

Key Capital Property Fund

ARSN: 121 439 129

Financial Statements

For the year ended 30 June 2025

Key Capital Property Fund

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For the year ended 30 June 2025

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Key Capital Property Fund

Directors' report
30 June 2025

The Directors of the Responsible Entity, Key Capital Limited, present their report on Key Capital Property Fund ("the Fund") for the year ended 30 June 2025.

Directors

The names of Directors of the Responsible Entity in office at any time during or since the end of the year are:

James D. Permezel

Stephen Nicholls

George Nikakis

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activities of the Fund are to act as landlord of commercial properties, for the purpose of earning revenue in the form of rent.

Operating Results

The profit of the Fund for the year ended 30 June 2025 was \$818,716 (2024 loss:\$1,161).

Distributions Paid or Recommended

Distributions paid or declared for payment for the year ended 30 June 2025 were \$1,296,853 in total (2024: \$1,071,780).

Distribution paid	2025 \$	Cents per unit	2024 \$	Cents per unit
Key Capital Property Fund	1,296,853	2.17	846,780	2.15

Review of Operations

During the year ended 30 June 2025 the Fund held the properties at Percy Street, Bellerive, Tasmania and Wyndham Street, Shepparton, Victoria.

The fund held:

- 100% of 10 Percy Street Bellerive, Tasmania
- 100% of 440-452 Wyndham Street, Shepparton, Victoria
- As of 1 October 2024, 100% investment in Key Capital Retail Fund No 9 which owns 139-143 Hobart Road King Meadows, Tasmania.
- On 28 February 2025, Key Capital Property Fund acquired 33 % of Prudential Commercial Property Trust which owns the Co Store - Cnr Ovens and Reid St Wangaratta

The Fund is an actively managed property fund that completes project leasing value-add and property development.

Key Capital Property Fund

Directors' report
30 June 2025

Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

Future Developments

The Fund will continue with its current investment objectives and strategy.

Environmental Issues

The Fund complied with all environmental regulations during the course of the financial year.

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Key Capital Property Fund.

Options

No options were granted since the end of the financial year and there are no options outstanding at the date of this report. The directors and executives of the Responsible Entity hold no options over interests in the Fund.

Proceedings on Behalf of the Fund

No person has applied for leave of court to bring proceedings on behalf of the Fund or intervene in any proceedings to which the Fund is a party for the purpose of taking responsibility on behalf of the Fund for all or any part of their proceedings. The Fund was not a party to any such proceedings during the year.

Fees, Commissions or other charges by the Responsible Entity or Related Parties of the Responsible Entity.

All Responsible Entity fees have been detailed in Note 18 "Related Parties".

Units held by the Responsible Entity or Related Parties of the Responsible Entity

At 30 June 2025 the Responsible Entity and its related parties held units 8,132,943 (2024:6,068,941) in the Fund, as detailed in Note 18 "Related Parties".

Interests Issued in the Fund

During the year additional units were issued 20,273,648 (2024:15,493,078).

Buy Back Arrangements

As detailed in the Fund Constitution the Responsible Entity is not under any obligation to buy back, purchase or redeem units from unit holders. During the year the responsible entity of the Fund offered a limited withdrawal offer to investors whereby investors could withdraw all or part of their investment.

Key Capital Property Fund

Directors' report
30 June 2025

Value of Scheme Assets

The total value of the Fund's assets at the end of the reporting period is \$37,252,059(2024: \$28,633,040).The methodology utilised in valuing the assets is detailed in the notes to the financial statements.

Number of Interests on Issue

At 30 June 2025, the number of units issued in the Fund was 59,643,392 (2024:39,969,744).

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out in the following page.

Signed in accordance with a resolution of the Board of Directors of Key Capital Limited by:



George Nikakis

Director

Dated: 01/10/2025

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The Board of Directors

Key Capital Limited

01 October 2025

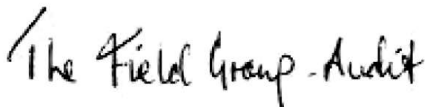
Dear Board Members

Key Capital Property Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Key Capital Limited, the Responsible Entity of Key Capital Property Fund.

I declare that to the best of my knowledge and belief, during the year ended 30 June 2025, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "The Field Group - Audit".

The Field Group - Audit

A handwritten signature in black ink, appearing to read "MP.".

