon's responsibilities during his career with Peet included project management, broadacre acquisitions, marketing and financing and a six-year term as Chairman of one of WA's largest conveyancing businesses.

Until his transition from Executive to Non-executive Director, Mr Lennon was Peet's National Business Development Director.

He is Chairman of Habitat for Humanity (Vic). Part of a worldwide organisation, it is a registered charity which assists low-income families into affordable home ownership and out of the rental market by providing zero interest mortgages.

Brendan Gore
BComm, FAICD, FCPA, FCIS, FGIA
Director

Mr Gore has been Managing Director and Chief Executive Officer ("CEO") of Peet since 2007 – successfully leading the company's strategy through its land bank expansion, diversification of its product offering and developing key new partnerships with Government and major institutions. He is also a member of Peet's Nomination Committee.

Mr Gore's appointment to the position of Managing Director and CEO followed experience in two other key executive roles within Peet. He began with Peet as Chief Financial Officer and played a key role in expanding the Company's scope of activities and growing its core residential development and land syndication businesses.

Mr Gore's period in senior executive roles at Peet was preceded by more than two decades' experience in a range of senior corporate, commercial and operational positions where he gained extensive experience in large scale operations, strategy development and implementation, as well as expertise in debt and equity markets.

He developed a reputation as a strong leader, with operational responsibilities across local and State Government relations, environmental and sustainability management and occupational health and safety.

Mr Gore is a qualified accountant and a Fellow of CPA Australia. He is also a Fellow of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Directors' Report (Continued)

Responsible Entity Directors (continued)

Trevor Allen
BComm (Hons), CA, FF, FAICD
Independent Non-Executive Director

Mr Allen joined Peet in April 2012, with almost four decades of experience in the corporate and financial sectors, primarily as a corporate and financial adviser to Australian and international public and privately-owned companies. Mr Allen currently Chairs Peet's Audit & Risk Management Committee and is a member of its Remuneration and Nomination Committees.

Mr Allen is also non-executive Director of TopCo Investments Pte Ltd, a Singaporean company which is the holding company of Real Pet Food Company Limited, where he co-chairs its Audits and Finance Committee and is a member of its Risk and Sustainability Committee. He has been a Director of TopCo Investments Pte Ltd since August 2018.

Mr Allen was previously a non-executive director of FleetPartners Group Limited (formely Eclipx Group Limited) for nearly 9 years, retiring from that position in January 2024.

Prior to Mr Allen's non-executive roles, he held senior executive positions including Executive Director Corporate Finance at SBC Warburg (now part of UBS), at Baring Brothers and as a Corporate Finance Partner at KPMG. At the time of his retirement from KPMG in 2011 he was the lead partner in its National Mergers and Acquisitions group.

Margaret Kennedy
BComm, GAICD
Independent Non-Executive Director

Ms Kennedy, appointed to the Board in October 2023, is an experienced non-executive director currently holding non-executive director roles on the boards of Hobart International Airport Limited, Challenger Retirement and Investment Services Limited and AMOG Holdings Pty Ltd.

She is currently Chairman of Peet's Remuneration Committee and a member of its Audit & Risk Management and Nomination Committees.

Ms Kennedy was previously a director of Senex Energy Limited from April 2021 until its delisting in April 2022 and has over 30 years' experience holding various executive roles for Shell Australia, Viva Energy Australia and Viva Energy REIT (now Waypoint REIT) where she led the public listing and was the inaugural CEO.

Directors' Report (Continued)

Responsible Entity Directors (continued)

Vicki Krause
BJuris LLB W.Aust, GAICD
Independent Non-Executive Director

Ms Krause ceased as a Director of the Board in October 2023.

An experienced commercial lawyer, Ms Krause had a 25 year career as a senior corporate executive with the Wesfarmers Group, including seven years as its Chief Legal Counsel.

She supported successful outcomes in numerous significant acquisitions (including listed companies, trade sales and a privatisation) and divestments.

