

Centuria Capital Group Interim Financial Report for the half year ended 31 December 2023

Centuria Capital Group comprises of Centuria Capital Limited ABN 22 095 454 336 (the 'Company') and its subsidiaries and Centuria Capital Fund ARSN 613 856 358 ('CCF') and its subsidiaries. The Responsible Entity of CCF is Centuria Funds Management Limited ACN 607 153 588, AFSL 479 873, a wholly owned subsidiary of the Company.

Centuria Capital Group

Interim Financial Report - 31 December 2023

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These consolidated interim financial statements are the interim financial statements of the consolidated entity consisting of Centuria Capital Limited and its subsidiaries. The interim financial statements are presented in Australian currency.

Centuria Capital Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Centuria Capital Limited
Level 41, Chifley Tower, 2 Chifley Square
Sydney NSW 2000

The consolidated interim financial statements were authorised for issue by the Directors on 20 February 2024.

Directors' report

The Directors of Centuria Capital Limited (the 'Company') present their interim report together with the consolidated interim financial statements of the Company and its controlled entities (the 'Group') for the half year ended 31 December 2023 and the auditor's review report thereon.

ASX listed Centuria Capital Group consists of the Company and its controlled entities including Centuria Capital Fund ('CCF'). The shares in the Company and the units in CCF are stapled, quoted and traded on the Australian Securities Exchange ('ASX') as if they are a single security under the ticker code 'CNI'.

Directors

The following persons were Directors of the Company during the half year and up to the date of this report, unless otherwise noted:

Director	Role	Appointment Date	Resignation Date
Mr Garry S. Charny	Independent Non-Executive Director and Chairman	23 February 2016	
Ms Kristie R. Brown	Independent Non-Executive Director	15 February 2021	
Ms Joanne Dawson	Independent Non-Executive Director	28 November 2023	
Mr Peter J. Done	Independent Non-Executive Director	28 November 2007	17 November 2023
Mr Jason C. Huljich	Executive Director and Joint Chief Executive Officer	28 November 2007	
Mr John E. McBain	Executive Director and Joint Chief Executive Officer	10 July 2006	
Mr John R. Slater	Independent Non-Executive Director	22 May 2013	
Ms Susan L. Wheeldon	Independent Non-Executive Director	31 August 2016	

Operating and financial review

The Group recorded a consolidated statutory net profit after tax for the half year of \$45,219,000 (half year ended 31 December 2022: \$74,303,000). Statutory net profit after tax has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards.

The Group recorded an operating profit after tax for the half year of \$49,351,000 (half year ended 31 December 2022: \$58,527,000). Operating profit after tax excludes non-operating items such as transaction costs and fair value movements and share of net profit of equity accounted investments in excess of distributions received.

The Segment profit or loss in Note B1 has a detailed breakdown of the composition of operating profit and statutory profit. The Segment summary disclosure in Note A5 provides a detailed summary of the Group's segments and further detail of what is considered operating and non-operating segments.

Eliminations between the operating and non-operating segment largely relate to elimination of inter-group revenues and expenses between the benefit funds, controlled property funds and the Group. Fair value movements of financial instruments and property are also eliminated which relate to movements in fair value of underlying properties in the controlled property funds to appropriately reflect the consolidated results of the controlled property funds.

The statutory net profit after tax (NPAT) includes a number of items that are not considered operating in nature, the table below provides a reconciliation from statutory profit to operating profit.

	31 December 2023 \$'000	31 December 2022 \$'000
Reconciliation of statutory profit to operating profit		
Statutory profit after tax	45,219	74,303
Statutory earnings per Centuria Capital Group security (EPS) (cents)	5.6	9.3
Less non-operating items:		
Unrealised gain on fair value movements in derivatives, property and investments	(3,997)	(23,666)
Corporate transaction and other costs	1,845	1,681
Profit attributable to controlled property funds	(21)	-
Equity accounting adjustments	6,412	4,819
Tax impact of above non-operating adjustments	(107)	1,390
Operating profit after tax	49,351	58,527
Operating EPS (cents)	6.1	7.4

Operating and financial review (continued)

A summary of the Group's operating segments is provided in Note A5 of the Financial Report. The Operating NPAT for the Group comprises the result of the divisions which report to the Joint CEOs and Board of Directors for the purpose of resource allocation and assessment of performance.

Operational highlights for the key divisions were as follows:

Segment	Operating profit after tax for the half year \$'000		Increase/ (Decrease) \$'000	Increase/ (Decrease) %	Highlights
	2023	2022			
Property Funds Management	29,948	40,389	(10,441)	(26)	(a)
Co-Investments	8,075	9,125	(1,050)	(12)	(b)
Property and Development Finance	5,142	2,654	2,488	94	(c)
Investment Bonds Management	1,288	636	652	103	(d)
Developments	407	3,713	(3,306)	(89)	(e)
Corporate	4,491	2,010	2,481	(123)	
Operating profit after tax	49,351	58,527			
	31 December 2023	30 June 2023	\$'000	%	
Total assets	2,127	2,065	62	3	
Total liabilities	696	651	45	7	
Total net assets	1,431	1,414	17	1	
Operating balance sheet gearing	13.9%	10.9%	-	3	
Assets under management	21,100	21,000	100	-	

(a) Property Funds Management

For the half year ended 31 December 2023, Property Funds Management operating NPAT of \$29,948,000 was lower than the previous half year ended 31 December 2022 by \$10,441,000. This decrease is primarily due to lower performance fees by \$9,873,000 compared to the previous corresponding period.

(b) Co-Investments

For the half year ended 31 December 2023, the Co-Investments segment operating profit after tax decreased by \$1,050,000 which is due to a combination of a full half-year impact of increased interest rates as well as additional drawdowns on the Revolver A facility.

(c) Property and Development Finance

For the half year ended 31 December 2023, the Property and Development Finance operating segment net profit after tax was \$5,142,000. This is an increase of \$2,488,000 compared to 31 December 2022 due to AUM increasing from \$1.1 billion to \$1.5 billion.

Centuria Bass is considered a joint venture and treated as an equity accounted investment commencing from 22 April 2021. The operating results of Centuria Bass are shown in Note B1 as the Group's proportionate share.

(d) Investment Bonds Management

For the half year ended 31 December 2023, the Investment Bond Management segment's operating profit after tax increased by \$652,000 to \$1,288,000 mainly due to higher management fees compared to previous period.

(e) Developments

For the half year ended 31 December 2023, the Developments segment operating net profit after tax decreased from \$3,713,000 to \$407,000. This was primarily due to prior year recognition of development profit on the Wyatt Street development in addition to softer development management fees due to fewer of projects.

Operating and financial review (continued)

Earnings per security (EPS)

	31 December 2023		31 December 2022	
	Operating	Statutory	Operating	Statutory
Basic EPS (cents/security)	6.1	5.6	7.4	9.3
Diluted EPS (cents/security)	6.1	5.6	7.3	9.2

Dividends and Distributions

Dividends and distributions paid or declared by the Group during the current half year were:

	Cents per security	Total amount \$'000	Date paid/payable
Dividends/distributions paid during the half year			
Final 2023 dividend (100% franked)	0.50	3,999	18 August 2023
Final 2023 Trust distribution	5.30	42,389	18 August 2023
Dividends/distributions declared during the half year			
Interim 2024 dividend (100% franked)	0.40	3,220	20 February 2024
Interim 2024 Trust distribution	4.60	37,033	20 February 2024

Events subsequent to the reporting date

There has not arisen in the interval between 31 December 2023 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Business strategy, future opportunities and business risks effecting the Group

The Group continues to pursue its strategy of focusing on its core operations, these operations are summarised below.

Property Funds Management:

The Group manages an Australasian portfolio of property assets across listed and unlisted retail and wholesale scheme structures as well as through institutional mandates. The Group supports a diversified range of property asset classes and has developed relevant skills across the platform enabling management to identify the optimal product and asset focus to support its growth objectives.

The Group utilises its balance sheet resources to provide capital support in the form of co-investment or by providing temporary capital raising and financing support as new acquisition and product opportunities are brought to market. The Group will continue to identify the appropriate vehicle and structure to meet the appetite of investors across its listed, unlisted and institutional platforms and support a strong distribution and marketing footprint for these products.

The Group manages a number of institutional mandates and seeks to secure further mandates as it identifies property investment opportunities.

The Group operates a diversified range of products that may operate differently depending on market conditions at a particular point of time. Accordingly, outcomes for these products may counterbalance each other during each market cycle as changes in appetite for particular products vary across differing asset classes. The performance of the underlying funds managed by the Group may impact on the ability of the Group to grow and develop its property funds management business.

Other material business risks faced by the Property Funds Management business that may impact the financial performance of the Group include:

- Loss of key personnel. The Group seeks to mitigate this risk through appropriate remuneration and incentives.
- Economic factors affecting fund performance, property valuations and investor appetite. Whilst these are predominately market driven factors, the Group seeks to actively manage its assets through the economic / asset cycle to maximise tenancy and other value add opportunities in order to best position its property assets and optimise fund performance.

Co-Investments:

The Group holds a range of co-investments. These holdings are diversified across property and credit assets within the Group. This diversification is expected to continue to deliver returns to the Group in line with the performance of the underlying funds as well as acting as a risk mitigant of exposure to any one sector.

The diversification of holdings means the performance of the Group's co-investments operate differently through economic cycles. The relative performance of each holding may impact on the performance of the Group.

Business strategy, future opportunities and business risks effecting the Group (continued)Developments:

Centuria acts as the development manager for a portfolio of development projects and appoints well regarded building contractors to complete the development and take on construction risk. Growth in this area is driven by Centuria's ability to source development opportunities that meet feasibility assessment requirements and can be funded from Centuria's strong balance sheet or access to capital and debt.

Key risks to the future growth prospects of this division include the ability to source projects that meet the feasibility assessment criteria, particularly where building costs are elevated. Increased costs, project overruns and the ability of building contractors to deliver against contracted obligations are material risks that may impact on the financial performance of the Group. Centuria seek to manage these risks by having a highly experienced development team sourcing opportunities, applying a stringent feasibility assessment process, closely monitoring the progress of development projects and partnering with well-regarded and capitalised building contractors.

Property and development finance:

Through its joint venture with Centuria Bass, the Group has exposure to products investing in the provision of debt to residential property development projects. The growth of this division is expected to benefit from a higher interest rate environment coupled with favourable market conditions for non-bank lenders.

The Group will continue to provide capital and resourcing support to this joint venture. Capital support may also be provided by way of co-investment.

Whilst loan defaults may occur, they are managed by Centuria Bass' experienced team with suitable credit risk assessment processes to ensure that sufficient LVR and other risk mitigants are in place. Where default situations are well managed, this can result in increased returns to investors and Centuria Bass. Other than via any co-investments held, the Group does not bear direct credit risk.

Material risks that may impact the future prospects of this joint venture include:

- Changes to interest rates, impacting the returns achievable for credit products both positively and negatively. This economic factor may have an impact on the relative attractiveness of this product to investors. It is important to note that interest rate changes are likely to have a counterbalancing change to the attractiveness of unlisted property products offered by the Group and highlights the importance of diversified product offerings.
- The ability of the Centuria Bass Team to source suitable loans to grow the portfolio, which may have an impact on the growth strategy for this division. Centuria Bass seeks to manage this risk by focusing resourcing on the development of a strong broker distribution network and loan origination marketing presence.
- Changes to economic or market conditions which may impact the rate of loan defaults, particularly where defaults occur and where property values are also impacted. Centuria Bass's credit assessment and selection process seeks to manage this risk.
- Associated partnership risks. The Group seeks to manage this risk by having a close working relationship with Centuria Bass's founders and by integrating Centuria Bass into the Group's operations to the extent appropriate.

Investment Bonds Management:

The Group has invested in substantial product development with the launch of its LifeGoals product and is seeking to offset outflows of legacy policies with new inflows. Legislative changes to superannuation have led to increased interest in the investment bonds sector.

Centuria also provides investment and administrative services to the Over Fifty Guardian Friendly Society Ltd ("OFGFS") and derives fees as a percentage of funds under management. The funds under management for OFGSG are driven by the sale of pre needs funeral contracts and the run off rate as policies mature. These two key factors may impact on the financial performance of the Group both positively and negatively by changing fees payable to the Group.

Material business risks faced by the Investment Bonds Management division that may impact the financial performance of the Group include:

- Loss of key personnel. The Group seeks to mitigate this risk through appropriate remuneration and incentives.
- Failure to meet industry and customer expectations around product administration, impacting the ability of the division to attract and retain customers or financial advisers. The Group seeks to manage this risk by working with its external registry provider to ensure continual improvement and by closely monitoring service levels.
- Poor fund performance impacting the ability to attract and retains customers. The Group seeks to manage this risk by having a robust selection and monitoring process for those fund managers included in its LifeGoals product as well as by having a broad suite of investment options.
- Any changes to regulation or tax treatment of investment bonds may impact on the ability to attract and retain customers, as Investment Bonds currently provide tax benefits to investors when held over the medium term.

Business strategy, future opportunities and business risks effecting the Group (continued)Operational risks:

As well as the specific risks noted above, the Group is faced by a number of broad operational risks that may impact on the future financial performance of the Group, these include:

- Cyber Security risk
- Regulatory risk
- Outsourcing risk
- Human resourcing risk (including culture risk)
- Insurance risk
- Financial costs
- Access to capital (via capital markets)
- Work health and safety (WHS) risks (both corporate and across the property portfolio)
- Business disruption / continuity

Each of the Group's material risks are monitored and managed at both consolidated and subsidiary entity level applying a strong risk management framework supported by a strong risk culture, an experienced and specialist management team and Board and Committee oversight of the management of material risks within the risk appetite set by the Board.

The Centuria sustainability framework addresses ESG-related topics that are relevant to Centuria and our business operations. The sustainability framework provides a strategic focus on ESG topics where risks may evolve, including climate change, energy, and emissions.

Centuria has set a clear mandate for the Group to consider the impacts of climate change on its operations and investments through an approved ESG Policy.

