



Schroders RF Select Credit Fund
ARSN 090 994 326
Half-Year 2024 Financial Report

DIRECTORS' REPORT

The Directors of Schroders RF Limited ACN 089 265 270, as the Responsible Entity (**Responsible Entity**) of the Schroders RF Select Credit Fund (**the Fund**) present their report together with the financial report of the Fund for the half-year ended 31 December 2023.

Directors

The following persons were the Directors of the Responsible Entity and who held office at any time during the financial period and up to the date of this report, unless otherwise stated:

George Kostas
Robert Rayner
Nicole Kidd
Simon Doyle

Principal activities

The principal activity of the Fund during the financial half-year was the conduct of a registered managed investment scheme. The Fund operates as a contributory mortgage scheme and aims to provide Members with regular income and capital preservation from mortgage investments secured by a registered mortgage over legal interests in real property.

Operating results

The operating profit of the Fund for the period after provision for income tax was \$nil. All amounts were distributed to Members.

Review of operations

The Fund continues to seek quality borrowers from either established referral sources or as a result of repeat transactions in order to provide a stable return for its Members. Fund executives are experienced in these markets and are looking to work with suitable borrowers to satisfy their capital requirements in undertaking projects that demonstrate a suitable risk profile to meet the objectives of the Fund.

Auditor's independence declaration

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

Resolution of Directors

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



George Kostas
Director

Sydney, 6 March 2024



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Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Schrodgers RF Select Credit Fund

I declare that, to the best of my knowledge and belief, during 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.

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink that reads 'P. Pearman'.

PAUL PEARMAN
PARTNER

6 MARCH 2024
SYDNEY, NSW

FINANCIAL REPORT

31 December 2023

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General information

The financial report covers Schroders RF Select Credit Fund (**the Fund**) as an individual entity. The Responsible Entity of the Fund is Schroders RF Limited ACN 089 265 270 (**Responsible Entity**).

The financial report consists of the financial statements, notes to the financial statements and the declaration by the Directors of the Responsible Entity and is presented in Australian dollars.

The Fund is a registered managed investment scheme. The Responsible Entity is incorporated and domiciled in Australia and its registered office and principal place of business is:

Level 20
Angel Place
123 Pitt St
Sydney NSW 2000

The financial statements were authorised for issue by the Directors of the Responsible Entity on 6 March 2024. The Directors of the Responsible Entity have the power to amend and reissue the financial report.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2023

	Note	DEC 2023 \$	DEC 2022 \$
Interest Revenue			
Mortgage interest received from borrowers		6,654,255	5,224,326
Bank interest received		865,792	342,739
Total Interest Revenue		7,520,047	5,567,065
Expenses			
Mortgage interest distributed to members		(6,246,237)	(4,853,228)
Bank interest distributed to members		(826,773)	(323,935)
Mortgage investment management fees paid to responsible entity		(356,033)	(329,642)
Cash holding management fees paid to responsible entity		(39,018)	(17,031)
Trail fees paid to brokers		(51,986)	(43,229)
Total expenses		(7,520,047)	(5,567,065)
Profit before income tax expense		–	–
Income tax expense		–	–
Profit after income tax expense for the period		–	–
Other comprehensive income for the period, net of tax		–	–
Total comprehensive income for the period		–	–

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	DEC 2023 \$	JUN 2023 \$
Assets			
Cash and cash equivalents		59,913,048	50,817,244
Trade and other receivables		104,939	112,904
Financial assets	5	132,653,256	135,376,000
Total assets		192,671,243	186,306,148
Liabilities			
Trade and other payables		5,969,593	11,602,607
Financial liabilities	6	186,701,650	174,703,541
Total liabilities		192,671,243	186,306,148
Net assets		–	–
Total equity		–	–

STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2023

	Retained Profits \$	Total Equity \$
Balance at 1 July 2022	–	–
Total comprehensive income for the period	–	–
Balance at 31 December 2022	–	–
Total comprehensive income for the period	–	–
Balance at 1 July 2023	–	–
Total comprehensive income for the period	–	–
Balance at 31 December 2023	–	–

Total amount of investment funds held within the Fund by individual investors are classified as Financial Liabilities, consequently there is no equity for financial reporting purposes.