Muqees Bilwani

Director

Dated: 01/10/2025

Chirnside Park, Victoria

Key Capital Property Fund

Consolidated statement of profit or loss

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue and other income			
Property revenue	5.b	1,737,973	1,281,788
Trust distribution		42,546	94,106
Distribution differential rebate		19,877	92,124
Finance income	6	6,731	11,265
Total revenue and other income		1,807,127	1,479,283
Finance costs	6	(1,204,062)	(1,013,355)
Other expenses		(578,500)	(316,192)
Property expenses		(753,144)	(346,342)
Responsible entity's fees - Management		(269,090)	(201,203)
Responsible entity's fees – Asset disposal fee		(20,100)	(145,000)
Responsible entity's fees - Capital works / acquisition fee		(43,387)	(43,059)
Custodian fee		(31,250)	(20,000)
Total expenses		(2,899,533)	(2,085,151)
Net changes in fair value of investment properties and other investments	5.c	1,911,122	604,707
Net gains from other items		1,911,122	604,707
Profit/(loss) for the year		818,716	(1,161)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		818,716	(1,161)

The accompanying notes form part of these financial statements.

Key Capital Property Fund

Consolidated statement of financial position

As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,557,461	98,715
Trade and other receivables	10	224,763	263,396
Other assets	11	52,718	53,538
Total current assets		1,834,942	415,649
Non-current assets			
Investment properties	12	33,500,000	25,668,500
Financial assets at fair value through profit or loss	13	1,917,117	2,548,891
Total non-current assets		35,417,117	28,217,391
Total assets		37,252,059	28,633,040
Liabilities			
Current liabilities			
Trade and other payables	14	535,662	218,011
Interest-bearing loans and borrowings	15	684,256	1,047,674
Total current liabilities		1,219,918	1,265,685
Non-current liabilities			
Interest-bearing loans and borrowings	15	16,469,782	14,474,589
Provisions	16	335,000	258,000
Total non-current liabilities		16,804,782	14,732,589
Total liabilities		18,024,700	15,998,274
Net assets		19,227,359	12,634,766
Equity			
Issued units	17	26,491,887	19,421,158
Retained earnings		(7,264,528)	(6,786,392)
Total equity		19,227,359	12,634,766

The accompanying notes form part of these financial statements.

Key Capital Property Fund

Consolidated statement of changes in equity

For the year ended 30 June 2025

2024	Issued units	Cumulative deficit	Total
	\$	\$	\$
Opening balance	14,097,339	(5,938,451)	8,158,888
Loss for the year	-	(1,161)	(1,161)
Other comprehensive income net of tax	-	-	-
Total other comprehensive income	-	(1,161)	(1,161)
Units issued during the year	5,462,569	-	5,462,569
Units redeemed during the year	(138,750)	-	(138,750)
Distribution paid	-	(846,780)	(846,780)
Closing balance	19,421,158	(6,786,392)	12,634,766

2025	Issued units	Cumulative deficit	Total
	\$	\$	\$
Opening balance	19,421,158	(6,786,392)	12,634,766
Profit for the year	-	818,716	818,716
Other comprehensive income net of tax	-	-	-
Total comprehensive income	-	818,716	818,716
Units issued during the year	7,667,637	-	7,667,637
Units redeemed during the year	(596,908)	-	(596,908)
Distribution paid	-	(1,296,852)	(1,296,852)
Closing balance	26,491,887	(7,264,528)	19,227,359

The accompanying notes form part of these financial statements.

Key Capital Property Fund

Consolidated statement of cash flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities:			
Receipts from customers		2,031,120	1,198,907
Payments to suppliers and employees		(2,048,599)	(830,000)
Distribution received		-	21,247
Interest received		6,731	11,265
Interest paid		(822,046)	(1,013,355)
Net cash flows used in operating activities	20	(832,794)	(611,936)
Cash flows from investing activities:			
Payments for investment properties		(181,454)	(13,686,618)
Payment for financial assets at fair value through profit and loss		(1,917,117)	(2,152,969)
Net cash provided used in investing activities		(2,098,571)	(15,839,587)
Cash flows from financing activities:			
Net payments from borrowings		(533,892)	11,850,334
Proceeds from issue of units		6,789,097	5,462,569
Payment for units redeemed		(596,908)	(138,750)
Distributions paid to unitholders		(1,296,853)	(846,780)
Net cash provided by financing activities		4,361,444	16,327,373
Net increase/(decrease) in cash and cash equivalents		1,430,079	(124,150)
Cash and cash equivalents at beginning of year		98,715	222,865
Acquisition of subsidiary during the year		28,667	-
Cash and cash equivalents at end of financial year	9.c	1,557,461	98,715

The accompanying notes form part of these financial statements.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

1. Introduction

The consolidated financial report covers Key Capital Property Fund and its controlled entities (together referred to as "The Fund").

Each of the entities within the Fund prepare their consolidated financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The consolidated financial report was authorised for issue by the Directors on 30 September 2025.

Comparative figures are not consistent with prior years, unless otherwise stated, as the prior year was not consolidated. In the prior year, the financial statements presented only the balances of Key Capital Property Fund as a standalone unit trust as no subsidiaries were consolidated [Refer note 3(g)].

The Fund is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the consolidated financial statements and directors' report have been rounded to the nearest dollar.