As Chief Legal Counsel and a member of the Wesfarmers Executive Committee, Ms Krause led a large legal team and was responsible for the provision of legal advice and strategic planning in relation to the management of legal risk in the Wesfarmers Group with key outputs including the evaluation and completion of major business projects and major supply arrangements.

Ms Krause has completed the PMD Management Course at Harvard Business School.

She is a former director of Western Power.

Ms Krause retired from the Board of Peet at the 2023 Annual General Meeting in October 2023.

Company Secretaries

Dom Scafetta (Alternate Director for Mr Brendan Gore)
BComm, CA

Mr Scafetta is a Chartered Accountant who has worked with Peet since 1998.

Mr Scafetta began his career with major accounting firm Coopers & Lybrand (now PwC) after completing a commerce degree in 1993. He held a senior role with the organisation in its Business Services division and advised a range of clients on accounting, taxation and general business matters.

After four years at Coopers & Lybrand, Mr Scafetta joined Peet as Company Accountant and Company Secretary, which also required him to act as Company Secretary for the Company's various syndicates and subsidiaries. Prior to Peet being listed on the Australian Securities Exchange, Mr Scafetta was appointed Chief Financial Officer and served in that role until February 2005, when he was appointed as Company Secretary of Peet.

Andrew Fruvall
BBus, CPA, FGIA

Having started his career with accounting firm Moore Stephens (now Moore) in audit and assurance services and after spending almost six years with the firm, Mr Fruvall moved into commerce where he completed the CPA program and spent the next five years as an accountant in both the educational and property sectors.

In 2015, as a qualified accountant with over 10 years' experience, Mr Fruvall joined Peet as a Project Accountant, and after spending a year in that role was appointed as Company Secretary – Funds and Subsidiaries, a role which requires him to act as Company Secretary for a number of Peet's subsidiaries and syndicates.

Principal activity

The principal activity of the Trust in the course of the financial year was the subdivision of the Trust's landholding into residential lots for sale to the public. Peet Limited is appointed as the Project Manager. There has been no significant change in the nature of this activity during the financial year. The Trust is a for-profit entity.

Directors' Report (Continued)

Operating results and review of operations

The net profit after income tax of the Trust for the year was $13,496,689 (2023: $21,477,236).

Distributions paid to unitholders during the year totalled $17,754,000 (2023: $11,298,000). A further distribution of $4,035,000 was declared on 27 June 2024 and paid on 26 July 2024.

The Trust's primary operation is to develop a land subdivision of 1,743 residential properties in Burns Beach, approximately 30km north of the Perth CBD.

During the year, there were 63 sales totalling $37,586,000 (GST inclusive), and 55 residential lots settled resulting in revenue of $29,910,045 (GST exclusive). As at 30 June 2024, there were 14 lots under contract totalling $7,976,000 (GST inclusive).

The Trust had no employees during the year ended 30 June 2024 (2023: nil).

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in subsequent financial years.

Environmental regulation performance

The Trust is subject to environmental regulation by way of the Environmental Protection Act 1986 (as amended) and the Environment Protection and Biodiversity Conservation Act 1999 (as amended) in respect of its land subdivision activities. To the best of the Peet Funds Management Limited's Directors' knowledge all activities have been undertaken in compliance with those requirements.

Fees paid to Responsible Entity and associates

The following fees were earned by Peet and its subsidiaries from the Trust during the financial year:
- Responsible Entity fee of $55,000 (2023: $55,000); and
- Project management and selling fees of $1,642,550 (2023: $2,285,100).

Interests in the units of the Trust

Peet Funds Management Limited holds no units in the Trust. At reporting date and the date of this report the Directors had no direct or indirect interests in the units of the Trust.

Units on issue

807 units of the Trust were on issue at 30 June 2024 (2023: 807).

Trust assets

At 30 June 2024, the Trust held assets with a book value of $30,763,728 (2023: $35,002,535). The basis of measurement of the assets is disclosed in Note 2 to the financial statements.