The Group is continually enhancing its internal preparedness and capability to respond to the Task Force on Climate-related Financial Disclosures (TCFD), while also preparing for emerging Australian climate-related disclosures and mandatory External Reporting Board climate-related disclosures in New Zealand this fiscal year. Our FY23 climate-related disclosures can be found in the annual sustainability report.

Environmental regulation

The Group has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of the Group's operations that are subject to significant environmental laws and regulation. The Directors have determined that the Group has complied with those obligations during the financial period and that there has not been any material breach.

In relation to Greenhouse gas and energy reporting, the Group is focused on reducing its operating carbon emissions through the implementation of sustainability targets that support global efforts to be 1.5°C aligned. The Group is targeting zero scope 2 emissions by 2035, with our portfolio being powered by the equivalent of 100% renewable electricity through a combination of onsite solar and large-scale generation certificate (LGC) deals, which match our consumption, and the elimination of gas and diesel where practicable from equipment owned and operated by the Group by 2035. In FY23, we implemented a 5-star Green Star target for the Centuria Industrial REIT and Centuria Office REIT development pipeline, which will provide third-party verification of our ESG performance for new assets.

Indemnification of officers and auditor

The Company has agreed to indemnify all current and former directors and executive officers of the Company and its controlled entities against all liabilities to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as a director or executive officer unless the liability relates to conduct involving a lack of good faith.

The Company has agreed to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts. The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as an officer or auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Rounding of amounts

The Group is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the Directors' Report and consolidated interim financial statements. Amounts in the Directors' Report and consolidated interim financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.



Mr Garry S. Charny
Director



Ms Joanne Dawson
Director

Sydney
20 February 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Centuria Capital Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Centuria Capital Limited (as deemed parent presenting the stapled security arrangement of the Centuria Capital Group) for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Paul Thomas

Partner

Sydney

20 February 2024

Centuria Capital Group

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Consolidated interim statement of comprehensive income

For the half year ended 31 December 2023

		31 December 2023 \$'000	31 December 2022 \$'000
Revenue	B1, B2	143,476	154,011
Share of net profit of equity accounted investments	E1	2,009	792
Net movement in policyholder liability		(7,416)	(3,945)
Mark to market movements of financial instruments and property	B3	11,853	26,952
Expenses	B4	(56,435)	(56,843)
Cost of sales		(21,634)	(15,563)
Finance costs	B5	(19,569)	(18,164)
Profit before tax		52,284	87,240
Income tax expense		(7,065)	(12,937)
Profit after tax		45,219	74,303
Profit after tax is attributable to:			
Centuria Capital Limited		4,160	25,241
Centuria Capital Fund (non-controlling interests)		41,049	49,056
External non-controlling interests		10	6
Profit after tax		45,219	74,303
Other comprehensive income			
Foreign currency translation reserve		2,595	9,019
Total comprehensive income for the period		47,814	83,322
Total comprehensive income for the period is attributable to:			
Centuria Capital Limited		6,755	34,260
Centuria Capital Fund (non-controlling interests)		41,049	49,056
External non-controlling interests		10	6
Total comprehensive income		47,814	83,322
Total profit after tax for the period is attributable to:			
Centuria Capital Limited		4,160	25,241
Centuria Capital Fund (non-controlling interests)		41,049	49,056
Total profit for the period is attributable to Centuria Capital Group securityholders		45,209	74,297
		Cents	Cents
Earnings per Centuria Capital Group security			
Basic (cents per stapled security)		5.6	9.3
Diluted (cents per stapled security)		5.5	9.2
Earnings per Centuria Capital Limited share			
Basic (cents per share)		0.5	3.2
Diluted (cents per share)		0.5	3.1

The above consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated interim statement of financial position

As at 31 December 2023

		31 December 2023 \$'000	30 June 2023 \$'000
	Notes		
Cash and cash equivalents		177,279	225,460
Receivables	C2	122,010	133,278
Income tax receivable		11,000	4,988
Financial assets	C3	1,066,658	939,733
Other assets		10,716	12,714
Inventory	C5	85,407	88,708
Deferred tax assets		8,280	8,637
Equity accounted investments	E1	99,852	90,682
Right of use asset		30,115	32,590
Intangible assets	C6	793,900	793,072
Total assets		2,405,217	2,329,862
Payables	C7	79,348	92,418
Provisions		5,297	5,419
Borrowings	C8	432,739	375,217
Provision for income tax		750	600
Interest rate swaps at fair value		21,433	19,339
Benefit Funds policyholder's liability		285,831	278,793
Deferred tax liabilities		76,817	66,307
Call/Put option liability		34,660	38,255
Lease liability		33,808	35,725
Total liabilities		970,683	912,073
Net assets		1,434,534	1,417,789
Equity attributable to Centuria Capital Limited			
Contributed equity	C9	398,848	394,811
Reserves		14,397	10,063
Retained earnings		297,266	297,353
Total equity attributable to Centuria Capital Limited		710,511	702,227
Equity attributable to Centuria Capital Fund (non-controlling interests)			
Contributed equity	C9	1,039,214	1,034,779
Accumulated losses		(318,576)	(322,592)
Total equity attributable to Centuria Capital Fund (non-controlling interests)		720,638	712,187
Total equity attributable to Centuria Capital Group securityholders		1,431,149	1,414,414
Equity attributable to external non-controlling interests			
Contributed equity		3,358	3,358
Retained earnings		27	17
Total equity attributable to external non-controlling interests		3,385	3,375
Total equity		1,434,534	1,417,789

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

Consolidated interim statement of changes in equity

For the half year 31 December 2023

	Centuria Capital Limited			Centuria Capital Fund (non-controlling interests)			Total attributable to Centuria Capital Group Securityholders	External non-controlling interests			Total equity \$'000	
	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Contributed Total equity \$'000	Accumulated equity \$'000	losses \$'000		Total \$'000	Contributed equity \$'000	Retained earnings \$'000		Total \$'000
Balance at 1 July 2023	394,811	10,063	297,353	702,227	1,034,779	(322,592)	712,187	1,414,414	3,358	17	3,375	1,417,789
Profit for the period	-	-	4,160	4,160	-	41,049	41,049	45,209	-	10	10	45,219
Foreign currency translation reserve	-	2,595	-	2,595	-	-	-	2,595	-	-	-	2,595
Total comprehensive income for the period	-	2,595	4,160	6,755	-	41,049	41,049	47,804	-	10	10	47,814
Equity settled share based payments expense	-	1,739	-	1,739	-	-	-	1,739	-	-	-	1,739
Dividends and distributions paid/accrued	-	-	(4,247)	(4,247)	-	(37,033)	(37,033)	(41,280)	-	-	-	(41,280)
Stapled securities issued	4,147	-	-	4,147	4,456	-	4,456	8,603	-	-	-	8,603
Cost of equity raising	(110)	-	-	(110)	(21)	-	(21)	(131)	-	-	-	(131)
Balance at 31 December 2023	398,848	14,397	297,266	710,511	1,039,214	(318,576)	720,638	1,431,149	3,358	27	3,385	1,434,534

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

Consolidated interim statement of changes in equity

For the half year 31 December 2022

	Centuria Capital Limited			Centuria Capital Fund (non-controlling interests)			Total attributable to Centuria Capital Group securityholders	External non-controlling interests			Total equity	
	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Contributed Total equity \$'000	Accumulated losses \$'000	Total \$'000		Contributed equity \$'000	Retained earnings \$'000	Total \$'000		
Balance at 1 July 2022	389,717	3,491	284,478	677,686	1,025,584	(313,452)	712,132	1,389,818	15,683	27,700	43,383	1,433,201
Profit for the period	-	-	25,241	25,241	-	49,056	49,056	74,297	-	6	6	74,303
Foreign currency translation reserve	-	9,019	-	9,019	-	-	-	9,019	-	-	-	9,019
Total comprehensive income for the period	-	9,019	25,241	34,260	-	49,056	49,056	83,316	-	6	6	83,322
Equity settled share based payments expense	2,970	(404)	-	2,566	-	-	-	2,566	-	-	-	2,566
Dividends and distributions paid/accrued	-	-	(12,327)	(12,327)	-	(36,740)	(36,740)	(49,067)	-	-	-	(49,067)
Stapled securities issued	867	-	-	867	4,397	-	4,397	5,264	-	-	-	5,264
Cost of equity raising	(1)	-	-	(1)	(6)	-	(6)	(7)	-	-	-	(7)
Capital invested to non-controlling interests	-	-	-	-	-	-	-	-	464	-	464	464
Deconsolidation of controlled property funds*	-	-	(2,150)	(2,150)	-	(3,642)	(3,642)	(5,792)	(12,789)	(27,695)	(40,484)	(46,276)
Balance at 31 December 2022	393,553	12,106	295,242	700,901	1,029,975	(304,778)	725,197	1,426,098	3,358	11	3,369	1,429,467

* Included in the deconsolidation of controlled property funds is a correction of the allocation of prior year profits between Centuria Capital Limited, Centuria Capital Fund and external non-controlling interests.

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

Consolidated interim statement of cash flows

For the half year ended 31 December 2023

	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities		
Management fees received	101,558	113,925
Performance fees received	1,129	-
Distributions received	28,312	27,736
Rent received	2,301	2,840
Interest received	5,768	4,136
Payments to suppliers and employees	(57,061)	(76,920)
Interest paid	(18,476)	(14,354)
Income taxes paid	(7,002)	(8,346)
Applications - Benefits Funds	12,133	6,756
Redemptions - Benefits Funds	(13,080)	(10,787)
Net cash provided by operating activities	55,582	44,986
Cash flows from investing activities		
Proceeds from sale of related party investments	125,213	26,268
Loans repaid from other parties	41,200	-
Repayment of loans by related parties	9,255	42,850
Proceeds from sale of investments	8,013	-
Collections from reverse mortgage holders	3,053	390
Purchase of investments in related parties	(177,330)	(43,193)
Loans to related parties	(44,549)	(41,000)
Loans provided to other parties	(41,200)	(33,499)
Benefit Funds net disposals of investments in financial assets	(34,478)	29,051
Purchase of equity accounted investments	(11,132)	(48,677)
Disposal of equity accounted investments	300	49,159
Payments for property, plant and equipment	-	(4,905)
Cash balance on deconsolidation of property funds	-	(6,043)
Payments made for amounts received in advance for redemption	-	(11,023)
Payments of balances held in trust for related parties	-	(14,802)
Sale/(purchase) of property held for development	-	(23,337)
Net cash provided by/(used in) investing activities	(121,655)	(78,761)
Cash flows from financing activities		
Distributions paid to securityholders of Centuria Capital Group	(47,413)	(46,353)
Proceeds from borrowings	88,500	30,000
Repayment of borrowings	(31,669)	(584)
Equity raising costs paid	(131)	(7)
Proceeds from issues of securities to external non-controlling interests	8,603	5,264
Costs paid to issue debt	(242)	(302)
Net cash provided by/(used in) financing activities	17,648	(11,982)
Net (decrease) in cash and cash equivalents	(48,425)	(45,757)
Cash and cash equivalents at the beginning of the period	225,460	200,565
Effects of exchange rate changes on cash and cash equivalents	244	81
Cash and cash equivalents at end of period	177,279	154,889

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

A About the report

A1 General information

The shares in Centuria Capital Limited and the units in Centuria Capital Fund ('CCF') are stapled to trade together as a single stapled security ('Stapled Security') on the ASX as 'Centuria Capital Group' (the 'Group') under the ticker code, 'CNI'.

The Group is a for-profit entity and its principal activities are the marketing and management of investment products, including property investment funds and friendly society investment bonds, co-investments in property investment funds, provider of property and development finance and management of development activities.

Statement of compliance

The consolidated interim financial statements for the half year ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial statements do not include all the notes of the type normally included in the annual financial report. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2023 and any public announcements made by the Group during the half year reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The consolidated interim financial statements have been prepared on the basis of historical cost, except for financial assets at fair value through profit and loss, other financial assets, investment properties and derivative financial instruments which have been measured at fair value at the end of each reporting period. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the Group's functional currency, unless otherwise noted.

Assets and liabilities have been presented on the face of the statement of financial position in decreasing order of liquidity and do not distinguish between current and non-current items.

Going concern

The consolidated interim financial statements have been prepared on a going-concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Rounding of amounts

The Group is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the Directors' Report and consolidated interim financial statements. Amounts in the Directors' Report and consolidated interim financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

A2 Significant accounting policies

The accounting policies and methods of computation in the preparation of the consolidated interim financial statements are consistent with those adopted in the previous financial year ended 30 June 2023 with the exception of the adoption of new accounting standards outlined below or in the relevant notes to the consolidated interim financial statements.

When the presentation or classification of items in the consolidated interim financial statements has been amended, comparative amounts are also reclassified, unless it is impractical. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

These consolidated interim financial statements contain all significant accounting policies that summarise the recognition and measurement basis used and which are relevant to provide an understanding of the consolidated interim financial statements. Accounting policies that are specific to a note to the consolidated interim financial statements are described in the note to which they relate.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

A2 Significant accounting policies (continued)

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the Australian dollar (AUD) at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into AUD at the exchange rates at the date of the transactions.

Foreign currency differences arising from the translation of foreign operations are recognised in OCI and accumulated into the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest (NCI).

A3 Other new accounting standards and interpretations

The AASB has issued new or amendments to standards that are first effective from 1 July 2023.

The following amended standards and interpretations that have been adopted do not have a significant impact on the Group's consolidated interim financial statements.

Standards now effective:

- AASB 17 Insurance Contracts
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-7(a-b) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards - Initial application of AASB 17 and AASB 9 - Comparative Information
- AASB 2023-2 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules

Standards not yet effective:

A number of new standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated interim financial statements.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated interim financial statements.

- AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2021-7(c) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A4 Use of judgements and estimates

In preparing these consolidated interim financial statements management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are included in the following notes:

- Note B2 Revenue - Performance fees
- Note C6 Intangible assets
- Note F1 Financial instruments

A5 Segment summary

As at 31 December 2023 the Group has six reportable operating segments. These reportable operating segments are the divisions which report to the Group's Joint Chief Executive Officers and Board of Directors for the purpose of resource allocation and assessment of performance.