2. Basis of preparation

Statement of compliance

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These consolidated financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis of measurement

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

Going concern

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

The Fund has an excess of current assets over current liabilities of \$615,024.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

2. Basis of preparation (continued)

Use of estimates, assumptions and judgements

In the application of the Fund's accounting policies, the Responsible Entity is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The key estimates and judgements in the financial report relate to:

- Investment properties – Note 12
- Asset disposal fees – Note 16

Judgements made by the Responsible Entity that have significant effects on the financial statements and estimates with significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

3. Material accounting policy information

a. Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these consolidated financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

All controlled entities have the same financial year end as the parent.

A list of controlled entities is contained in note 19 to the consolidated financial statements.

i. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

3. Material accounting policy information (continued)

b. Income tax

The Fund is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

c. Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

d. Impairment of non-financial assets

At the end of each reporting period the Fund determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

e. Financial instruments

Financial instruments are recognised initially on the date that the Fund becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

i. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1) Classification

On initial recognition, the Fund classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

3. Material accounting policy information (continued)

e. Financial instruments (continued)

i. Financial assets (continued)

2) Amortised cost

The Fund's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

3) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments).

The Fund holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

ii. Financial liabilities

The Fund measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Fund comprise trade payables, bank and other loans.

f. New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

The Fund has adopted all the new mandatory standards and interpretations for the current reporting period. The adoption of these standards and interpretations did not result in a material change on the reported results and position of the Fund, as they did not result in any changes to the Fund's existing accounting policies.

The Fund has adopted the amendments to AASB 101 Presentation of Financial Statements which require only the disclosure of material accounting policy information rather than significant accounting policies and therefore policy information which does not satisfy one of the following requirements has been removed from these financial statements:

Key Capital Property Fund

Notes to the financial statements
For the year ended 30 June 2025

3. Material accounting policy information (continued)

f. New and revised AASBs affecting amounts reported and/or disclosures in the financial statements (continued)

- Relates to change in accounting policy
- Policy has been developed in the absence of an explicit accounting standard requirement
- Documents an accounting policy choice
- Relates to an area of significant judgement or estimation
- Relates to a complex transaction and is required to explain the treatment to the user.

g. Comparative figures

In the prior year, the financial statements presented only the balances of the Fund, as no subsidiaries were consolidated. During the current year, the Fund acquired and consolidated Key Capital Retail Fund No.9 in accordance with IFRS 10 – Consolidated Financial Statements. Accordingly, these financial statements present consolidated figures for the fund. Comparative information relates solely to the fund balances and is therefore not directly comparable with the current year's consolidated results.

4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the consolidated financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

b. Key estimates - fair value of investment properties

The fair value of investment properties was determined using a discounted cash flow model which used a number of unobservable inputs. Information about the inputs and assumptions used are included in the fair value and investment property notes.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

4. Critical accounting estimates and judgements (continued)

c. Key estimates - fair value of financial instruments

The Fund has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

d. Control assessment

The Fund is the largest shareholder in Key Capital Retail Fund No.9 and owns 100% of the total stake.

5. Revenue and other income

a. Accounting policy

i. Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Fund expects to receive in exchange for those goods or services.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Fund have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

ii. Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Fund are:

1) Rental Income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income not received at reporting date is reflected in the statement of financial position as a receivable. If rents are paid in advance these amounts are recorded as payables in the statement of financial position.

Lease incentives granted are recognised as an integral part of the net consideration agreed for the use of the leased premises, irrespective of the incentive's nature or form of the timing of payments. The aggregate cost of lease incentives is recognised as a reduction of rental income on a straight-line basis over the lease term.

Contingent rents based on the future amount of a factor that changes other than with the passage of time are only recognised when charged.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

5. Revenue and other income (continued)

a. Accounting policy (continued)

ii. Specific revenue streams (continued)

2) Recoverable Outgoings

The Fund recovers the costs associated with the general building and tenancy operation from lessees in accordance with the specific clauses in the lease agreements. These are invoiced monthly based on an annual estimate.

3) Sale of Properties

Any gain or loss on the sale of an investment property is recognised when the control of the asset is passed to the buyer, which normally coincides with the settlement of the contract of sale.

iii. Other income

Other income is recognised on an accruals basis when the Fund is entitled to it.

b. Revenue from continuing operations

	2025	2024
	\$	\$
Base rent	1,588,468	1,160,846
Recoverable outgoings	149,505	120,942
Total	1,737,973	1,281,788

c. Other income

	2025	2024
	\$	\$
Fair value adjustment to investment property		
Asset Acquisition Costs W/O	-	(695,293)
Chgs in Fair Val Invest Props income	658,950	1,300,000
Chgs in Fair Val Invest Props expense	900,734	-
Adjustment To Fair Value Investment Properties	390,362	-
Other Fair Value changes	(38,924)	-
Total Fair value adjustment to investment property	1,911,122	604,707

d. Disaggregation of revenue from contracts with customers

The Fund's revenue is derived from rental income, which is recognised on a straight-line basis over the lease term. Rental income is earned from investment properties and is recognised monthly as the right to use the property is provided to tenants.