Directors' Report (Continued)

Net tangible assets

As at 30 June, the net tangible assets of the Trust were:

	2024	2023
	$	$
Total net tangible assets per share (book value)	28,857	39,249
Market value adjustment per share (i)	52,004	63,186
Total net tangible assets per share (market value)	80,861	102,435

(i) The market value adjustment is based on the latest independent valuation dated 31 May 2024 adjusted for settlements, development costs between the date of valuation and 30 June 2024.

Indemnification and insurance of Directors and Officers

The Constitution of the Responsible Entity requires it to indemnify each Director or Officer (each an Officer for the purposes of the Constitution) on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges, and expenses incurred by the Officer as an officer of the company or of a related body corporate.

During the financial year, the Responsible Entity paid an insurance premium in respect of a contract insuring each of the officers of the Responsible Entity. The amount of the premium and the level of cover is, under the terms of the insurance contract, confidential. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Responsible Entity or related bodies corporate.

The Trust has not directly indemnified or insured officers.

Indemnification of the Auditor

To the extent permitted by law, the Responsible Entity has agreed to indemnify the Trust's auditor, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Auditor independence and non-audit services

The Auditor's Independence Declaration is included on page 6 of the report.

The non-audit services as disclosed in Note 9 were provided by the Trust's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of the type of non-audit service provided means that auditor independence was not compromised.

Signed in accordance with a resolution of Peet Funds Management Limited as Responsible Entity for the Burns Beach Property Trust.

…………………………………..

Brendan Gore
Director

6 September 2024
Perth, Western Australia

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436
ey.com/au

Building a better working world

Auditor's independence declaration to the Directors of Peet Funds Management Limited, the Responsible Entity for Burns Beach Property Trust

As lead auditor for the audit of the financial report of Burns Beach Property Trust for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
6 September 2024

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue		29,910,045	48,295,336
Cost of sales		(9,666,063)	(16,550,066)
Gross profit		20,243,982	31,745,270
Other revenue		577,877	373,142
		20,821,859	32,118,412
Project management and selling fees	3(a)	(1,642,550)	(2,285,100)
Administration and general expenses	3(b)	(1,183,598)	(1,196,600)
		(2,826,148)	(3,481,700)
Profit before income tax		17,995,711	28,636,712
Income tax expense	4(a)	(4,499,022)	(7,159,476)
Net profit and other comprehensive income for the year attributable to unitholders		13,496,689	21,477,236
Distributions to unitholders		(21,789,000)	(10,491,000)
Changes in net assets attributable to unitholders		(8,292,311)	10,986,236
Earnings per unit for profit attributable to the unitholders:			
Basic earnings per unit ($)		16,725	26,614

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Statement of Financial Position
As at 30 June 2024

	Note	2024 $	2023 $
Current assets			
Cash and cash equivalents		21,848,894	19,751,222
Trade and other receivables		3,475	158,709
Inventories	7	4,573,972	4,627,681
Total current assets		26,426,341	24,537,612
Non-current assets			
Inventories	7	3,823,926	10,028,300
Plant and equipment		7,061	14,475
Deferred tax assets	4(c)	506,400	422,148
Total non-current assets		4,337,387	10,464,923
Total assets		30,763,728	35,002,535
Current liabilities			
Trade and other payables	8	1,744,015	1,645,962
Distributions payable		4,035,000	-
Income tax payable		581,359	707,663
Provision for development costs to complete		609,311	562,556
Total current liabilities		6,969,685	2,916,181
Total liabilities excluding net assets attributable to unitholders		6,969,685	2,916,181
Net assets attributable to unitholders		23,794,043	32,086,354

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Statement of Changes in Net Assets Attributable to Unitholders
For the year ended 30 June 2024

	Number of units #	Contributed funds $	Undistributed income $	Total $
For the year ended 30 June 2024				
At 1 July 2023	807	3,363,796	28,722,558	32,086,354
Net profit and other comprehensive income	-	-	13,496,689	13,496,689
Distributions	-	-	(21,789,000)	(21,789,000)
At 30 June 2024	807	3,363,796	20,430,247	23,794,043
For the year ended 30 June 2023				
At 30 June 2022	807	3,363,796	17,736,322	21,100,118
Net profit and other comprehensive income	-	-	21,477,236	21,477,236
Distributions	-	-	(10,491,000)	(10,491,000)
At 30 June 2023	807	3,363,796	28,722,558	32,086,354