STATEMENT OF CASH FLOWS

For the half year ended 31 December 2023

	Note	DEC 2023 \$	DEC 2022 \$
Cash flows from operating activities			
Cash receipts in course of operations (including GST)		71,648,754	75,618,381
Cash payments in course of operations (including GST)		(62,552,950)	(83,871,950)
Net cash from / (used in) operating activities		9,095,804	(8,253,569)
Cash flows from investing activities			
Net cash used in investing activities		–	–
Cash flows from financing activities			
Net cash used in financing activities		–	–
Net increase / (decrease) in cash and cash equivalents		9,095,804	(8,253,569)
Cash and cash equivalents at the beginning of the period		50,817,244	36,922,293
Cash and cash equivalents at the end of the period		59,913,048	28,668,724

DIRECTOR'S DECLARATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001* as appropriate for for-profit entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Fund has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

2. EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2023, no event has arisen that would be likely to materially affect the operations of the Fund, or the state of affairs of the Fund not otherwise disclosed in the Fund's financial report.

3. CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities.

4. SEGMENT INFORMATION

The Fund operates in one segment being the management of a registered mortgage scheme. The Fund operates in the State of New South Wales with business development resources in Victoria.

DIRECTOR'S DECLARATION

5. FINANCIAL ASSETS

	DEC 2023 \$	JUN 2023 \$
Loans and receivables		
Mortgage investments	132,653,256	135,376,000
Less allowance for impairments	–	–
Total Mortgage Investments	132,653,256	135,376,000
	DEC 2023 \$	JUN 2023 \$
Analysis of loans and receivables		
Current	132,653,256	131,176,000
Non-current	-	4,200,000
Total Mortgage Investments	132,653,256	135,376,000

Mortgage investments shown in the Statement of Financial Position are not held collectively for all Members of the Fund. The Fund operates as a contributory mortgage scheme and offers investment in a mortgage investment secured by a registered Mortgage over legal interest in real property. Members of the Fund may hold an interest in a particular mortgage investment by way of an investment through the Syndicate PDS (**Syndicate Members**). The Syndicate Members hold the legal and beneficial interest in the Mortgage as tenants in common. The mortgage investment is an asset of the Syndicate Members and not an asset of the Fund. It is an ASIC requirement that the mortgage investments are disclosed as assets of the Fund.

Unless otherwise disclosed in the Syndicate PDS, the Mortgage is a first registered Mortgage, with priority over any subsequent registered or unregistered mortgage and any other non-secured creditor of the borrower. In the event of a default, the Mortgage authorises the mortgagee a right to exercise a power of sale of the security property.

6. MOVEMENT IN MEMBERS' FUNDS

	DEC 2023 \$	JUN 2023 \$
Interests in the Fund at the beginning of the period	174,703,541	176,923,974
Interests issued during the period	21,794,111	47,486,180
Withdrawals from the Fund during the period	(9,796,002)	(49,706,613)
Interests in the Fund at the end of the period	186,701,650	174,703,541

DIRECTOR'S DECLARATION

In the opinion of the Directors of Schroders RF Limited:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards AASB134:Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- 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 of the Responsible Entity:



George Kostas
Director

Sydney, 6 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SCHRODERS RF SELECT CREDIT FUND

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Schrodgers RF Select Credit Fund (the Fund), which comprises the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Schrodgers RF Select Credit Fund is not in accordance with the Corporations Act 2001 including:

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the Responsible Entity a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Fund'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. As the auditor of Schrodgers RF Select Credit Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report



A review of a half-year 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.

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P. Pearman .

PAUL PEARMAN
PARTNER

6 MARCH 2024
SYDNEY, NSW