The reportable operating segments are:

Operating segments	Description
Property Funds Management	Management of listed and unlisted property funds as well as co-working spaces.
Co-Investments	Direct interest in property funds, properties held for sale and development and liquid investments.
Developments	Management of development projects and completion of structured property developments which span sectors ranging from Commercial Office, Industrial, Healthcare through to Residential Mixed Use.
Property and Development Finance	Provision of real estate secured non-bank finance for land sub-division, bridging finance, development projects and residual stock.
Investment Bonds Management	Management of the Benefit Funds of Centuria Life Limited and management of the Over Fifty Guardian Friendly Society Limited. The Benefit Funds include a range of financial products, including single and multi-premium investments.
Corporate	Overheads for supporting the Group's operating segments and management of a reverse mortgage lending portfolio.

In addition, the Group provides disclosures in relation to a further four non-operating segments, which are:

Non-operating segments	Description
Non-operating items	Comprises transaction costs, mark-to-market movements on financial assets, property and derivative financial instruments, share of equity accounted net profit in excess of distributions received and all other non-operating activities.
Benefit Funds	Represents the operating results and financial position of the Benefit Funds of Centuria Life Limited which are required to be consolidated in the Group's financial statements in accordance with accounting standards.
Controlled Property Funds	Represents the operating results and financial position of property funds which are managed by the Group and consolidated under accounting standards. The Group's principal activities do not include direct ownership of these funds for the purpose of control and deriving rental income. Therefore, the results attributable to the controlled property funds are excluded from operating profit. However, the performance management fees of the controlled property funds is included in operating profit, aligned with how performance of the business is assessed by management of the Group.
Eliminations	Elimination of transactions between the operating segments and the other non-operating segments above, including transactions between the operating entities within the Group, and the property funds controlled by the Group and the Benefit Funds.

The accounting policies of reportable segments are the same as the Group's accounting policies.

Refer below for an analysis of the Group's segment results:

- Note B1 Segment profit and loss
- Note C1 Segment balance sheet
- Note D1 Operating segment cash flows

B Business performance

B1 Segment profit and loss

For the half year 31 December 2023	Notes	Property	Co-	Property	Investment	Operating		Non	Controlled		Statutory		
		Management	Investments	development	Bonds	profit	operating	operating	Benefits	Property		Eliminations	profit
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Management fees		72,559	-	4,491	-	4,429	-	81,479	-	-	-	(1,838)	79,641
Distribution/dividend revenue		-	20,630	-	-	-	-	20,630	(1,722)	3,041	-	-	21,949
Development and property sales revenue		-	-	17,134	-	-	-	17,134	4,500	-	-	-	21,634
Interest revenue		-	4,299	19	7,899	108	1,364	13,689	(7,899)	984	12	(154)	6,632
Property performance fees		4,772	-	-	-	-	-	4,772	-	-	-	-	4,772
Property acquisition fees		3,979	-	-	-	-	-	3,979	-	-	-	-	3,979
Rental income		517	1,566	-	-	-	-	2,083	-	-	9	-	2,092
Underwriting fees		658	-	-	-	-	-	658	-	-	-	-	658
Financing fees		517	-	-	3,319	-	-	3,836	(3,319)	-	-	-	517
Property sales fees		209	-	-	-	-	-	209	-	-	-	-	209
Other income		192	135	-	489	233	118	1,167	163	63	-	-	1,393
Total Revenue	B2	83,403	26,630	21,644	11,707	4,770	1,482	149,636	(8,277)	4,088	21	(1,992)	143,476
Share of profit from equity accounted investments	E1	-	-	-	-	-	-	-	2,009	-	-	-	2,009
Mark to market movements of financial instruments and property	B3	-	-	-	-	-	-	-	3,997	7,856	-	-	11,853
Expenses	B4	(39,099)	(312)	(3,930)	(4,356)	(2,936)	(9,073)	(59,706)	3,595	(2,162)	-	1,838	(56,435)
Finance costs	B5	(5)	(16,576)	-	(19)	-	(36)	(16,636)	(1,084)	-	-	154	(17,566)
Cost of sales		-	-	(17,134)	-	-	-	(17,134)	(4,500)	-	-	-	(21,634)
Net movement in policyholder liabilities		-	-	-	-	-	-	-	-	(7,416)	-	-	(7,416)
Finance charges - puttable instruments and reverse mortgages	B5	(1,186)	-	-	-	-	(817)	(2,003)	-	-	-	-	(2,003)
Profit/(Loss) before tax		43,113	9,742	580	7,332	1,834	(8,444)	54,157	(4,260)	2,366	21	-	52,284
Income tax benefit/(expense)		(13,165)	(1,667)	(173)	(2,190)	(546)	12,935	(4,806)	107	(2,366)	-	-	(7,065)
Profit/(Loss) after tax		29,948	8,075	407	5,142	1,288	4,491	49,351	(4,153)	-	21	-	45,219
Profit/(Loss) after tax attributable to:													
Centuria Capital Limited		29,948	5,794	407	5,142	1,288	(37,127)	5,452	(1,303)	-	11	-	4,160
Centuria Capital Fund		-	2,281	-	-	-	41,618	43,899	(2,850)	-	-	-	41,049
Profit/(Loss) after tax attributable to Centuria Capital Group Securityholders		29,948	8,075	407	5,142	1,288	4,491	49,351	(4,153)	-	11	-	45,209
Non-controlling interests		-	-	-	-	-	-	-	-	-	10	-	10
Profit/(Loss) after tax		29,948	8,075	407	5,142	1,288	4,491	49,351	(4,153)	-	21	-	45,219

B1 Segment profit and loss (continued)

For the half year 31 December 2022	Notes	Property	Co-	Property	Investment	Corporate	Operating	Non	Benefits	Controlled	Eliminations	Statutory	
		Funds	Investments	development	and								Bonds
		Management	Development	finance	Management								
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Management fees		69,233	-	7,454	-	3,997	-	80,684	-	-	-	(1,714)	78,970
Distribution/dividend revenue		-	20,047	-	-	-	-	20,047	(1,819)	3,212	-	-	21,440
Development and property sales revenue		-	-	17,923	-	-	-	17,923	-	-	-	-	17,923
Property performance fees		14,645	-	-	-	-	-	14,645	-	-	-	-	14,645
Property acquisition fees		9,265	-	-	-	-	-	9,265	-	-	-	-	9,265
Interest revenue		-	3,507	-	2,585	-	1,368	7,460	(2,585)	631	-	(28)	5,478
Rental income		-	2,455	10	-	-	-	2,465	-	-	6	-	2,471
Underwriting fees		1,266	-	-	-	-	-	1,266	-	-	-	-	1,266
Property sales fees		875	-	-	-	-	-	875	-	-	-	-	875
Financing fees		411	-	-	2,839	-	-	3,250	(2,839)	-	-	-	411
Other income		209	7	220	650	270	481	1,837	(650)	80	-	-	1,267
Total revenue	B2	95,904	26,016	25,607	6,074	4,267	1,849	159,717	(7,893)	3,923	6	(1,742)	154,011
Share of net profit of equity accounted investments	E1	-	-	-	-	-	-	-	792	-	-	-	792
Net movement in policyholder liabilities		-	-	-	-	-	-	-	-	(3,945)	-	-	(3,945)
Mark to market movements of financial instruments and property	B3	-	-	-	-	-	-	-	23,666	3,286	-	-	26,952
Expenses	B4	(39,817)	(37)	(4,327)	(2,282)	(2,944)	(8,633)	(58,040)	1,203	(1,720)	-	1,714	(56,843)
Finance costs	B5	(7)	(15,594)	(4)	(1)	-	(29)	(15,635)	(609)	-	-	28	(16,216)
Cost of sales		-	-	(15,563)	-	-	-	(15,563)	-	-	-	-	(15,563)
Finance charges - puttable instruments and reverse mortgages	B5	(1,042)	-	-	-	-	(906)	(1,948)	-	-	-	-	(1,948)
Profit/(Loss) before tax		55,038	10,385	5,713	3,791	1,323	(7,719)	68,531	17,159	1,544	6	-	87,240
Income tax benefit/(expense)		(14,649)	(1,260)	(2,000)	(1,137)	(687)	9,729	(10,004)	(1,389)	(1,544)	-	-	(12,937)
Profit after tax		40,389	9,125	3,713	2,654	636	2,010	58,527	15,770	-	6	-	74,303
Profit/(loss) after tax attributable to:													
Centuria Capital Limited		40,389	2,107	3,713	2,654	636	(30,763)	18,736	6,505	-	-	-	25,241
Centuria Capital Fund		-	7,018	-	-	-	32,773	39,791	9,265	-	-	-	49,056
Profit/(Loss) after tax attributable to Centuria Capital Group Securityholders		40,389	9,125	3,713	2,654	636	2,010	58,527	15,770	-	-	-	74,297
Non-controlling interests		-	-	-	-	-	-	-	-	-	6	-	6
Profit/(Loss) after tax		40,389	9,125	3,713	2,654	636	2,010	58,527	15,770	-	6	-	74,303

B2 Revenue

Revenue has been disaggregated in the segment profit and loss in Note B1.

(a) Transaction price allocated to the remaining performance obligations

The following table represents additional information not required by accounting standards of revenue expected to be recognised in the future relating to performance conditions that are unsatisfied (or partially unsatisfied) at period end. These amounts represent the unconstrained values of expected future revenue.

	Recognised in Half-year ended 31 Dec 2023 \$'000	Balance of unrecognised performance obligations as at 31 Dec 2023 \$'000	Recognised in Half-year ended 31 Dec 2022 \$'000	Balance of unrecognised performance obligations as at 31 Dec 2022 \$'000
Property performance fee*	4,772	111,832	14,645	161,847
Management fees**	21,219	114,034	20,014	76,702
Development revenue***	17,134	46,564	17,923	83,010

* The underlying property funds managed by the Group have total estimated performance fees payable of \$178,162,696 as at 31 December 2023 (\$207,520,330 at 31 December 2022) based on the current financial performance of the underlying property funds. These represent an estimate of the total expected performance fee revenue due to the Group from the property funds over their remaining lives. Of these performance fees, the Group has recognised \$4,772,000 in FY24, with \$61,619,000 recognised in prior years. The total estimated amount of performance fees available to the Group to recognise is \$111,832,000 (31 December 2022: \$161,847,000).

These amounts are expected to be recognised in future periods based on expected fund expiries which range up to FY30. Unrecognised performance fees are based on current property valuations and anticipated fund expire dates and as a result may not be fees that will eventuate upon actual Fund expiry. Further, these amounts may not be in line with the point performance fees recognition will normally be triggered based on the Group's accounting policy outlined in B2(a) of the annual consolidated financial statements i.e. amounts disclosed are not constrained to represent the amount of future revenue that is highly probable of not being realised.

** Relates only to unlisted property funds management fees which have a defined fund life as per the fund's offer document. The amount is an estimated amount based on the 31 December 2023 balance of defined metrics or fixed amount as set out in the Group's accounting policy outlined in B2(a) of the annual consolidated financial statements. The Group expects to recognise the revenue over the next seven years. As defined metrics are primarily driven by property valuations, the unrecognised management fees may not be fees that will eventuate over the life of the fund.

*** Relates to property development contracts where the Group is acting as developer and is based on contracted revenue. The Group expects to recognise the revenue in the coming 12 months as the development activity is completed.

(b) Transactions with related parties

Management fees are charged to related parties in accordance with the respective trust deeds and management agreements.

	31 December 2023 \$	31 December 2022 \$
Management fees from Property Funds managed by Centuria	72,558,763	69,232,736
Distributions from Property Funds managed by Centuria	18,907,547	18,227,858
Development revenue from Property Funds managed by Centuria	17,133,871	19,029,760
Interest from Debt Funds managed by Centuria	7,899,095	2,585,000
Performance fees from Property Funds managed by Centuria	4,772,117	14,645,432
Development management fees from Property Funds managed by Centuria	4,490,807	7,453,659
Property acquisition fees from Property Funds managed by Centuria	3,978,511	9,265,175
Fees from Debt funds managed by Centuria	3,318,800	2,839,000
Management fees from Over Fifty Guardian Friendly Society	1,690,351	1,700,589
Interest income on loans to Property Funds managed by Centuria	1,407,531	1,697,299
Underwriting fees in relation to Property Funds managed by Centuria	657,977	1,266,260
Sales fees from Property Funds managed by Centuria	209,126	875,249
Interest income on loan to Bass Property Credit Fund	376,210	282,866
Interest income on loan to Centuria Bass Credit Fund	103,688	58,511
	137,504,394	149,159,393

Terms and conditions of transactions with related parties

Investments in property funds and benefit funds held by key management personnel (KMP) and KMP-related entities are made on the same terms and conditions as all other investors and policyholders. KMP and KMP-related entities receive the same returns on these investments as all other investors and policyholders.

The Group pays some expenses on behalf of related entities and receives a reimbursement for those payments. As at 31 December 2023, the amount receivable from related parties per note C2(a) is \$15,021,090.

B3 Mark to market movements of financial instruments and property

The following table provides a summary of mark to market movements of investments and property during the period:

	31 December 2023 \$'000	31 December 2022 \$'000
Movement in Centuria Industrial REIT's listed market price	15,164	31,340
Movement in Centuria Office REIT's listed market price	(2,733)	(15,978)
Movement in Healthcare put/call option	3,594	12,643
Other mark to market movements	(4,172)	(1,053)
Total mark to market movement	11,853	26,952

B4 Expenses

	31 December 2023 \$'000	31 December 2022 \$'000
Employee benefits expense	38,456	39,665
Depreciation expense	3,084	2,696
Superannuation contribution expense	2,613	2,131
Property management fees paid	1,804	1,697
Consulting and professional fees	1,933	1,802
Insurance costs	1,908	2,532
Information technology expenses	1,592	1,311
Administration fees	1,231	917
Transaction costs	607	1,096
Property outgoings and fund expenses	95	249
Other expenses	3,112	2,747
	56,435	56,843

(a) Transactions with key management personnel

As a matter of Board policy, all transactions with key management personnel are conducted on arms-length commercial or employment terms.