The Statement of Changes in Net Assets Attributable to Unitholders should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers		33,043,000	53,574,000
Payments to suppliers		(9,059,627)	(18,266,680)
Income tax paid		(4,709,578)	(6,614,515)
Other income		577,877	373,142
Net cash flows from operating activities	6	19,851,672	29,065,947
Cash flows from investing activities			
Payments for plant and equipment		-	(14,778)
Net cash flows used in investing activities		-	(14,778)
Cash flows from financing activities			
Distributions		(17,754,000)	(11,298,000)
Net cash flows used in financing activities		(17,754,000)	(11,298,000)
Net increase in cash and cash equivalents		2,097,672	17,753,169
Cash and cash equivalents at the beginning of the financial year		19,751,222	1,998,053
Cash and cash equivalents at the end of the financial year		21,848,894	19,751,222

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements
For the year ended 30 June 2024

1. Trust information

The financial statements of the Trust for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity.

Peet Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia and holds an Australian Financial Services Licence.

The registered office is:
Level 7, 200 St Georges Terrace
Perth WA 6000

The principal activity of the Trust during the financial year was the subdivision of the Trust's landholding into residential lots for sale to the public. Peet Limited is appointed as the Project Manager. There has been no significant change in the nature of this activity during the financial year.

2. Accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements which:
- have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001;
- have been prepared under the historical cost convention, and are presented in Australian dollars.
- the carrying value of financial assets and liabilities approximates fair value.

(b) Changes in accounting policy

The accounting policies adopted have been consistently applied over all periods presented, except for the adoption of new standards effective as at 1 July 2023. The Trust has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time from 1 July 2023, but do not have an impact on the Trust.

(c) Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences where management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(ii) Significant accounting estimates and assumptions

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Contract liability - rebates
Landscaping and fencing rebates are estimated at an average rate per lot based on current market rates and average lot requirements. The estimate takes into account all lots that are entitled to claim the rebates even though not all purchasers of land will do so. These amounts provided for could also change based on changing market rates of suppliers providing the landscaping and fencing.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

2. Accounting policies (continued)

(c) Significant accounting judgements, estimates and assumptions (continued)

(ii) Significant accounting estimates and assumptions (continued)

Inventories
The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to completion and selling costs. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made. These estimates of realisable selling prices and estimated costs to completion require the use of management's judgement and are reviewed annually.

Provision for development costs to complete for lots settled
Costs not yet incurred for lots settled are taken into account in the cost of sales for these lots. The portion of cost of sales relating to these future costs, are recognised as a provision in the Statement of Financial Position. The actual costs may vary from the estimated future costs due to variations in estimates.

(d) Revenue recognition

Revenue from contracts with customers is recognised when control of the title is transferred to the customer at the consideration the Trust expects in exchange. The Trust controls the title prior to transferring to the customer.

Sale of land
Revenue from the sale of land is recognised on settlement of the sale. This represents the point when control (title) has passed to the customer.

Interest revenue
Revenue is recognised as the interest accrues using the effective interest rate method based on the value of the deposit.

(e) Distributions

The Trust Deed provides that its distributable profit is to be distributed to unitholders at the discretion of the Responsible Entity. A provision for distribution arises upon the declaration of distribution by the Trust.

(f) Cash and cash equivalents

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.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and other receivables

Trade and other receivables represent the Trust's right to consideration that is unconditional. Receivables, which generally have terms of 30 days are recognised at fair value of the consideration receivable and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment in line with the Expected Credit Loss (ECL) model described below.