Key Capital Property Fund

Notes to the financial statements
For the year ended 30 June 2025

6. Finance income and expenses

Finance income	2025	2024
	\$	\$
Interest income	6,731	11,265
	6,731	11,265
	2025	2024
	\$	\$
Interest expenses	947,142	783,429
Amortisation of borrowing costs	256,920	229,926
Total	1,204,062	1,013,355

7. Auditor's remuneration

	2025	2024
	\$	\$
The Field Group -Audit Pty Ltd (PY:Daniel Allison & Associates Assurance)		
Audit or review of financial report	25,700	18,575
Other services:		
Audit or review of financial report	1,500	1,500
Other auditors		
Other services – compliance plan audit	3,000	3,000

8. Business combinations

a. Accounting policy

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

8. Business combinations (continued)

a. Accounting policy (continued)

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

b. Acquisition details

Key Capital Property Fund acquired 100% of Key Capital Retail Fund (KCRF) No.9 on 1 October 2024. Consolidation of KCRF was carried out for the full year ended 30 June 2025. On 25 May 2025, KCRF was deregistered as a Managed Investment Scheme.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Fair value \$
Purchase consideration	
Existing Investment value on Key Capital Retail Fund No.9-Unitholding interest 75.6%	2,548,891
Additional units issued to acquire the balance interest 24.4%	878,540
	3,427,431
Identifiable net assets acquired	(3,427,431)
Excess consideration paid	-

9. Cash and cash equivalents

a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

b. Cash and cash equivalent details

	2025 \$	2024 \$
Cash at bank	1,557,461	98,715
	1,557,461	98,715

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

9. Cash and cash equivalents (continued)

c. Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

	2025	2024
	\$	\$
Cash and cash equivalents	1,557,461	98,715

10. Trade and other receivables

Current	2025	2024
	\$	\$
Trade receivables	(53,684)	91,130
Other receivables		
Distribution receivable	-	72,859
Rebate receivable	112,001	92,124
Advance amount and other costs paid to Naracoorte acquisition	104,444	-
Outgoing receivables	6,069	-
Lease incentives	48,650	-
Other	7,283	7,283
	224,763	263,396

Recoverability of loans and receivables

The Fund recognises loss allowances at an amount equal to lifetime expected credit losses ("ECL") on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Lifetime ECL's are the ECL's that result from all possible default events over the expected life of the trade receivables and are a probability-weighted estimate of credit losses. Credit losses are measured at the difference between the cash flows due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive.

The Responsible Entity has continued to analyse the age of outstanding receivable balances post balance sheet date and applied estimated percentages of recoverability as a means to estimate ECL, as well as the financial stress of the counterparties and their ability to continue as a going concern. Debts that are known to be uncollectable are written off when identified.

Key Capital Property Fund

Notes to the financial statements
For the year ended 30 June 2025

11. Other assets

Current	2025	2024
	\$	\$
Prepayments		
Prepaid Insurance	31,485	25,670
Prepaid Land Tax	14,014	14,014
Other Prepayments	7,219	13,854
	52,718	53,538

12. Investment properties

a. Accounting policy

Recognition and measurement

Investment properties are properties held to either earn rental income or for capital appreciation or for both. Investment properties are initially recorded at cost which includes stamp duty and other transaction costs. Subsequently, the investment properties are measured at fair value with any change in value recognised in profit or loss. The carrying amount of investment properties includes components relating to deferred rent, lease incentives and leasing fees.

An investment property is derecognised upon disposal. Any gain or loss arising on the derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Valuation techniques and significant unobservable inputs

The fair values of investment properties were determined by the directors of the Responsible Entity or by an external, independent valuation company having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

The valuations were prepared by considering the following valuation methodologies:

- Capitalisation Approach – The annual net rental income is capitalised at an appropriate market yield to arrive at the property's market value. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

12. Investment properties (continued)

a. Accounting policy (continued)

- Discounted Cash Flow Approach – Future annual cash flows are estimated over a 10 year period by reference to expected rental growth rates, ongoing capital expenditure, terminal sale value and acquisition and disposal costs. The present value of future cash flows is then determined by the application of an appropriate discount rate to derive a net present value for the property.
- Direct Comparison Approach – Comparable sales on a dollar per square metre of lettable area basis are determined and compared against the equivalent rates to the property being valued to determine the property's market value.

b. Investment property details

2024	2025	2024
	\$	\$
Opening balance	25,668,500	11,377,175
Opening balance KCRF	5,700,000	-
Additions	181,454	13,686,618
Capital expenditure	-	-
Changes in fair value of investment properties	1,950,046	604,707
Closing balance- Directors Valuation	33,500,000	25,668,500