B5 Finance costs

	31 December 2023 \$'000	31 December 2022 \$'000
Group interest charges	16,463	15,604
Finance lease interest	1,103	611
Total Finance costs	17,566	16,215
Finance charge - puttable instruments	1,186	1,043
Reverse mortgage facility interest charges	817	906
Fair value loss/(gain) on derivatives - interest rate swaps	911	(477)
Fair value (gain)/loss on financial assets - reverse mortgages	(911)	477
Total Finance charges - puttable instruments and reverse mortgages	2,003	1,949
	19,569	18,164

B6 Dividends and distributions

	31 December 2023		31 December 2022	
	Cents per security	Total \$'000	Cents per security	Total \$'000
Dividends/distributions paid during the half year				
Final year-end dividend (fully franked)	0.50	3,999	0.90	7,114
Final year-end distribution	5.30	42,389	4.60	36,363
Dividends/distributions declared during the half year				
Interim dividend (fully franked) ⁽ⁱ⁾	0.40	3,220	1.20	9,557
Interim distribution ⁽ⁱ⁾	4.60	37,033	4.60	36,634

⁽ⁱ⁾ The Group declared a dividend/distribution in respect of the half year ended 31 December 2023 of 5.0 cents per stapled security which included a dividend of 0.4 cents per share and a distribution of 4.6 cents per unit. The interim dividend/distribution had a record date of 29 December 2023 and is payable on 20 February 2024. The total amount payable of \$40,253,000 has been provided as a liability in these financial statements.

C Assets and liabilities

C1 Segment balance sheet

As at 31 December 2023		Property Funds Management \$'000	Co- Investments \$'000	Development \$'000	Property and development finance \$'000	Investment Bonds Management \$'000	Corporate \$'000	Operating balance sheet \$'000	Benefits Funds \$'000	Controlled Property Funds \$'000	Eliminations \$'000	Statutory balance sheet \$'000
Notes												
Assets												
		73,405	45,102	6,925	-	11,854	26,358	163,644	13,321	314	-	177,279
	C2	80,026	9,103	11,965	-	873	17,302	119,269	2,475	1	265	122,010
		-	-	-	-	-	11,000	11,000	-	-	-	11,000
	C3	-	756,153	-	-	-	42,120	798,273	275,910	31	(7,556)	1,066,658
		308	-	106	-	77	10,225	10,716	-	-	-	10,716
	C5	-	61,653	17,287	-	-	-	78,940	-	6,467	-	85,407
		8,282	-	3,807	-	-	9,139	21,228	-	-	(12,948)	8,280
	E1	-	67,201	3,347	29,304	-	-	99,852	-	-	-	99,852
		10,575	-	-	-	-	19,540	30,115	-	-	-	30,115
	C6	793,900	-	-	-	-	-	793,900	-	-	-	793,900
	Total assets	966,496	939,212	43,437	29,304	12,804	135,684	2,126,937	291,706	6,813	(20,239)	2,405,217
Liabilities												
	C7	7,697	45,399	5,400	-	2,863	15,785	77,144	2,393	5	(194)	79,348
		2,902	-	-	-	-	2,395	5,297	-	-	-	5,297
	C8	-	434,645	-	-	-	2,191	436,836	-	-	(4,097)	432,739
		55	-	-	-	-	-	55	428	2	265	750
		-	-	-	-	-	21,433	21,433	-	-	-	21,433
		-	-	-	-	-	-	-	285,831	-	-	285,831
		84,237	1,815	-	-	659	-	86,711	3,054	-	(12,948)	76,817
		-	-	-	-	-	34,660	34,660	-	-	-	34,660
		10,822	-	-	-	-	22,986	33,808	-	-	-	33,808
	Total liabilities	105,713	481,859	5,400	-	3,522	99,450	695,944	291,706	7	(16,974)	970,683
	Net assets	860,783	457,353	38,037	29,304	9,282	36,234	1,430,993	-	6,806	(3,265)	1,434,534

C1 Segment balance sheet (continued)

As at 30 June 2023	Notes	Property Funds Management \$'000	Co- Investments \$'000	Development \$'000	Property and development finance \$'000	Investment Bonds Management \$'000	Corporate \$'000	Operating balance sheet \$'000	Benefits Funds \$'000	Controlled Property Funds \$'000	Eliminations \$'000	Statutory balance sheet \$'000
Assets												
Cash and cash equivalents		69,999	58,263	1,838	-	10,138	39,137	179,375	45,394	691	-	225,460
Receivables	C2	86,227	11,445	23,750	-	826	7,027	129,275	3,699	39	265	133,278
Income tax receivable		337	-	-	-	-	4,651	4,988	-	-	-	4,988
Financial assets	C3	-	672,363	-	-	-	41,887	714,250	233,009	-	(7,526)	939,733
Other assets		233	-	24	-	47	12,410	12,714	-	-	-	12,714
Inventory	C5	-	65,765	16,918	-	-	-	82,683	-	6,025	-	88,708
Deferred tax assets		8,637	294	4,386	-	-	12,492	25,809	-	-	(17,172)	8,637
Equity accounted investments	E1	-	61,547	2,973	26,162	-	-	90,682	-	-	-	90,682
Right of use asset		10,810	-	-	-	-	21,780	32,590	-	-	-	32,590
Intangible assets	C6	793,072	-	-	-	-	-	793,072	-	-	-	793,072
Total assets		969,315	869,677	49,889	26,162	11,011	139,384	2,065,438	282,102	6,755	(24,433)	2,329,862
Liabilities												
Payables	C7	27,451	47,778	7,348	-	1,965	5,904	90,446	1,972	-	-	92,418
Provisions		3,024	-	-	-	-	2,395	5,419	-	-	-	5,419
Borrowings	C8	-	375,504	-	-	-	3,859	379,363	-	-	(4,146)	375,217
Provision for income tax		-	-	-	-	-	-	-	335	-	265	600
Interest rate swap at fair value		-	-	-	-	-	19,339	19,339	-	-	-	19,339
Benefit Funds policy holders' liability		-	-	-	-	-	-	-	278,793	-	-	278,793
Call/Put option liability		-	-	-	-	-	38,255	38,255	-	-	-	38,255
Deferred tax liability		81,863	-	-	-	614	-	82,477	1,002	-	(17,172)	66,307
Lease liability		10,949	-	-	-	-	24,776	35,725	-	-	-	35,725
Total liabilities		123,287	423,282	7,348	-	2,579	94,528	651,024	282,102	-	(21,053)	912,073
Net assets		846,028	446,395	42,541	26,162	8,432	44,856	1,414,414	-	6,755	(3,380)	1,417,789

C2 Receivables

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
Receivables from related parties	C2(a)	102,880	110,624
Other receivables		19,130	21,498
Contract assets		-	1,156
		122,010	133,278

All receivables are current except for \$48,186,000 (30 June 2023: \$36,500,000) of performance fees receivable which are non-current. These are located in Note C2(a).

The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

(a) Receivables from related parties

The following amounts were owed by related parties of the Group at the end of the financial period:

	31 December 2023 \$	30 June 2023 \$
Performance fees accrued from property funds managed by Centuria	64,314,202	60,381,343
Recoverable expenses owing from property funds managed by Centuria	15,021,090	21,045,276
Management fees owing from property funds managed by Centuria	13,317,607	13,352,737
Distribution receivable from Centuria Industrial REIT	4,043,791	4,045,118
Distribution receivable from Centuria Office REIT	2,732,801	3,211,042
Deposits receivable from property funds managed by Centuria	2,103,455	1,314,069
Distribution receivable from unlisted property funds managed by Centuria	1,346,569	1,220,648
Development revenue receivable from property funds managed by Centuria	-	6,054,148
	102,879,515	110,624,381

The ageing of receivables from the related parties of the Group at the reporting date was as follows:

	31 December 2023 \$'000	30 June 2023 \$'000
Not due	91,734	97,433
Past due:		
1 to 30 Days	5,588	4,862
31 to 60 Days	949	4,062
>60 days overdue	4,609	4,267
	102,880	110,624

As at 31 December 2023, the Group had \$11,146,000 receivables from related parties (2023: \$13,191,000) past due but not impaired.

Collectability of the receivables from related parties is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in the year in which they are identified. A provision for expected credit losses is processed based on historical default percentages and current observable data including forecasts of economic conditions. The amount of the provision is the difference between the carrying amount and estimated future cash flows.

C3 Financial assets

		31 December 2023 \$'000	30 June 2023 \$'000
	Notes		
Investment in related party unit trusts at fair value	C3(a)	693,398	637,537
Investments in trusts, shares and other financial instruments at fair value ⁽ⁱ⁾		250,637	215,149
Loans receivable from related parties	C3(b)	80,503	45,160
Reverse mortgage receivables ⁽ⁱⁱ⁾		42,120	41,887
		1,066,658	939,733

Financial assets are classified as non-current assets as the Group is not intending to dispose of financial assets within the next twelve months.

⁽ⁱ⁾ The amounts include investments that are held by the Benefit Funds that are not related parties.

⁽ⁱⁱ⁾ Whilst some mortgages are likely to be repaid during the next 12 months, the Group does not control the repayment date.

C3 Financial assets (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss

The following table details related party investments carried at fair value through profit and loss.

	31 December 2023			30 June 2023		
	Fair value \$	Units held	Ownership %	Fair value \$	Units held	Ownership %
Financial assets held by the Group						
Centuria Industrial REIT	328,558,006	101,094,771	15.92%	313,393,790	101,094,771	15.92%
Centuria Office REIT	122,065,112	91,093,367	15.25%	124,797,913	91,093,367	15.25%
Centuria Healthcare Property Fund	41,392,730	45,436,586	12.43%	-	-	0%
Centuria NZ Industrial Fund	36,007,901	25,015,037	10.00%	35,813,852	25,015,037	10.00%
Prime Healthcare Holding Trust	24,771,420	24,771,420	10.00%	22,347,535	22,392,320	10.00%
Centuria Healthcare Direct Medical Fund No. 2	23,095,352	18,673,473	12.04%	23,423,708	18,673,473	12.04%
Centuria NZ Property Fund	17,076,470	19,986,894	19.98%	16,922,848	19,986,894	19.98%
Asset Plus Limited	16,833,973	72,507,288	19.99%	17,627,919	72,507,288	19.99%
Dragon Hold Trust	13,135,312	969,622,257	10.00%	13,135,312	969,622,257	10.00%
Centuria 111 St Georges Terrace Fund	12,408,519	3,485,539	18.06%	13,155,329	3,485,539	18.06%
Matrix Trust	11,395,426	12,803,849	5.00%	13,435,129	12,803,849	5.00%
Centuria Wholesale Agricultural Trust No. 2	4,669,920	4,324,000	12.64%	4,659,877	4,324,000	12.64%
Centuria Penrose Limited	3,839,421	4,445,471	3.74%	3,792,925	4,445,471	3.74%
Centuria NZ Healthcare Property Fund	3,626,132	4,836,692	6.85%	6,524,916	8,780,442	12.43%
Centuria Healthcare Aged Care Property Fund No.1	3,522,613	5,513,559	9.21%	3,599,019	5,513,559	9.21%
Pialba Place Trust	3,279,242	5,129,345	23.32%	3,660,653	5,129,345	23.32%
Centuria Industrial Income Fund No. 2	3,108,751	3,238,282	14.43%	3,563,945	3,563,945	15.88%
Centuria Government Income Property Fund	527,702	643,539	0.48%	662,845	643,539	0.48%
Centuria ATP Fund	200,727	104,545	0.23%	226,864	104,545	0.17%
251 St Georges Terrace Trust	113,000	100,000	0.26%	116,000	100,000	0.26%
Centuria 25 Grenfell Street Fund	38,410	40,010	0.08%	42,811	40,010	0.08%
	<u>669,666,139</u>			<u>620,903,190</u>		
Financial assets held by the Benefit Funds						
Centuria Office REIT	9,066,867	6,766,319	1.13%	9,269,857	6,766,319	1.13%
Bass Property Credit Fund	7,685,507	7,507,577	4.04%	-	-	0%
Centuria Industrial REIT	4,161,040	1,280,320	0.20%	3,968,992	1,280,320	0.20%
Centuria Bass First Mortgage Fund No. 3	1,750,000	1,750,000	13.78%	1,076,923	1,076,923	8.47%
Centuria SOP Fund	1,068,100	1,000,000	3.28%	1,068,100	1,000,000	3.28%
Centuria Bass First Mortgage Fund No. 2	-	-	0%	1,250,000	1,250,000	6.59%
	<u>23,731,514</u>			<u>16,633,872</u>		
	<u>693,397,653</u>			<u>637,537,062</u>		

C3 Financial assets (continued)
(a) Investments in related party unit trusts carried at fair value through profit or loss (continued)

	31 December 2023 \$'000	30 June 2023 \$'000
Opening balance	637,537	608,729
Investment purchases	177,330	63,736
Disposal	(125,213)	(61,966)
Foreign currency translation	1,630	2,085
Mark to market movement	2,114	(6,044)
Carrying value transferred from equity accounted investments	-	30,997
	693,398	637,537

(b) Loans receivable from related parties

The following loans were receivable from related parties of the Group at the end of the period:

	31 December 2023 \$'000	30 June 2023 \$'000
Centuria NZ Healthcare Property Fund	45,209	45,160
CHPF 4 Sub Trust	28,567	-
BFNZ No. 4 Limited	6,727	-
	80,503	45,160

Movement during the period as follows:

	31 December 2023 \$'000	30 June 2023 \$'000
Opening balance	45,160	70,045
Loans issued	44,548	-
Repayments	(9,250)	(24,618)
Provision	(438)	(1,275)
Foreign currency translation	483	1,008
	80,503	45,160

\$45,209,000 of the loan receivable from Centuria NZ Healthcare Property Fund (CNZHPF) accrues interest at 4.75% per annum and does not have a maturity date and therefore is considered non-current.

As of 31 December 2023, the Group assessed the recoverability of the loan receivable from CNZHPF and recognised \$438,200 loss allowance against the asset. The total loss allowance provided as at 31 December 2023 is \$1,713,000.