The Trust applies a simplified approach in calculating ECLs and does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

2. Accounting policies (continued)

(h) Inventories

Inventories held for development and sale are stated at the lower of cost and net realisable value. Costs include cost of acquisition (land), development costs and borrowing costs capitalised during development. When development is completed borrowing costs and other holding costs are expensed as incurred. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to make the sale. Refer to Note 2(c)(ii) Inventories.

Borrowing costs included in the cost of land held for sale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Land purchased for residential subdivision is classified as non-current. When lots within a stage of the subdivision are expected to settle within 12 months they are classified as current.

(i) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid and arise when the Trust becomes obliged to make future payments in respect of the purchase of these goods and services. These amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables includes landscaping and fencing rebates provided under the terms of certain sales contracts. These rebates are generally payable where the customer completes construction within 12 to 18 months from the settlement date. A liability is recorded at settlement and a profit and loss adjustment is recorded when the liability ceases to apply. Refer to Note 2(c)(ii) Contract liability - rebates.

(j) Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation measured. Provisions are not recognised for future operating losses.

Provisions for development costs not yet incurred for lots settled are recognised at each reporting date based on the estimated costs to complete. Refer to Note 2(c)(ii) Provisions for development costs to complete for lots settled.

(k) Changes in net assets attributable to unitholders

Non-distributable income is retained in net assets attributable to unitholders and may consist of accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income.

(l) Units on issue

Units on issue are recognised at the fair value of the consideration received by the Trust. Any transaction costs arising on the issue of ordinary units are recognised directly in net assets attributable to unitholders as a reduction of the unit proceeds received.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

2. Accounting policies (continued)

(m) Terms and conditions on units

Each unit confers upon the unitholder an equal interest in the Trust, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Trust. Unitholders have various rights under the Deed and the Corporations Act 2001, including the right to:

- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Trust.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(n) Earnings per unit

Basic earnings per unit ("EPU") is calculated as net profit attributable to unitholders divided by the weighted average number of units.

(o) Income tax

The Trust is classified as a public trading trust for tax purposes.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(p) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

2. Accounting policies (continued)

(p) Other taxes (continued)

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

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

(q) Capital management

The Trust does not offer unitholders the opportunity of unit redemptions or withdrawals. Unitholders will receive a distribution of net assets attributable to unitholders through the life of the development at the discretion of the Responsible Entity taking into account available funds and tax regulations.

The Responsible Entity will seek to wind up the Trust following sale and settlement of the last lot and completion of all development commitments.

(r) Fair value measurement

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting financial year.

3. Expenses

(a) Significant transactions with related parties
Transactions with entities which have significant influence over the Trust (including Peet Funds Management Limited as the Responsible Entity) are made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2024 $	2023 $
Peet Limited and subsidiaries		
Responsible Entity fee (i)	55,000	55,000
Project management and selling fee (ii)	1,642,550	2,285,100

(i) The Responsible Entity fee is in accordance with the project management agreement.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

3. Expenses (continued)

(a) Significant transactions with related parties (continued)

(ii) The project management and selling fee is in accordance with the project management agreement at 3.5% for residential lots sold up to 18 November 2021 and 5% to 30 June 2024. The project management and selling fee is calculated on gross sales and is payable on settlement of the lots.

(b) Administration and general expenses

	2024 $	2023 $
Promotional incentives	266,960	276,971
Depreciation	7,414	2,518
Advertising and marketing	271,935	299,979
Repairs and maintenance	212,832	234,595
Rates and taxes	91,687	31,832
Administration expenses	332,770	350,705
Total administration and general expenses	1,183,598	1,196,600

4. Income tax

(a) Income tax expense

The major components of income tax expense are:		
Current income tax		
Current income tax charge	4,583,274	7,401,265
Adjustment for previous years	-	150
Deferred Income Tax		
Relating to origination and reversal of temporary differences	(84,252)	(241,939)
	4,499,022	7,159,476

(b) Tax reconciliation

Accounting profit before tax	17,995,711	28,636,712
At the statutory income tax rate of 25% (2023: 25%)	4,498,928	7,159,178
Adjustment of current income tax of previous years	-	150
Expenditure not allowable for income tax purposes	94	148
Income tax expense	4,499,022	7,159,476