The carrying amount of investment properties includes components related to deferred rent, capitalised lease incentives and leasing fees amounting to \$nil (2024: \$nil). The additions include purchase price, stamp duty and other directly attributable costs.

c. Leases as lessor

The Fund leases out its investment properties under operating leases. The Fund has determined that it retains all the significant risks and rewards of ownership of these properties and has therefore classified the leases as operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

Description	2025	2024
	\$	\$
Less than one year	1,775,403	1,472,859
Between one and five years	8,213,979	4,903,674
More than five years	2,637,789	5,512,871
Total	12,627,171	11,889,404

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

12. Investment properties (continued)

c. Leases as lessor (continued)

Description	Fair Value 2025 \$	Fair value 2024 \$	Capitalisation rate 2025 %	Capitalisation rate 2024 %	Last Independent Valuer/Date	Last Independent Valuation \$
10 Percy Street, Bellerive	10,600,000	11,368,500	4.75	4.65	Herron Todd White / June 2025	10,250,000
440-452 Wyndham Street, Shepparton	16,800,000	14,300,000	5.76	5.84	Colliers / August 2025	16,800,000
139-143 Hobart Road, Kings Meadows	6,100,000	5,700,000	6.25	6.35	Director valuation	6,080,000
Wangaratta Co Store (Investment in Prudential Commercial Property Trust)	1,917,117	-	8.00	0.00	N/A-Invested on 28/02/2025	-
Total	35,417,117	31,368,500				

d. Fair value measurement

The fair value measurement of investment property has been categorised as a level 3 fair value as it is derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Significant unobservable input	Valuation input value 2025 %	Valuation input value 2024 %	Impact on fair values	Impact on fair values
Capitalisation rate - 10 Percy Street, Bellerive	4.75	4.65	Decrease	Increase
Capitalisation rate - 428-452 Wyndham Street, Shepparton	5.76	5.84	Decrease	Increase
Capitalisation rate - 139-143 Hobart Road, Kingsmeadows	6.25	6.35	Decrease	Increase

13. Financial Assets at fair value through profit or loss

Non-current	2025 \$	2024 \$
Units in unlisted property trusts managed by the Responsible Entity or its affiliates - at directors' valuation	1,917,117	2,548,891

a. Recognition and measurement

In the previous year, Key Capital Property Fund held a 75.6% unitholding interest in Key Capital Retail Fund No.9, which was accounted for as a financial asset. During the current year, the Fund acquired the remaining 24.4% interest, thereby obtaining full control over KCRF No.9. As a result, KCRF No.9 has been classified as a subsidiary and consolidated in these financial statements in accordance with IFRS 10 – *Consolidated Financial Statements*. Consequently, the previously recognised financial asset balance has been derecognised. Refer Business Combination Note 8.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

13. Financial Assets at fair value through profit or loss (continued)

a. Recognition and measurement (continued)

On 28 February 2025, Key Capital Property Fund acquired 33 % of Prudential Commercial Property Trust which owns the Co Store - Cnr Ovens and Reid St Wangaratta.

b. Valuation basis

Unlisted securities are not traded in active markets. Units are measured at fair value and determined by reference to the underlying properties and other net assets of the trusts.

In assessing the fair value of investments held in schemes managed by the Responsible Entity or its affiliates, the unit price is determined by the entity's net assets adjusted for contribution and establishment fees and other adjustments where necessary. This methodology is consistent to that used by the Responsible Entity to issue units in the Fund to the general public.

c. Uncertainty around fair value estimation of unlisted investments

The fair value of unlisted investments is the price at which units could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market.

As unlisted investments are not traded in active markets fair value is determined using recent sales evidence or other valuation techniques at the reporting date.

The Responsible Entity has established a unit pricing policy that has been demonstrated to provide reliable estimates of prices used regularly in actual market transactions. This policy values units by reference to the Fund's net assets, adjusted for transaction costs (the costs when assets in the Fund are bought and sold), derivative instruments, and other adjustments as outlined within the product disclosure statement of the Fund.

This policy has been reviewed in the context of the current economic climate and the directors believe this to be the best estimate of fair value at balance date.

Whilst the directors have determined this is the best estimate of fair value, the current market uncertainty means that if units are sold in the future, the price achieved may be higher or lower than the fair value recorded in the financial statements.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

14. Trade and other payables

Current	2025	2024
	\$	\$
Trade payables	65,945	181,457
Other payables		
GST	7,832	17,303
Lease incentive payable	45,000	-
Deposits held	20,208	-
PCP Trust - Acquisition Stamp Duty Payable	371,677	-
Accrued expenses	25,000	19,251
	535,662	218,011

Recognition and measurement

Distributions paid or payable are recognised as distributions within equity. A liability is recognised where distributions have been declared but have not been paid. Distributions paid are included in cash flows from financing activities in the statement of cash flows.