\$28,567,000 of the loan receivable from CHPF 4 Sub Trust accrues interest equivalent to the underlying properties net operating income and has a maturity date of 20 March 2025 or such other date as the Group and borrower may agree in writing. Therefore it is considered non-current.

\$6,727,000 of the loan receivable from BFNZ No. 4 Limited (Kapiti) accrues interest at 10% per annum and has a settlement date of March 2024 and therefore is considered current.

C4 Investment properties

	31 December 2023 \$'000	30 June 2023 \$'000
Opening balance	-	337,500
Deconsolidation of controlled property funds	-	(337,500)
	-	-

All investment properties are considered non-current.

C5 Inventory

	31 December 2023 \$'000	30 June 2023 \$'000
Property held for development	45,938	43,949
Properties held for sale	39,469	44,759
	<u>85,407</u>	<u>88,708</u>

Properties held for sale are classified as current.

Property held for development are classified as non-current.

(a) Property held for development

	31 December 2023 \$'000	30 June 2023 \$'000
1 & 1a Macmurray Road 4, 6, 10 and 10a Robert Hall Avenue, Remuera, Auckland, New Zealand	22,184	21,151
17-19 Man Street, Queenstown, New Zealand	15,818	15,314
741 Cudgen Road, Cudgen, Australia	6,467	6,025
27-29 Young St, West Gosford, Australia	1,469	1,459
	<u>45,938</u>	<u>43,949</u>

	31 December 2023 \$'000	30 June 2023 \$'000
Opening Balance	43,949	45,679
Capital expenditure	1,777	3,318
Foreign currency translation	212	2,027
Acquisitions	-	20,246
Reversal of impairment	-	2,882
Disposals	-	(30,203)
	<u>45,938</u>	<u>43,949</u>

(b) Property held for sale

	31 December 2023 \$'000	30 June 2023 \$'000
10 Danvers Street, Hastings (Waiapu Lifecare)	10,494	10,659
202 - 204 Kamo Road, Whangarei (Puriri Court Lifecare)	9,473	9,924
69 Moehau Street, Te Puke (Carter House Lifecare)	8,126	8,086
50 McLauchlan Street, Blenheim (Waterlea Lifecare)	5,758	5,789
117 Shakespeare Street, West Coast (Granger House Lifecare)	5,618	5,743
1 Cargill Street, Invercargill (Cargill Lifecare)	-	2,940
15 Karina Terrace, Palmerston (Karina Lifecare)	-	1,608
	<u>39,469</u>	<u>44,759</u>

	31 December 2023 \$'000	30 June 2023 \$'000
Opening Balance	44,759	89,104
Additions	297	148
Disposals	(4,500)	(37,408)
Impairment	(1,525)	(8,512)
Foreign currency translation	438	1,427
	<u>39,469</u>	<u>44,759</u>

C5 Inventory (continued)

(b) Property held for sale (continued)

On 28 September 2023, 15 Karina Terrace Palmerston (Karina Lifecare) settled for NZ\$1,850,000 (AU\$1,701,000).

On 18 December 2023, the Group entered into an unconditional sale agreement with a third party to sell 1 Cargill Street, Invercargill (Cargill Lifecare) for NZ\$3,020,000 (AU\$2,799,000) which subsequently settled on 22 January 2024.

C6 Intangible assets

	31 December 2023 \$'000	30 June 2023 \$'000
Goodwill	485,074	484,456
Indefinite life management rights	308,826	308,616
	793,900	793,072
	31 December 2023 \$'000	30 June 2023 \$'000
Opening balance	793,072	791,521
Foreign currency translation	828	1,551
	793,900	793,072

Goodwill and intangible assets are classified as non-current.

Goodwill and management rights are solely attributable to the Property Funds Management cash generating unit with recoverability determined by a value in use calculation using profit and loss projections covering a five year period, with a terminal value determined after five years.

Key estimates and judgements

The key assumptions used in the value in use calculations for the Property Funds Management cash-generating unit are as follows:

Revenue

Revenues from 2024-2028 are assumed to increase at an average rate of 4.7% (2023: 4.5%) per annum. The directors believe this is a prudent and achievable growth rate based on past experience.

Expenses

Expenses from 2024-2028 are assumed to increase at an average rate of 5.3% (2023: 5.3%) per annum. The directors believe this is an appropriate growth rate based on past experience.

Discount rate

Discount rates are determined to calculate the present value of future cash flows. A pre-tax rate of 9.8% (2023: 10.0%) is applied to cash flow projections. In determining the appropriate discount rate, regard has been given to relevant market data as well as Group specific inputs.

Terminal growth rate

Beyond 2028, a growth rate of 3.0% (2023: 3.0%), in line with long term economic growth, has been applied to determine the terminal value of the asset.

Sensitivity to changes in assumptions

As at 31 December 2023, the estimated recoverable amount of intangibles including goodwill relating to the Property Funds Management cash-generating unit exceeded its carrying amount by \$512,845,000 (30 June 2023: \$397,800,000).

	Revenue growth rate (average)	Pre-tax discount rate	Expenses growth rate
Assumptions used in value in use calculation	4.69%	9.77%	5.33%
Rate required for recoverable amount to equal carrying value	1.09%	13.89%	13.78%

C7 Payables

	31 December 2023 \$'000	30 June 2023 \$'000
Sundry creditors ⁽ⁱ⁾	27,082	26,954
Dividend/distribution payable	40,253	46,388
Accrued expenses	12,013	19,076
	79,348	92,418

⁽ⁱ⁾ Sundry creditors are non-interest bearing liabilities and are payable on commercial terms of up to 60 days.

All trade and other payables are considered to be current as at 31 December 2023, due to their short-term nature.

C8 Borrowings

	31 December 2023 \$'000	30 June 2023 \$'000
Secured listed redeemable notes	C8(a) 195,693	195,693
Fixed rate secured notes	C8(b) 99,456	99,407
Floating rate secured notes	C8(b) 138,500	80,000
Reverse mortgage bill facilities and notes	C8(c) 2,201	3,870
Borrowing costs capitalised	(3,111)	(3,753)
	432,739	375,217

	31 December 2023 \$	30 June 2023 \$
Opening Balance	375,216,919	629,385,202
Drawdowns	88,500,000	96,650,000
Repayments	(31,668,674)	(159,774,068)
Capitalised borrowing costs	(242,133)	(1,068,957)
Amortisation of borrowing costs	884,216	1,918,570
Adjustment for benefit funds investment	49,163	(2,981,066)
Foreign currency translation	-	1,326,514
Net movement in controlled property funds	-	(190,239,276)
	432,739,491	375,216,919

The terms and conditions relating to the above facilities are set out below.

(a) Secured listed redeemable notes

On 21 April 2021, the Group issued \$198,693,000 of listed redeemable notes with a variable interest rate of 4.25% plus the bank bill rate which is due to mature on 21 April 2026.

The secured listed reedeemable notes are secured by the first ranking general security deeds over all assets of the issuer and sit pari-passu with the secured notes.

(b) Secured notes

	Classification	Coupon Rate	Due Date	Total limit \$'000	Facility available \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Fixed							
Tranche 5	Current	5.00%	21 April 2024	29,456	-	29,456	29,407
Tranche 7	Non-current	5.46%	25 March 2025	70,000	-	70,000	70,000
				99,456		99,456	99,407

C8 Borrowings (continued)
(b) Secured notes (continued)

Floating	Classification	Coupon Rate	Due Date	Total limit \$'000	Facility available \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Tranche 8	Non-current	BBSW +3.35%	25 March 2025	30,000	-	30,000	30,000
Revolver A	Non-current	BBSY +2.25%	31 January 2025	50,000	-	50,000	-
Revolver A	Non-current	BBSY +2.35%	30 June 2027	50,000	41,500	8,500	-
Revolver B	Non-current	BBSY +2.45%	30 June 2027	50,000	50,000	-	-
Term Loan	Non-current	BBSY +2.60%	6 April 2028	50,000	-	50,000	50,000
				<u>230,000</u>	<u>91,500</u>	<u>138,500</u>	<u>80,000</u>

On 21 December 2023, the Group renegotiated the Revolver A facility into two \$50,000,000 sub-tranches with maturity terms of 31 January 2025 and 30 June 2027.

The secured notes are secured by the first ranking general security deeds over all assets of the issuer and sit pari-passu with the secured listed redeemable notes.

(c) Reverse mortgage bill facilities and notes (secured)

As at 31 December 2023, the Group had \$2,201,000 (30 June 2023: \$3,870,000) non-recourse notes on issue to ANZ Bank, secured over the remaining reverse mortgages held in Senex Warehouse Trust No.1 (a subsidiary of the Group) due to mature on 30 November 2024 and is classified as current as at 31 December 2023. The non-recourse notes have a coupon rate of BBSY+2.35%.

The facility limit is as at 31 December 2023 is \$4,700,000 (30 June 2023: \$4,700,000) and is reassessed every 6 months with a view to reducing the facility in line with the reduction in the reverse mortgage book. Under the facility agreement, surplus funds (being mortgages repaid (including interest) less taxes, administration expenses and any derivatives related payments) are required to be applied against the facility each month.

	31 December 2023 \$'000	30 June 2023 \$'000
Facility	4,700	4,700
Amount used at reporting date	(2,201)	(3,870)
Amount unused at reporting date	<u>2,499</u>	<u>830</u>

C9 Contributed equity

	31 December 2023		30 June 2023	
	No. of securities	\$'000	No. of securities	\$'000
Centuria Capital Limited				
Balance at beginning of the period	799,796,794	394,811	792,787,120	389,717
Stapled securities issued	5,275,935	4,147	6,309,299	2,125
Equity settled share based payments expense	-	-	700,375	2,970
Cost of equity raising	-	(110)	-	(1)
Balance at end of period	<u>805,072,729</u>	<u>398,848</u>	<u>799,796,794</u>	<u>394,811</u>

	31 December 2023		30 June 2023	
	No. of securities	\$'000	No. of securities	\$'000
Centuria Capital Fund (non-controlling interests)				
Balance at beginning of the period	799,796,794	1,034,779	792,787,120	1,025,584
Stapled securities issued	5,275,935	4,456	6,309,299	9,201
Equity settled share based payments expense	-	-	700,375	-
Cost of equity raising	-	(21)	-	(6)
Balance at end of period	<u>805,072,729</u>	<u>1,039,214</u>	<u>799,796,794</u>	<u>1,034,779</u>

Fully paid ordinary securities carry one vote per security and carry the right to distributions.

The Group issued 5,275,935 stapled securities on 18 August 2023 in relation to the distribution reinvestment plan undertaken for the 2023 final distribution.

C10 Commitments and contingencies

Australian Guarantees

The Group has provided bank guarantees of \$2,007,143 (30 June 2023: \$2,007,143) for commercial leases with respect to its Sydney and Melbourne office premises. These bank guarantees are cash collateralised.

The above guarantees are issued in respect of the Group and do not constitute an additional liability to those already existing in interest bearing liabilities on the statement of financial position.

New Zealand Guarantees

Under the Development Agreement with Queenstown Lakes District Council (QLDC) as part of the Lakeview joint venture, the Group have provided a guarantee of the Partnership's obligations under the Development Agreement, with a maximum capital commitment of NZ\$14,000,000 (AU\$13,001,000). The Group's total aggregate liability under this guarantee is capped at NZ\$4,250,000 (AU\$3,947,000). Refer to Note E1 Interests in associates and joint ventures for more information.

Capital Commitments

At 31 December 2023 the Group has committed up to NZ\$10,400,000 (AU\$9,658,000) of capital over approximately the next 8 years in its joint venture partnership with Ninety Four Feet.

Contingent Liabilities

The directors of the Group are not aware of any contingent liabilities in relation to the Group, other than those disclosed in the financial statements, which should be brought to the attention of securityholders as at the date of completion of this report.

D Cash flows

D1 Operating segment cash flows ⁽ⁱ⁾

For the half year ended 31 December 2023

	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities		
Management fees received	111,012	111,535
Performance fees received	1,129	-
Distributions received	22,899	24,002
Interest received	12,746	663
Rent received	2,291	2,834
Payments to suppliers and employees	(75,156)	(73,682)
Income tax paid	(2,291)	(7,212)
Interest paid	(16,636)	(14,382)
Cash received on development projects	-	473
Net cash provided by operating activities	55,994	44,231
Cash flows from investing activities		
Purchase of investments in related parties	(179,769)	(44,030)
Repayment of loans by related parties	9,255	44,256
Loans to related parties	(44,549)	(41,000)
Proceeds from sale of related party investments	125,213	49,159
Proceeds from investments	8,013	26,268
Collections from reverse mortgage holders	3,053	390
Payments for plant and equipment	-	(4,905)
Proceeds from sale of equity accounted investments	300	-
Purchase of property held for development	-	(23,899)
Purchase of equity accounted investments	(11,132)	(48,676)
Loans repaid by other parties	41,200	(33,499)
Payments of balances held in trust for related parties	-	(14,802)
Purchase of properties held for development	-	(11,023)
Loans provided to other parties	(41,200)	-
Net cash used in investing activities	(89,616)	(101,761)
Cash flows from financing activities		
Proceeds from issue of securities	8,603	5,264
Equity raising costs paid	(131)	(7)
Proceeds from borrowings	88,500	30,000
Repayment of borrowings	(31,669)	(584)
Costs paid to issue debt	(242)	(194)
Distributions paid	(47,413)	(46,353)
Net cash provided by/(used in) financing activities	17,648	(11,874)
Net (decrease) in operating cash and cash equivalents	(15,974)	(69,404)
Cash and cash equivalents at the beginning of the period	179,375	184,999
Effects of exchange rate changes on cash and cash equivalents	243	80
Cash and cash equivalents at the end of the period	163,644	115,675

(i) The operating segment cash flows support the segment note disclosures of the Centuria Capital Limited and provide details in relation to the Operating Segment cash flows performance of the Group. The Operating Segment cash flows exclude the impact of cash flows attributable to Benefit Funds and Controlled Property Funds. Refer to page 13 of the consolidated interim financial statements for the full statutory cash flow statement of the Group.