(c) Recognised deferred tax assets and liabilities

	Statement of financial position		Statement of profit or loss	
	2024 $	2023 $	2024 $	2023 $
Deferred income tax relates to the following:				
Deferred income tax liabilities				
Interest and borrowing costs capitalised	(9,178)	(11,785)	(2,607)	(5,048)
Gross deferred income tax liabilities	(9,178)	(11,785)		
Deferred income tax assets				
Inventory	152,328	140,639	(11,689)	(70,262)
Other	363,250	293,294	(69,956)	(166,629)
Gross deferred income tax assets	515,578	433,933		
Deferred income tax charge			(84,252)	(241,939)
Net deferred tax assets	506,400	422,148		

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

5. Distributions paid and payable

	2024 $	2023 $
(a) Declared during the year		
Distributions on units:		
Paid - fully franked: $22,000 per unit (2023: $13,000 per unit)	17,754,000	10,491,000
Payable - fully franked: $5,000 per unit (2023: nil)	4,035,000	-
	21,789,000	10,491,000
(b) Franking credit balance		
Franking account balance as at the end of the financial year	10,801,262	12,009,684
Franking credits that will arise from the payment of income tax	581,359	707,663
Franking debits that will arise from the payment of proposed distributions	(1,345,000)	-
	10,037,621	12,717,347

6. Reconciliation of profit after tax to net cash flows from operations

	2024 $	2023 $
Net profit after tax	13,496,689	21,477,236
Adjustment for:		
Depreciation	7,414	2,518
Changes in assets and liabilities:		
Decrease/(increase) in trade and other receivables	155,234	(58,678)
Decrease in inventories	6,258,083	6,753,073
Increase in deferred tax assets	(84,252)	(241,939)
Increase in trade and other payables	98,053	65,790
Increase in provisions	46,755	281,047
(Decrease)/increase in income tax payable	(126,304)	786,900
Net cash flows from operating activities	19,851,672	29,065,947

7. Inventories

	2024 $	2023 $
Current		
Cost of acquisition	86,226	85,311
Development cost	4,486,145	4,536,104
Borrowing cost	1,601	6,266
Total current inventories	4,573,972	4,627,681
Non-current		
Cost of acquisition	427,268	569,480
Development cost	3,361,547	9,417,946
Borrowing cost	35,111	40,874
Total non-current inventories	3,823,926	10,028,300
Total inventories at cost	8,397,898	14,655,981

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

8. Trade and other payables

	2024 $	2023 $
Current		
Trade and other payables	6,580	104,521
Distributions unclaimed	219,136	151,235
Accruals	65,404	235,582
Contract liability - rebates	1,432,624	1,154,624
GST payable	20,271	-
Carrying amount of trade and other payables	1,744,015	1,645,962

(a) Trade payables
Trade payables are generally due and payable within 30 days and relate to costs pertaining to all aspects of the land development.

(b) Fair value and credit risk
Due to the short term nature of these payables, their carrying value approximates their fair value.

(c) Liquidity risk
The Trust regularly updates and reviews its cash flow forecasts to assist in managing its liquidity.

9. Auditor's remuneration

	2024 $	2023 $
Amounts paid or payable to Ernst & Young for:		
Audit or review of the financial statements of the Trust		
Full year	27,909	26,429
Other services		
Tax services	6,467	6,124
	34,376	32,553

10. Contingent liabilities

Details of estimated maximum amounts of contingent liabilities (for which no amounts are recognised in the financial statements) are as follows:

	2024 $	2023 $
Project management and selling fees (i)	398,800	161,300

(i) Fees are based on sales contracts held at year end. These amounts will not be payable until the purchaser settles the contract; therefore no provisions are included in the accounts in respect of these matters.

11. Financial risk management objectives and policies

The Trust’s principal financial instruments comprise receivables, payables, and cash.