15. Interest-bearing loans and borrowings

As at 30 June 2025 the Fund has the following interest bearing loans and borrowings:

Description	Expiry date	Limit 2025	Amount drawn 2025	Limit 2024	Amount drawn 2024
		\$	\$	\$	\$
Current					
Bank loan		-	600,000	-	600,000
Accrued interest		-	64,288	-	67,231
Premium funding	September 2024	-	21,596	28,920	6,039
Related party loan	June 2025	-	-	675,000	375,000
Unamortised borrowing costs		-	(1,628)	-	(596)
		-	684,256	703,920	1,047,674
Non-current					
Bank loan	June 2026	17,785,000	16,535,000	15,635,000	14,515,000
Unamortised borrowing costs		-	(65,218)	-	(40,411)
		17,785,000	16,469,782	15,635,000	14,474,589

As at 30 June 2025, the Fund had \$Nil (2024: \$Nil) fixed rate loans and \$nil (2024 \$nil) of interest rate swaps hedged against its drawn debt

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

15. Interest-bearing loans and borrowings (continued)

All facilities are interest only facilities and are secured by first mortgages over the Fund's investment properties and a first ranking fixed and floating charge over all assets of the Fund.

The secured loans have covenants in relation to loan to value ratio ("LVR") and interest cover ratio ("ICR") which the Fund has complied with during the year.

16. Provisions

a. Accounting policy

The provision for asset disposal fees relates to amounts payable to the Responsible Entity upon the sale of the investment property. The amount payable is based on a percentage of the property sale price. The provision is being recognised on a timely basis once the investment has been acquired to reflect the service provided by the Responsible Entity. There is an amount of uncertainty as to when the property will be sold and the sale price.

b. Provision details

Description	2025 \$	2024 \$
Asset disposal fees	335,000	258,000
Movements during the financial year:		
Opening balance	258,000	113,000
Opening balance KCRF	56,900	
Charged to the statement of comprehensive income:		
- Provision made during the period	20,100	145,000
Closing balance	335,000	258,000

17. Issued Units

	Units 2025	2025 \$	Units 2024	2024 \$
Opening balance	39,369,744	19,421,158	24,273,096	14,097,339
Units issued	21,979,101	6,789,097	15,493,078	5,462,569
Units issued for the acquisition	-	878,540	-	
Units redeemed	(1,705,453)	(596,908)	(396,430)	(138,750)
Closing balance	59,643,392	26,491,887	39,369,744	19,421,158

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

17. Issued Units (continued)

All units in the Fund are of the same class and carry equal rights to capital and income distributions.

An equity instrument is any contract that evidences a residual interest in the assets of a Fund after deducting all of its liabilities. Equity instruments issued by the Fund are recognised at the proceeds, net of direct issue costs.

Distributions paid to Unitholders

	2025	2024
	\$	\$
Distribution paid-KCPF	1,296,852	8,467,810

	Average Cents	Average Cents
Per unit	2.17	2.15

Distributions and taxation

Under current Australian income tax legislation, the Fund is not liable for income tax for the financial year as the Fund has fully distributed its distributable income as determined under the Fund's constitution, whilst its unitholders are presently entitled to the income.

Distributions are determined by the Responsible Entity of the Fund and are payable as set out in the Fund's Product Disclosure Statement. Distributable income includes capital gains arising from the disposal of financial assets and liabilities. Net realised capital losses and tax losses are not distributed to unitholders but are retained to be offset against any realised capital gains and future assessable income respectively.

18. Related parties

Key management personnel

The Fund does not employ personnel in its own right. However, it required to have an incorporated Responsible Entity, Key Capital Limited, to manage the activities of the Fund.

The directors of the Responsible Entity are key management personnel of that entity, and their names are:

James D. Permezel

Stephen Nicholls

George Nikakis

No compensation is paid directly by the Fund to directors or to any of the key management personnel of the Responsible Entity. Payments made by the Fund to the Responsible Entity do not specifically include any amounts attributable to the compensation of key management personnel.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

18. Related parties (continued)

Key management personnel loan disclosure

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Responsible entity

The Responsible Entity of the Fund is Key Capital Limited.

Responsible entity's fees and other transactions

Under the terms of the constitution, the Responsible Entity is entitled to receive fees in accordance with the product disclosure statement.