E Group Structure

E1 Interests in associates and joint ventures

Set out below are the associates of the Group as at 31 December 2023 which, in the opinion of the directors, were material to the Group and were accounted for using the equity method. The entities listed below have share capital consisting solely of ordinary units, which are held directly by the Group. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	% of ownership interest		Principal activity	Carrying amount	
	31 December			31 December	
	2023 %	30 June 2023 %		2023 \$'000	30 June 2023 \$'000
Centuria Diversified Property Fund	21.81	21.54	Property investment	32,447	35,860
Centuria Bass Credit	50.00	50.00	Non-bank finance	29,304	26,162
Allendale Square Fund	25.63	25.91	Property investment	18,471	18,426
Centuria NZ Value-Add Fund No. 2 LP	49.53	-	Property investment	10,809	-
Centuria Government Income Property Fund No.2	21.31	21.59	Property investment	5,474	7,261
QT Lakeview Developments Limited	25.00	25.00	Property investment	3,347	2,973
Total equity accounted investments				99,852	90,682

Equity accounted investments are classified as non-current.

The below table shows the movement in carrying amounts of equity accounted investments from 1 July 2023 to 31 December 2023.

	Centuria Diversified Property Fund \$'000	Centuria Bass Credit \$'000	Allendale Square Fund \$'000	Centuria NZ Value-Add Fund No. 2 LP \$'000	Centuria Government Income Property Fund No. 2 \$'000	QT Lakeview Developments Limited \$'000	Total \$'000
Carrying amounts of equity accounted investments							
Opening balance at 1 July 2023	35,860	26,162	18,426	-	7,261	2,973	90,682
Acquisition of investments	-	-	-	10,790	-	342	11,132
Share of net profit/(loss) after tax	(2,516)	5,142	895	-	(1,512)	-	2,009
Distributions received/receivable	(897)	(2,000)	(650)	-	(175)	-	(3,722)
Disposals	-	-	(200)	-	(100)	-	(300)
Foreign currency translation	-	-	-	19	-	32	51
Closing balance at 31 December 2023	32,447	29,304	18,471	10,809	5,474	3,347	99,852

E1 Interests in associates and joint ventures (continued)

The below table shows the movement in carrying amounts of equity accounted investments from 1 July 2022 to 30 June 2023.

	Centuria Diversified Property Fund \$'000	Centuria Bass Credit Fund \$'000	Allendale Square Fund \$'000	Centuria Government Income Property Fund No. 2 \$'000	QT Lakeview Developments Limited \$'000	Centuria Industrial Income Fund No. 2 \$'000	Centuria 111 St Georges Terrace Fund \$'000	Centuria Agriculture Fund \$'000	Total \$'000
Carrying amounts of equity accounted investments									
Opening balance at 1 July 2022	39,021	25,765	-	7,743	2,240	-	-	-	74,769
Acquisition of investments	-	-	31,638	-	807	10,929	-	5,662	49,036
Carrying value transferred from controlled property funds	-	-	-	-	-	-	31,754	35,400	67,154
Share of net profit/(loss) after tax	(200)	4,607	1,227	71	-	(815)	190	(799)	4,281
Distributions received/receivable	(1,961)	(4,210)	(926)	(403)	-	(148)	(15)	(422)	(8,085)
Carrying value transferred to financial assets	-	-	-	-	-	(4,802)	(12,394)	(13,801)	(30,997)
Disposals	(1,000)	-	(13,513)	(150)	-	(5,164)	(19,535)	(26,040)	(65,402)
Foreign currency translation	-	-	-	-	(74)	-	-	-	(74)
Closing balance at 30 June 2023	35,860	26,162	18,426	7,261	2,973	-	-	-	90,682

F Other

F1 Fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 in the period.

31 December 2023	Measurement basis	Fair value hierarchy	Carrying amount \$'000	Fair value* \$'000
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	177,279	177,279
Receivables	Amortised cost	Not applicable	122,010	122,010
Financial assets	Fair value	Level 1	680,186	680,186
Financial assets	Fair value	Level 2	255,597	255,597
Financial assets - other assets	Fair value	Level 3	8,252	8,252
Financial assets - Reverse mortgages receivables	Fair value	Level 3	42,120	42,120
Financial assets	Amortised cost	Not applicable	80,503	80,503
			<u>1,365,947</u>	<u>1,365,947</u>
Financial liabilities				
Payables	Amortised cost	Not applicable	79,348	79,348
Benefit Funds policy holders' liability	Amortised cost	Not applicable	285,831	285,831
Borrowings (net of borrowing costs)	Amortised cost	Not applicable	432,739	430,408
Interest rate swaps - reverse mortgage fixed-for-life	Fair value	Level 3	21,433	21,433
Call/Put option liability**	Amortised cost	Not applicable	34,660	34,660
			<u>854,011</u>	<u>851,680</u>

*For financial asset amounts classified at amortised cost, the fair value amount is equal to the carrying amount.

**The Healthcare call/put option is considered current as at 31 December 2023.

30 June 2023	Measurement basis	Fair value hierarchy	Carrying amount \$'000	Fair value* \$'000
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	225,460	225,460
Receivables	Amortised cost	Not applicable	133,278	133,278
Financial assets	Fair value	Level 1	630,078	630,078
Financial assets	Fair value	Level 2	221,427	221,427
Financial assets - other assets	Fair value	Level 3	1,181	1,181
Reverse mortgages and receivables	Fair value	Level 3	41,887	41,887
Financial assets	Amortised cost	Not applicable	45,160	45,160
			<u>1,298,471</u>	<u>1,298,471</u>
Financial liabilities				
Payables	Amortised cost	Not applicable	92,418	92,418
Benefit Funds policy holders' liability	Amortised cost	Not applicable	278,793	278,793
Borrowings (net of borrowing costs)	Amortised cost	Not applicable	375,217	371,368
Interest rate swaps - reverse mortgage fixed-for-life	Fair value	Level 3	19,339	19,339
Call/Put option liability	Amortised cost	Not applicable	38,255	38,255
			<u>804,022</u>	<u>800,173</u>

*For financial asset amounts classified at amortised cost, the fair value amount is equal to the carrying amount.

F1 Fair value of financial instruments (continued)

The Group determines Level 2 fair values for financial assets, which are investments in unlisted securities, by giving consideration to the unit prices and net assets of the underlying funds. The unit prices and net asset values are largely driven by the fair values of investment properties and derivatives held by the funds.

The Level 3 financial assets held by the Group comprise primarily of the fair value of the residential mortgage receivables with the remained consisting of Benefit Fund term loans and their venture capital investments. The Level 3 financial liabilities held by the Group consist entirely of reverse mortgage fixed-for-life interest rate swaps.

Key estimates and judgements

Due to the illiquid nature of fixed-for-life residential mortgage loans and their associated interest rate swaps, their fair valuation are calculated using assumptions that are not supported by prices observable in the market place. A discounted cash flow model is employed in fair valuing these instruments based on their respective expected net cash flows applying a reporting date discount rate derived from the Australian intra-bank interest rate yield curve sourced from the swap provider.

The valuation techniques used in determining the fair value of the Group's reverse mortgage loan book as well as the associated interest rate swaps are as follows:

- the weighted average reverse mortgage holders' age is 84 years at reporting date;
- the loan interest compounding period is estimated using the remaining life of the borrower based on externally published 2013-2015 Life Tables consistent with those adopted by the swap provider;
- the compounding interest rate is the fixed rate of loan for each contract, commencing from the inception of each loan up to the point in time when the carrying amount of the loan including capitalised interest equals the forecast maturity date property value. After this point any future interest rate applied is reduced to ensure alignment of the fair value of the loans with the forecast maturity residential property valuation of the underlying mortgaged property. This ensures that the reporting date loan value including applicable accrued interest does not exceed the forecast maturity date property valuation;
- the reporting date Australian intra-bank interest rate yield curve supplied by the swap provider plus a credit risk margin is applied in discounting future cash flows back to their balance date fair values.

Additional assumptions applied in valuation of the reverse mortgage fixed-for-life loans and their associated swaps:

- the property growth rates are assumed to be nil% for FY24, and assumed to revert to a long-term average growth rate of 3.5% p.a from FY25 onwards;
- A 1% flat credit risk margin is added to the reporting date discount rate applied to the cash flows arising from each borrower
- 47% of the residential mortgage loan portfolio consists of loans with joint borrowers;
- The mortality rate for joint borrowers is calculated based on the estimated life expectancy of the youngest borrower
- A 1.162% flat credit risk margin, is added to the monthly cash flow discount factor in calculating the fair value of the swaps associated with the fixed-for-life reverse mortgage loans.

(a) Reconciliation of Level 3 fair value measurements of financial assets and liabilities

	Other assets at fair value \$'000	Reverse mortgages fair value \$'000	Fixed-for-life interest rate swaps \$'000	Total \$'000
Half year ended 31 December 2023				
Balance at 1 July 2023	1,181	41,887	(19,339)	23,729
Loan repaid	-	(3,053)	535	(2,518)
New investment	7,071	-	-	7,071
Accrued interest	-	1,740	(686)	1,054
Attributable to interest rate and other risk	-	1,721	(911)	810
Attributable to credit risk	-	(175)	(1,032)	(1,207)
Balance at 31 December 2023	8,252	42,120	(21,433)	28,939
Year ended 30 June 2023				
Balance at 1 July 2022	1,181	40,084	(18,750)	22,515
Loan repaid	-	(2,521)	742	(1,779)
Accrued interest	-	3,001	(1,516)	1,485
Attributable to interest rate and other risk	-	1,139	278	1,417
Attributable to credit risk	-	184	(93)	91
Balance at 30 June 2023	1,181	41,887	(19,339)	23,729

F2 Events subsequent to the reporting date

There has not arisen in the interval between 31 December 2023 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

Directors' declaration

In the opinion of the Directors' of Centuria Capital Limited:

- (a) the consolidated interim financial statements and notes set out on pages 8 to 37 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Mr Garry S. Charny
Director



Ms Joanne Dawson
Director

Sydney
20 February 2024



Independent Auditor's Review Report

To the stapled security holders of Centuria Capital Group

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Centuria Capital Group (the Stapled Group Financial Report).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of the **Stapled Group** does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Stapled Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2023
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the half-year ended on that date
- Notes A1 to F2 including selected explanatory notes
- The Directors' Declaration

Centuria Capital Group (**the Stapled Group**) comprises Centuria Capital Limited (the Company) and the entities it controlled at the Interim Period and Centuria Capital Fund (the Fund) and the entities it controlled at the Interim Period's end or from time to time during the interim period.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Stapled 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Centuria Capital Limited are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Stapled Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


KPMG



Paul Thomas

Partner

Sydney

20 February 2024

Centuria Capital Fund Interim Financial Report for the half year ended 31 December 2023

Centuria Capital Fund comprises of Centuria Capital Fund ARSN 613 856 358 (the 'Fund') and its subsidiaries. The Responsible Entity of the Fund is Centuria Funds Management Limited (the 'Company') ACN 607 153 588, AFSL 479 873.

Centuria Capital Fund
Interim Financial Report - 31 December 2023

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These consolidated interim financial statements are the interim financial statements of the consolidated entity consisting of Centuria Capital Fund and its subsidiaries. The consolidated interim financial statements are presented in Australian currency.

Centuria Capital Fund is a trust, registered and domiciled in Australia. Its registered office and principal place of business is:

Centuria Capital Fund
Level 41, Chifley Tower 2 Chifley Square
Sydney NSW 2000

The consolidated interim financial statements were authorised for issue by the Directors on 20 February 2024.

Directors' report

The directors of Centuria Funds Management Limited (the 'Company') as the Responsible Entity for Centuria Capital Fund (the 'Fund') present their interim report together with the consolidated interim financial statements of the Fund and its controlled entities (the 'Fund') for the half year ended 31 December 2023 and the auditor's report thereon.

ASX listed Centuria Capital Group consists of Centuria Capital Limited ('CCL') and its controlled entities including the Fund. The shares in CCL and the units in CCF are stapled, quoted and traded on the Australian Securities Exchange ('ASX') as if they were a single security under the ticker code 'CNI'.

Directors

The following persons were Directors of the Responsible Entity during the half year and up to the date of this report, unless otherwise noted:

Director	Role	Appointment Date	Resignation Date
Mr Garry S. Charny	Independent Non-Executive Director and Chairman	8 August 2016	
Ms Kristie R. Brown	Independent Non-Executive Director	15 February 2021	
Ms Joanne Dawson	Independent Non-Executive Director	28 November 2023	
Mr Peter J. Done	Independent Non-Executive Director	8 August 2016	17 November 2023
Mr Jason C. Huljich	Executive Director and Joint Chief Executive Officer	8 August 2016	
Mr John E. McBain	Executive Director and Joint Chief Executive Officer	8 August 2016	
Mr John R. Slater	Independent Non-Executive Director	8 August 2016	
Ms Susan L. Wheeldon	Independent Non-Executive Director	31 August 2016	

Operating and financial review

The Fund's profit from continuing operations for the half year ended 31 December 2023 was \$41,048,000 (half year ended 31 December 2022: \$49,056,000).

Earnings per security (EPS)

	31 December 2023	31 December 2022
Basic earnings per unit (cents/unit)	5.1	6.2
Diluted earnings per unit (cents/unit)	5.1	6.1

Distributions

Distributions paid or declared by the Fund during the current half year were:

Distributions paid during the half year	Cents per unit	Total amount \$'000	Date paid/payable
Final 2023 Trust distribution	5.30	42,389	18 August 2023
Distributions declared during the half year			
Interim 2024 Trust distribution	4.60	37,033	20 February 2024

Events subsequent to the reporting date

There has not arisen in the interval between 31 December 2023 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

Business strategy, future opportunities and business risks effecting the Fund

The Fund continues to pursue its strategy of focusing on its core operations, these operations are summarised below.

Co-Investments

The Fund has a range of co-investments across its divisions. These holdings are diversified across property and credit assets within the Fund. This diversification is expected to continue to deliver returns to the Fund in line with the performance of the underlying funds and well as acting as a risk mitigant of exposure to any one sector.

Whilst the diversification of holdings will mean that the performance of the Funds co-investments will operate differently through economic cycles, the relative performance of each holding may impact on the performance of the Fund.