Included in cash and cash equivalents at 30 June 2024 is an amount of $219,136 (2023: $151,235) held by Computershare in the account name of Burns Beach Property Trust. This amount is restricted to the payment of previously declared dividends or capital returns to shareholders and represents the total of cheques not yet presented by shareholders. The liability in connection with this amount is reflected in trade and other payables at 30 June 2024.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

11. Financial risk management objectives and policies (continued)

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Project Manager manages the Trusts' exposure to key financial risks, which include interest rate risk and credit risk. The overall financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Trust.

The Project Manager identifies, evaluates and mitigates financial risks and reports to relevant parties on a regular basis as deemed appropriate, including compliance officer, other key management, and ultimately the Board of Directors of the Responsible Entity.

(a) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Trust to incur a financial loss.

	Maximum credit exposure	
	2024	**2023**
	$	**$**
Financial assets		
Cash at bank	21,848,894	19,751,222
Receivables	3,475	158,709
	21,852,369	19,909,931

(b) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial asset and liability.

The Trust's interest rate risk is managed by the Responsible Entity by maintaining an appropriate floating interest rate for its cash assets. These activities are evaluated regularly to ensure that the Trust is not exposed to interest rate movements that could adversely impact its ability to meet its financial obligations.

At reporting date, the Trust had the following financial assets exposed to the variable interest rate risk that are not designated as cash flow hedges. The other financial instruments that are not included in the table below are non-interest-bearing and are therefore not subject to interest rate risk.

	2024	**2023**
	$	**$**
Financial assets		
Cash at bank	21,848,894	19,751,222
Net exposure	21,848,894	19,751,222

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates in existence at reporting date, and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year. A 50 basis point increase or decrease used in the interest rate sensitivity analysis was determined based on the Trust's relationship with financial institutions, and represents management's assessment of the possible change in interest rates.

Notes to the Financial Statements (Continued)
For the year ended 30 June 2024

11. Financial risk management objectives and policies (continued)

(b) Interest rate risk (continued)

The potential impact of a change in interest rates by +/-50 basis points on post tax result and net assets attributable to unitholders has been tabulated below:

30 June 2024		**-50 basis points**		**+50 basis points**	
	Carrying amount	**Post tax result**	**Net assets attributable to unitholders**	**Post tax result**	**Net assets attributable to unitholders**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	21,848,894	(81,933)	(81,933)	81,933	81,933
Total (decrease)/increase		(81,933)	(81,933)	81,933	81,933

30 June 2023		**-50 basis points**		**+50 basis points**	
	Carrying amount	**Post tax result**	**Net assets attributable to unitholders**	**Post tax result**	**Net assets attributable to unitholders**
	$	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	19,751,222	(74,067)	(74,067)	74,067	74,067
Total (decrease)/increase		(74,067)	(74,067)	74,067	74,067

(c) Net fair value of financial assets and financial liabilities

The net fair value of the Trust's financial assets and liabilities approximates their carrying value.

Responsible Entity's Statement

In accordance with a resolution of the Directors of Peet Funds Management Limited, the Responsible Entity of the Trust, I state that:

1. In the opinion of the Directors:

(a) The financial statements and notes of the Trust are in accordance with the Corporations Act 2001, including:

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

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(b) There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

2. The financial statements are in accordance with the provisions of the Trust's Deed dated 16 May 1985 (and as amended).

On behalf of the Board

....

Brendan Gore
Director

6 September 2024
Perth, Western Australia

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Independent auditor's report to the members of Burns Beach Property Trust

Opinion

We have audited the financial report of Burns Beach Property Trust (the "Trust"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the responsible entity's statement.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Trust's financial position as at 30 June 2024 and of its financial 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 are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

Other information

The directors of Peet Funds Management Limited, the Responsible Entity of the Trust, are responsible for the other information. The other information is the directors' report accompanying the financial report.

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.

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Responsibilities of the directors for the financial report

The directors of Peet Funds Management Limited, the Responsible Entity 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 *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 are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
6 September 2024

RESPONSIBLE ENTITY

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