Description	2025 \$	2024 \$
Fees for the year paid/payable by the Fund:		
Management of the Fund	276,232	201,203
Asset disposal fee	205,355	145,000
Finance Facility fee	106,710	61,200
Asset acquisition fee	43,387	260,000
Capital works fee	18,827	43,059
Other fees	-	6,226
Amounts receivable:		
Amounts receivable from the Responsible Entity	112,001	92,124
Amounts payable:		
Disposal fee	335,000	258,000
Management fee	-	42,595
Unitholdings		
The Responsible Entity held units in the Fund as follows:		
Number of Units held	-	-
Interest % held	-	-
Distributions paid/payable from the Fund	-	-

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

18. Related parties (continued)

Transactions and balances with companies which are associated with the Responsible Entity or its affiliates

	2025	2024
	\$	\$
Fees for the year paid/payable by the Fund:	-	-
Accounting fees (Figureworks Pty Ltd) (i)	38,500	18,000
Management of the Properties (Retail Leisure Life) (i)	65,792	26,011
Leasing fees (Retail Leisure Life) (i)	28,200	65,296

Amounts payable:

Other payables	-	57,595
(i) Entities associated with one or more of the directors.	-	-

Transactions and balances with managed investment schemes which are managed by the Responsible Entity or its affiliates

Unitholdings	2025	2024
	\$	\$
Managed investment schemes which are managed by the Responsible Entity or its affiliates held units in the Fund		
Key Capital Retail Fund No. 9	-	-
Number of Units held	3,057,571	2,269,125
Interest % held	100	76
Distributions paid/payable from the Fund	-	94,106

Transactions and balances with companies which are associated with the Responsible Entity or its affiliates

	2025	2024
	\$	\$
Other director related entities held units in the Fund:		
Entities & individuals associated with Mr. George Nikakis		
Number of Units held	1,137,032	1,137,032
Interest % held	2	3
Distributions paid/payable from the Fund	27,857	13,349

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

18. Related parties (continued)

	2025	2024
	\$	\$
Entities & individuals associated with Mr. Stephen Nicholls		
Number of Units held	1,534,606	1,399,177
Interest % held	3	4
Distributions paid/payable from the Fund	38,501	31,946
Entities & individuals associated with Mr. James Permezel		
Number of Units held	5,461,305	3,532,732
Interest % held	9	9
Distributions paid/payable from the Fund	132,205	68,324
Permezel Superannuation Pty Ltd ATF Permezel Superannuation Fund^		
Related party loan	-	375,000
Interest paid on related party loan	27,663	49,972
^ Entity associated with Mr. James Permezel	-	-

19. Interests in subsidiaries

	Principle place of business/ country of incorporation	Percentage owned* 2025 %	Percentage owned* 2024 %
Subsidiaries			
Key Capital Retail Fund No.9	Austalia	100	76

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

20. Cash flow information

Reconciliation of net income to net cash provided by operating activities:

	2025	2024
	\$	\$
Profit/(loss) for the year	818,716	(1,161)
Add / (less) non-cash items:		
Business acquisitions	98,924	-
Investment property revaluation	(1,950,046)	(604,707)
Changes in assets and liabilities:		
Decrease/(increase) in receivables and prepayments	43,488	(292,218)
Increase in payables	136,024	141,150
Increase in provisions	20,100	145,000
Cash flows used in operations	(832,794)	(611,936)

21. Financial instruments

The directors of the Responsible Entity consider that the carrying amount of the financial assets and financial liabilities approximate their fair value in the financial statements, including any fixed rate borrowings. All financial instruments are measured at amortised cost with the exception of derivative financial instruments. Derivative financial instruments are measured at fair value and have a level 2 designation in the fair value hierarchy. There were no transfers between levels of fair value hierarchy during the period.

Valuation techniques

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of interest rate swaps is determined using a discounted cash flow analysis. The future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit rate of the various counterparties

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date
- Level 2 – Derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (i.e., derived from prices)
- Level 3 – Derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

21. Financial instruments (continued)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Capital management

The capital structure of the Fund consists of cash and cash equivalents and the proceeds from the issue of the units of the Fund.

The Fund has no restrictions or specific capital requirements on the application and redemption of units, other than the approval of the Responsible Entity.

The Funds overall investment strategy remains unchanged from the prior year.

Financial risk management objectives

The Fund is exposed to a variety of financial risks as a result of its activities. These potential risks include; market risk (interest rate risk), credit risk and liquidity risk. The Fund's risk management and investment policies seek to minimise the potential adverse effects of these risks on the Fund's financial performance.

Market risk

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices. The Fund's activities expose it primarily to the financial risk of changes in interest rates.

There has been no change to the Fund's exposure to market risks or the manner in which it manages and measures the risk from the previous year.

Interest rate risk management

In respect of income-earning financial assets and interest-bearing liabilities, the following table indicates their effective interest rates at reporting date:

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

21. Financial instruments (continued)

	Effective interest rate(%) 2025	Total 2025 \$	Effective interest rate(%) 2024	Total 2024 \$
Financial assets				
Cash and cash equivalents	-	1,557,461	-	98,715
Trade and other receivables	-	224,763	-	263,396
Financial assets at fair value through profit or loss	-	1,917,117	-	2,548,891
		3,699,341		2,911,002

	Effective interest rate(%) 2025	Total 2025 \$	Effective interest rate(%) 2024	Total 2024 \$
Financial liabilities				
Financial liabilities				
Trade and other payables	-	-	-	200,708
Premium funding	7.99	19,968	7.99	5,443
Deferred asset disposal fee	-	335,000	-	258,000
Related party loan	-	-	12.00	375,000
Borrowings – variable (including accrued interest)	4.86	17,199,288	4.86	15,141,820
		17,554,256		15,980,971

Interest rate sensitivity

The sensitivity analysis below has been determined based on the Fund's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of financial assets and liabilities that have variable interest rates.