Business strategy, future opportunities and business risks effecting the Fund (continued)

The Fund continues to pursue its strategy of focusing on its core operations, utilising a balance sheet to provide support to grow and develop these operations.

Operational risks

As well as the specific risks noted above, the Fund is faced with a number of broad operational risks that may impact on the future financial performance of the Fund, these include:

- Cyber Security risk
- Regulatory risk
- Outsourcing risk
- Human resourcing risk (including culture risk)
- Insurance risk
- Financial costs
- Access to capital (via capital markets)
- Work Health and Safety (WHS) risks (both corporate and across the property portfolio)
- Business disruption / continuity

Each of the Fund's material risks are monitored and managed at both consolidated and subsidiary entity levels applying a strong risk management framework supported by a strong risk culture, an experienced and specialist management team and Board and Committee oversight of the management of material risks within the risk appetite set by the Board.

Environmental regulations

The Fund has policies and procedures to identify and appropriately address environmental obligations that might arise in respect of the Fund's operations that are subject to environmental laws and regulation. The Directors have determined that the Fund has complied with those obligations during the financial year and that there have not been any material breaches.

In relation to Greenhouse gas and energy reporting, the Fund is focused on reducing its operating carbon emissions through the implementation of sustainability targets that support global efforts to be 1.5°C aligned. The Fund is targeting zero Scope 2 emissions by 2035, with our portfolio being powered by the equivalent of 100% renewable electricity through a combination of onsite solar and large-scale generation certificate (LGC) deals, which match our consumption, and the elimination of gas and diesel where practicable from equipment owned and operated by the Fund by 2035. In FY23, we implemented a 5-star Green Star target for the Centuria Industrial REIT and Centuria Office REIT development pipeline, which will provide third-party verification of our ESG performance for new assets.

Indemnification of officers and auditors

Under the Fund's constitution the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund. The Responsible Entity has not indemnified or agreed to indemnify any auditor or other officer of the Fund, or any related body corporate.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Rounding of amounts

The Fund is an entity of a kind referred to in ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the Directors' Report and consolidated interim financial statements. Amounts in the Directors' Report and consolidated interim financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of Directors.



Mr Garry S. Charny
Director



Ms Joanne Dawson
Director

Sydney
20 February 2024




Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Centuria Funds Management Limited, the Responsible Entity
of Centuria Capital Fund

I declare that, to the best of my knowledge and belief, in relation to the review of Centuria Capital Fund
for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.


KPMG


Paul Thomas

Partner

Sydney

20 February 2024

Centuria Capital Fund

Interim financial report 31 December 2023

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Consolidated interim statement of comprehensive income

For the half year ended 31 December 2023

		31 December 2023 \$'000	31 December 2022 \$'000
Revenue	Notes B1	60,078	50,400
Share of net loss of equity accounted investments	D1	(3,133)	(1,062)
Fair value movements of financial instruments	B2	3,537	16,060
Expenses	B3	(260)	(253)
Finance costs	B4	(19,174)	(16,089)
Profit after tax		41,048	49,056
Profit is attributable to:			
Centuria Capital Fund		41,048	49,056
Profit after tax		41,048	49,056
Other comprehensive income		-	-
Total comprehensive income for the period		41,048	49,056
Total comprehensive income for the period is attributable to:			
Centuria Capital Fund		41,048	49,056
Total comprehensive income		41,048	49,056
Total comprehensive income for the period is attributable to unitholders of Centuria Capital Fund		41,048	49,056
		Cents	Cents
Earnings per Centuria Capital Fund unit:			
Basic (cents per unit)		5.1	6.2
Diluted (cents per unit)		5.1	6.1

The above consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated interim balance sheet

As at 31 December 2023

		31 December 2023 \$'000	30 June 2023 \$'000
	Notes		
Assets			
Cash and cash equivalents		58,360	58,235
Receivables	C1	9,180	10,523
Financial assets	C2	1,322,954	1,247,972
Equity accounted investments	D1	56,392	61,547
Other assets		1,468	1,460
Total assets		<u>1,448,354</u>	<u>1,379,737</u>
Liabilities			
Payables	C4	47,647	48,484
Borrowings	C5	692,199	631,195
Total liabilities		<u>739,846</u>	<u>679,679</u>
Net assets		<u>708,508</u>	700,058
Equity			
Equity attributable to Centuria Capital Fund			
Contributed equity	C6	1,039,227	1,034,792
Accumulated losses		(330,719)	(334,734)
Total equity attributable to Centuria Capital Fund		<u>708,508</u>	<u>700,058</u>
Total equity		<u>708,508</u>	700,058

The above consolidated interim balance sheet should be read in conjunction with the accompanying notes.

Consolidated interim statement of changes in equity

For the half year ended 31 December 2023

	Centuria Capital Fund		Equity attributable to Centuria Capital Fund unitholders \$'000	Non-controlling interests			Total equity \$'000
	Contributed equity \$'000	Accumulated losses \$'000		Contributed equity \$'000	Retained earnings \$'000	Total \$'000	
Balance at 1 July 2023	1,034,792	(334,734)	700,058	-	-	-	700,058
Profit for the period	-	41,048	41,048	-	-	-	41,048
Total comprehensive income for the period	-	41,048	41,048	-	-	-	41,048
Distributions paid/accrued	-	(37,033)	(37,033)	-	-	-	(37,033)
Stapled securities issued	4,456	-	4,456	-	-	-	4,456
Cost of equity raising	(21)	-	(21)	-	-	-	(21)
Balance at 31 December 2023	1,039,227	(330,719)	708,508	-	-	-	708,508

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

Consolidated interim statement of changes in equity

For the half year ended 31 December 2022

	Centuria Capital Fund			Non-controlling interests			Total equity \$'000
	Contributed equity \$'000	Accumulated losses \$'000	Equity attributable to Centuria Capital Fund unitholders \$'000	Contributed equity \$'000	Retained earnings \$'000	Total \$'000	
Balance at 1 July 2022	1,025,584	(329,338)	696,246	12,789	32,701	45,490	741,736
Profit for the period	-	49,056	49,056	-	-	-	49,056
Total comprehensive income for the period	-	49,056	49,056	-	-	-	49,056
Distributions paid/accrued	-	(36,739)	(36,739)	-	-	-	(36,739)
Stapled securities issued	4,397	-	4,397	-	-	-	4,397
Cost of equity raising	(6)	-	(6)	-	-	-	(6)
Deconsolidation of controlled property funds	-	-	-	(12,789)	(32,701)	(45,490)	(45,490)
Balance at 31 December 2022	1,029,975	(317,021)	712,954	-	-	-	712,954

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

Consolidated interim statement of cash flows

For the half year ended 31 December 2023

	31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities		
Distributions received	19,280	18,986
Interest received	30,748	31,720
Interest paid	(15,406)	(11,554)
Payments to suppliers	(136)	(161)
Net cash provided by operating activities	34,486	38,991
Cash flows from investing activities		
Purchase of investments in related parties	(169,179)	(47,614)
Proceeds from sale of related party investments	120,911	19,640
Loans provided to other parties	(41,200)	(39,479)
Loans repaid by other parties	41,200	18,960
Loans repaid by related party	27,869	105,313
Proceeds from the sale of equity accounted investments	300	22,969
Loans to related parties	(34,566)	(66,647)
Purchase of equity accounted investments	-	(42,567)
Redemption funds received in advance	-	(3,998)
Cash balance on consolidation of unlisted funds	-	(3,916)
Net cash used in investing activities	(54,665)	(37,339)
Cash flows from financing activities		
Proceeds from borrowings	88,500	30,000
Repayment of borrowings	(30,000)	-
Distributions paid to unitholders of Centuria Capital Fund	(42,389)	(36,740)
Proceeds from issues of units to unitholders of Centuria Capital Fund	4,456	4,397
Costs paid to issue debt	(242)	(550)
Equity raising costs paid	(21)	(6)
Net cash provided by/(used in) financing activities	20,304	(2,899)
Net increase/(decrease) in cash and cash equivalents	125	(1,247)
Cash and cash equivalents at the beginning of the financial period	58,235	23,768
Cash and cash equivalents at end of period	58,360	22,521

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

A About the report

A1 General information

The units in the Fund and the shares in Centuria Capital Limited ('CCL') are stapled to trade together as a single stapled security ('Stapled Security') on the ASX as 'Centuria Capital Group' under the ticker code, 'CNI'.

The Fund is a for-profit entity and its principal activities are holding direct interest in property funds and liquid investments.

Statement of compliance

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial statements of the Fund comprising the Fund (as 'Parent') and its controlled entities for the half year ended 31 December 2023 were authorised for issue by the Board of Directors of Centuria Funds Management Limited as the Responsible Entity on 20 February 2024.

The Fund was established on 20 July 2016.

Basis of preparation

The consolidated interim financial statements have been prepared on the basis of historical cost, except for financial assets at fair value through profit and loss, investment properties, derivative financial instruments and other financial assets which have been measured at fair value at the end of each reporting period. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the Fund's functional currency, unless otherwise noted.

Assets and liabilities have been presented on the face of the statement of financial position in decreasing order of liquidity and do not distinguish between current and non-current items.

Rounding of amounts

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, related to the 'rounding off' of amounts in the consolidated interim financial statements. Amounts in the consolidated interim financial statements have been rounded off, in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

A2 Significant accounting policies

The accounting policies and methods of computation in the preparation of the consolidated interim financial statements are consistent with those adopted in the previous financial year ended 30 June 2023 with the exception of the adoption of new accounting standards outlined below or in the relevant notes to the consolidated interim financial statements.

When the presentation or classification of items in the consolidated interim financial statements has been amended, comparative amounts are also reclassified, unless it is impractical. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

These consolidated interim financial statements contain all significant accounting policies that summarise the recognition and measurement basis used and which are relevant to provide an understanding of the consolidated interim financial statements. Accounting policies that are specific to a note to the consolidated interim financial statements are described in the note to which they relate.

A3 Other new accounting standards and interpretations

The AASB has issued new or amendments to standards that are first effective from 1 July 2023.

The following amended standards and interpretations that have been adopted do not have a significant impact on the Fund's consolidated interim financial statements.

Standards now effective:

- AASB 17 Insurance Contracts
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-7(a-b) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards - Initial application of AASB 17 and AASB 9 - Comparative Information
- AASB 2023-2 Amendments to Australian Accounting Standards - International Tax Reform - Pillar Two Model Rules

A3 Other new accounting standards and interpretations (continued)

Standards not yet effective:

A number of new standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted; however, the Fund has not early adopted the new or amended standards in preparing these consolidated interim financial statements.

The following new and amended standards are not expected to have a significant impact on the Fund's consolidated interim financial statements.

- AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2021-7(c) Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

A4 Use of judgements and estimates

In preparing these consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense that are not readily apparent from other sources. The judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated interim financial statements is included in the following notes:

- Note C2 Financial assets
- Note D1 Interests in associates
- Note E1 Financial instruments

A5 Going concern

The Fund is in a net current liability position as at 31 December 2023 due to the majority of the payables balance pertaining to the interim distribution payable to its unitholders. The Fund has access to undrawn debt of \$91,500,000.

The Fund is stapled to Centuria Capital Limited (CCL), together the Centuria Capital Group, under the terms of the stapling deed, each party guarantees the obligations and payables of each other and will provide financial accommodation to the other party.

The financial report has been prepared on a going-concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

B Business performance

B1 Revenue

	31 December 2023 \$'000	31 December 2022 \$'000
Interest revenue	42,675	33,473
Distribution revenue	17,268	16,817
Other income	135	110
	60,078	50,400

(a) Transactions with related parties

	31 December 2023 \$	31 December 2022 \$
Interest income on loan to Centuria Finance Pty Limited	41,619,082	32,773,499
Distributions from Property Funds managed by Centuria	16,498,883	16,391,910
Interest income on loan to Bass Property Credit Fund	376,210	282,866
Interest income on loan to Centuria Bass Credit Fund	103,688	58,511
Interest income on loans to Property Funds managed by Centuria	15,121	296,817
	58,612,984	49,803,603

B2 Fair value movements

The following table provides a summary of fair value movements of investments during the period:

	31 December 2023 \$'000	31 December 2022 \$'000
Movement in Centuria Industrial REIT's listed market price	14,837	30,663
Movement in Centuria Office REIT's listed market price	(2,665)	(15,101)
Other fair value movements	(8,635)	498
Total fair value movement	3,537	16,060

B3 Expenses

	31 December 2023 \$'000	31 December 2022 \$'000
Property outgoings and fund expenses	200	200
Consulting and professional fees	57	36
Other expenses	3	17
	260	253

B3 Expenses (continued)

(a) Transactions with related parties

	31 December 2023	31 December 2022
	\$	\$
Management fees paid to Centuria Funds Management Limited	200,000	200,000
	200,000	200,000

B4 Finance costs

	31 December 2023	31 December 2022
	\$'000	\$'000
Interest charges	17,312	14,254
Class A Redeemable preference units	1,862	1,835
	19,174	16,089

B5 Taxation

Under current tax legislation, Trusts are not liable for income tax, provided their unitholders are presently entitled to the taxable income of the Trust including realised capital gains each financial year.

B6 Distributions

	31 December 2023		31 December 2022	
	Cents per unit	Total \$'000	Cents per unit	Total \$'000
Distributions paid during the half year				
Final 2023 Trust distribution	5.30	42,389	4.60	36,363
Distributions declared during the half year				
Interim 2024 Trust distribution	4.60	37,033	4.60	36,634

The Fund declared a distribution in respect of the half year ended 31 December 2023 of 4.60 cents per unit. The interim distribution had a record date of 29 December 2023 and is payable on 20 February 2024. The total amount payable of \$37,033,000 has been provided as a liability in these financial statements.

C Assets and liabilities

C1 Receivables

	31 December 2023	30 June 2023
Notes	\$'000	\$'000
Receivables from related parties	C1(a) 9,092	10,513
Other receivables	88	10
	9,180	10,523

All receivables are considered to be classified as current.

The Fund does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Fund to the counterparty.

(a) Receivables from related parties

The following amounts owed by related parties of the Fund at the end of the period:

	31 December 2023	30 June 2023
	\$	\$
Distribution receivable from Centuria Industrial REIT	3,956,547	3,956,547
Distribution receivable from Centuria Office REIT	2,664,900	3,131,257
Recoverable expenses owing from property funds managed by Centuria	955,125	1,934,170
Distribution receivable from unlisted property funds managed by Centuria	1,060,509	1,037,554
Intercompany receivables from entities within Centuria Capital Group	454,531	452,528
	9,091,612	10,512,056

C2 Financial assets at fair value

	31 December 2023	30 June 2023
Notes	\$'000	\$'000
Investment in related party unit trusts	C2(a) 582,072	530,267
Loans receivable from related parties	C2(b) 738,685	715,292
Investments in trusts and other financial assets	2,197	2,413
	1,322,954	1,247,972

Financial assets are classified as non-current assets as at 31 December 2023 due to no intention to dispose of financial assets within twelve months.

C2 Financial assets at fair value (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss

The following table details related party investments carried at fair value through profit or loss.

	31 December 2023			30 June 2023		
	Fair value \$	Units held	Ownership %	Fair value \$	Units held	Ownership %
Financial assets held by the Fund						
Centuria Industrial REIT	321,469,476	98,913,685	15.58%	306,632,424	98,913,685	15.58%
Centuria Office REIT	119,032,189	88,829,992	14.87%	121,697,089	88,829,992	14.87%
Centuria Healthcare Property Fund	41,392,730	45,436,586	12.43%	-	-	0%
Prime Healthcare Holding Trust	24,771,420	24,771,420	10.00%	22,347,535	22,392,320	10.00%
Centuria Healthcare Direct Medical Fund No. 2	23,095,352	18,673,473	12.04%	23,423,708	18,673,473	12.04%
Dragon Hold Trust	13,135,312	969,622,257	10.00%	13,135,312	969,622,257	10.00%
Centuria 111 St Georges Terrace Fund	12,408,519	3,485,539	18.06%	13,155,329	3,485,539	18.06%
Matrix Trust	11,395,426	12,803,849	5.00%	13,435,129	12,803,849	5.00%
Centuria Wholesale Agricultural Trust No. 2	4,669,920	4,324,000	12.64%	4,659,877	4,324,000	12.64%
Centuria Healthcare Aged Care Property Fund No. 1	3,522,613	5,513,559	9.21%	3,599,019	5,513,559	9.21%
Pialba Place Trust	3,279,242	5,129,345	23.32%	3,660,653	5,129,345	23.32%
Centuria Industrial Income Fund No. 2	3,108,751	3,238,282	14.43%	3,563,945	3,563,945	15.88%
Centuria Government Income Property Fund	527,702	643,539	0.48%	662,845	643,539	0.48%
Centuria ATP Fund	200,726	104,545	0.23%	226,864	104,545	0.17%
Centuria 25 Grenfell Street Fund	38,410	40,010	0.08%	42,811	40,010	0.08%
Centuria Life Goals - Various Funds	24,096	23,499	0%	24,096	23,499	0%
	582,071,884			530,266,636		

Assets and liabilities

C2 Financial assets at fair value (continued)

(a) Investments in related party unit trusts carried at fair value through profit or loss (continued)

	31 December 2023	30 June 2023
	\$	\$
Related party unit trusts carried at fair value through profit or loss		
Opening balance	530,266,636	514,940,704
Investment purchased	169,179,140	52,108,358
Disposals	(120,911,322)	(54,163,653)
Fair value gain	3,537,430	184,716
Carrying value transferred from equity accounted investments	-	17,196,511
	582,071,884	530,266,636

(b) Loans receivable from related parties

The following loans were receivable from related parties of the Fund at the end of the period:

	31 December 2023	30 June 2023
	\$	\$
Centuria Finance Pty Limited	710,118,573	715,291,810
CHPF 4 Sub Trust	28,566,752	-
	738,685,325	715,291,810

	31 December 2023	30 June 2023
	\$	\$
Opening balance	715,291,810	761,091,898
Drawdowns	34,566,752	12,050,000
Capitalised interest	41,619,081	71,378,403
Repayments	(52,792,318)	(129,228,491)
	738,685,325	715,291,810

\$710,118,573 of the loan to Centuria Finance Pty Limited has a maturity date that is the earliest of 20 July 2031 or such other date as the Fund and borrower may agree in writing.

\$28,566,752 of the loan receivable from CHPF 4 Sub Trust accrues interest equivalent to the underlying properties net operating income and has a maturity date of 20 March 2025 or such other date as the Fund and borrower may agree in writing. Therefore it is considered non-current.

C3 Investment properties

	31 December 2023	30 June 2023
	\$'000	\$'000
Opening Balance	-	160,500
Deconsolidation of controlled property funds	-	(160,500)
	-	-

Investment properties are classified as non-current.

C4 Payables

	31 December 2023 \$'000	30 June 2023 \$'000
Distribution Payable	37,033	42,389
Sundry creditors ⁽ⁱ⁾	10,585	6,056
Accrued expenses	29	39
	47,647	48,484

Payables are classified as current.

⁽ⁱ⁾ Sundry creditors are non-interest bearing liabilities, payable on commercial terms of up to 60 days.

C5 Borrowings

	Notes	31 December 2023 \$'000	30 June 2023 \$'000
Class A Redeemable preference units	C5(a)	257,564	255,702
Secured listed redeemable notes	C5(b)	198,693	198,693
Floating rate secured notes	C5(c)	138,500	80,000
Fixed rate secured notes	C5(c)	100,553	100,553
Borrowing costs capitalised		(3,111)	(3,753)
		692,199	631,195

The terms and conditions relating to the above facilities are set out below.

(a) Class A Redeemable preference units

On 20 July 2021, a subsidiary of the Fund (Centuria Capital No. 9 (PW) Fund) issued \$248,643,420 of Class A redeemable preference units to Centuria Capital Limited with a fixed interest rate of 1.44%, which are due to mature on 20 July 2031. The Class A redeemable preference units are considered to be equity in legal form but debt under the accounting standards as the units attract a redemption premium, representing a contractual obligation to deliver cash. These units do not have rights to participate in any distributions of income and attract no voting rights.

(b) Secured listed redeemable notes

On 21 April 2021, the Fund issued \$198,693,000 of listed redeemable notes with a variable interest rate of 4.25% plus the bank bill rate which are due to mature on 21 April 2026.

The secured listed redeemable notes are secured by the first ranking general security deeds over all assets of the issuer and sit pari-passu with the secured notes.

C5 Borrowings (continued)
(c) Secured notes

Floating	Classification	Coupon Rate	Due Date	Total facility \$'000	Facility available \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Tranche 8	Non-current	BBSW +3.35%	25 Mar 2025	30,000	-	30,000	30,000
Revolver A	Non-current	BBSY +2.25%	31 Jan 2025	50,000	-	50,000	-
Revolver A	Non-current	BBSY +2.35%	30 Jun 2027	50,000	41,500	8,500	-
Revolver B	Non-current	BBSY +2.45%	30 Jun 2027	50,000	50,000	-	-
Term Loan	Non-current	BBSY +2.60%	6 Apr 2028	50,000	-	50,000	50,000
				230,000	91,500	138,500	80,000

Fixed	Classification	Coupon Rate	Due Date	Total facility \$'000	Facility available \$'000	31 December 2023 \$'000	30 June 2023 \$'000
Tranche 5	Current	5.00%	21 Apr 2024	30,553	-	30,553	30,553
Tranche 7	Non-current	5.46%	25 Mar 2025	70,000	-	70,000	70,000
				100,553	-	100,553	100,553

On 21 December 2023, the Fund renegotiated the Revolver A facility into two \$50,000,000 sub-tranches with maturity terms of 31 January 2025 and 30 June 2027.

The secured notes are secured by the first ranking general security deeds over all assets of the issuer and sit pari-passu with the secured listed redeemable notes.

C6 Contributed equity

	31 December 2023		30 June 2023	
	No. of securities	\$'000	No. of securities	\$'000
Opening balance	799,796,794	1,034,792	792,787,120	1,025,584
Units issued	5,275,935	4,456	6,309,299	9,214
Equity settled share based payment expense	-	-	700,375	-
Cost of equity raising	-	(21)	-	(6)
	805,072,729	1,039,227	799,796,794	1,034,792

C7 Commitments and contingencies

The directors of the Responsible Entity are not aware of any other commitments and contingencies in relation to the Fund, other than those disclosed in the consolidated interim financial statements, which should be brought to the attention of unit holders as at the date of completion of this report.

D Group structure

D1 Interests in associates

Set out below are the associates of the Fund as at 31 December 2023 which, in the opinion of the Directors, were material to the Fund and were accounted for using the equity method. The entities listed below have share capital consisting solely of ordinary units, which are held directly by the Fund. The country of incorporation or registration is Australia which is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	% of ownership interest		Principal activity	Carrying amount	
	31 December 2023	30 June 2023		31 December 2023	30 June 2023
	%	%		\$'000	\$'000
Centuria Diversified Property Fund	21.81	21.54	Property Investments	32,447	35,860
Allendale Square Fund	25.63	25.91	Property investments	18,471	18,426
Centuria Government Income Property Fund No. 2	21.31	21.59	Property investments	5,474	7,261
Total equity accounted investments				56,392	61,547

Equity accounted investments are classified as non-current.

The below table shows the movement in carrying amounts of equity accounted investments for the half year ended 31 December 2023.

Movement in carrying amount of equity accounted investments	Centuria	Centuria	Allendale	Total
	Centuria Diversified Property Fund	Government Income Property Fund No. 2	Square Fund	
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023	35,860	7,261	18,426	61,547
Share of net profit/(loss) after tax	(2,516)	(1,512)	895	(3,133)
Distributions received/receivable	(897)	(175)	(650)	(1,722)
Disposal of investments	-	(100)	(200)	(300)
Closing balance as at 31 December 2023	32,447	5,474	18,471	56,392

D1 Interests in associates (continued)

The below table shows the movement in carrying amounts of equity accounted investments for the year ended 30 June 2023.

	Centuria Diversified Property Fund \$'000	Centuria Government Income Property Fund No.2 \$'000	Allendale Square Fund \$'000	Centuria Industrial Income Fund No. 2 \$'000	Centuria 111 St Georges Terrace Fund \$'000	Total
Movement in carrying amount of equity accounted investments						
Opening balance as at 1 July 2022	39,021	7,743	-	-	-	46,764
Fair value transferred from consolidated property funds	-	-	-	-	24,730	24,730
Acquisition of investments	-	-	31,638	10,929	-	42,567
Disposal of investments	(1,000)	(150)	(13,513)	(5,164)	(12,510)	(32,337)
Distributions received/receivable	(1,961)	(403)	(926)	(148)	(15)	(3,453)
Share of net profit/(loss) after tax	(200)	71	1,227	(815)	190	473
Carrying value transferred to financial assets	-	-	-	(4,802)	(12,395)	(17,197)
Closing balance as at 30 June 2023	35,860	7,261	18,426	-	-	61,547

E Other

E1 Fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value.

The table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1, 2 and 3 in the period.

	Measurement basis	Fair value hierarchy	Carrying amount \$'000	Fair value* \$'000
31 December 2023				
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	58,360	58,360
Receivables	Amortised cost	Not applicable	9,180	9,180
Financial assets	Fair value	Level 1	442,349	442,349
Financial assets	Fair value	Level 2	141,920	141,920
Financial assets	Amortised cost	Not Applicable	738,685	738,685
			<u>1,390,494</u>	<u>1,390,494</u>
Financial liabilities				
Payables	Amortised cost	Not applicable	47,647	47,647
Borrowings (net of borrowing costs)	Amortised cost	Not applicable	692,199	592,276
			<u>739,846</u>	<u>639,923</u>

*For financial asset amounts classified at amortised cost, the fair value amount is equal to the carrying amount.

	Measurement basis	Fair value hierarchy	Carrying amount \$'000	Fair value* \$'000
30 June 2023				
Financial assets				
Cash and cash equivalents	Amortised cost	Not applicable	58,235	58,235
Receivables	Amortised cost	Not applicable	10,523	10,523
Financial assets	Fair value	Level 1	430,395	430,395
Financial assets	Fair value	Level 2	102,285	102,917
Financial assets	Amortised cost	Not Applicable	715,292	715,292
			<u>1,316,730</u>	<u>1,317,362</u>
Financial liabilities				
Payables	Amortised cost	Not applicable	48,484	48,484
Borrowings (net of borrowing costs)	Amortised cost	Not applicable	631,195	523,666
			<u>679,679</u>	<u>572,150</u>

*For financial asset amounts classified at amortised cost, the fair value amount is equal to the carrying amount.

The Fund determines Level 2 fair values for financial assets, which are investments in unlisted securities, by giving consideration to the unit prices and net assets of the underlying funds. The unit prices and net asset values are largely driven by the fair values of investment properties and derivatives held by the underlying funds.

E2 Events subsequent to the reporting date

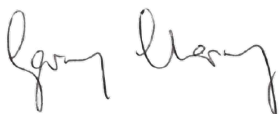
There has not arisen in the interval between 31 December 2023 and the date hereof any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations or the state of affairs of the Fund in future financial years.

Directors' declaration


In the opinion of the Directors' of Centuria Funds Management Limited as the Responsible Entity of Centuria Capital Fund:

- (a) the consolidated interim financial statements and notes set out on pages 5 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards adopted by the Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated Fund's financial position as at 31 December 2023 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Mr Garry S. Charny
Director



Ms Joanne Dawson
Director

Sydney
20 February 2024



Independent Auditor's Review Report

To the unitholders of Centuria Capital Fund

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Centuria Capital Fund (the Fund).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Centuria Capital Fund does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2023
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the half-year ended on that date
- Notes A1 to E2 including selected explanatory notes
- The Directors' Declaration

The **Group** consists of Centuria Capital Fund (the Fund) and the entities it controlled at the interim period's end or from time to time during the interim period.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of Centuria Funds Management Limited (the Responsible Entity) are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


KPMG



Paul Thomas

Partner

Sydney

20 February 2024