At reporting date, if variable interest rate had been 50 (2024: 50) basis points ("bps") higher or lower and all other variables were held constant, the impact to the Fund would have been as follows:

Description		Sensitivity impact Rate decrease \$	Sensitivity impact Rate decrease \$
2025			
Net profit/(loss)	50bps	(76,984)	76,984
Total	50bps	(76,984)	76,984

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

21. Financial instruments (continued)

Description		Sensitivity impact Rate decrease \$	Sensitivity impact Rate decrease \$
2024			
Net profit/(loss)	50bps	(76,984)	76,984
Total		(76,984)	76,984

The methods and assumptions used to prepare the sensitivity analysis have not changed during the year.

Price Risk

The Fund is exposed to price risk on its deferred asset disposal fees of \$335,000 (2024: \$258,000) and financial costs held at fair value through profit or loss \$1,917,117 (2024: \$2,548,891). The amounts are calculated and recognised based on the underlying changes in the price of the investment properties. Changes in the value of the investment property will directly affect the amounts recognised. Investment property and the associated price risk is actively managed and monitored by the directors, using strategy developed by methodical asset planning and Fund budgeting processes.

At reporting date, if property values had been 5% (2024: 5%) higher or lower and all other variables were held constant, the impact to the Fund would have been as follows:

Description		Sensitivity impact Rate decrease \$	Sensitivity impact Rate decrease \$
2025			
Net profit/(loss)	5%	114,545	(114,545)
Total	5%	114,545	(114,545)
2024			
Net profit/(loss)	5%	114,545	(114,545)
Total	5%	114,545	(114,545)

The methods and assumptions used to prepare the sensitivity analysis have not changed during the year.

Credit risk

The Fund has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the financial risk of financial loss from default. The Fund's exposure and the credit ratings of its counterparties are continuously monitored by the Responsible Entity.

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

21. Financial instruments (continued)

At 30 June 2024, the main financial assets exposed to credit risk are trade receivables. There were no significant concentrations of credit risk to counterparties at 30 June 2024. Refer to Note 10 for details of trade receivables.

The credit risk on receivables is minimal because of the proven remittance history of the counterparties. Credit risk from balances with banks and financial institutions is managed by the Responsible Entity in accordance with the Fund's investment policy. Cash investments are made only with approved counterparties.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date.

Liquidity risk

The Fund's strategy of managing liquidity risk is in accordance with the Fund's investment strategy. The Fund manages liquidity risk by maintaining adequate banking facilities and through the continuous monitoring of forecast and actual cash flows and aligning the profiles of the financial assets and liabilities.

The following tables summarises the maturity profile of the Fund's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

Description	Effective interest rate(%)	Total principal & interest \$	Less than 1 year \$	1 to 5 years \$	5+ years \$
2025					
Trade and other payables	-	535,662	535,662	-	-
Premium funding	7.10	21,956	21,956	-	-
Deferred asset disposal fee	-	335,000	-	335,000	-
Related party loan	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Borrowings – variance (including accrued interest)	4.86	17,199,288	664,288	16,535,000	-
Total	11.96	18,091,906	1,221,906	16,870,000	-
2024					
Trade and other payables	-	200,708	200,708	-	-
Premium funding	7.10	6,039	6,039	-	-
Deferred asset disposal fee	-	258,000	-	258,000	-
Related party loan	12.00	387,750	387,750	-	-
Accrued Interest	-	67,231	67,231	-	-
Borrowings – variance (including accrued interest)	4.86	16,940,624	1,432,351	15,508,273	-
Total	23.96	17,860,352	2,094,079	15,766,273	-

The principal amounts included in the above borrowings is \$17,135,000 (2024: \$15,115,000), the principal amounts included in the above premium funding is \$18,628(2024: \$5,443).

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

22. Parent entity

The following information has been extracted from the books and records of the parent, Key Capital Property Fund and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Key Capital Property Fund has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Statement of financial position	2025	2024
	\$	\$
Assets		
Current assets	1,972,300	379,759
Non-current assets	33,097,650	28,217,391
Total assets	35,069,950	28,597,150
Liabilities		
Current liabilities	583,591	214,384
Non-current liabilities	15,259,000	15,748,000
Total liabilities	15,842,591	15,962,384
Net assets	19,227,359	12,634,766
Equity		
Share capital	26,491,887	19,421,158
Retained earnings	(7,264,528)	(6,786,392)
Total equity	19,227,359	12,634,766

Statement of profit or loss and other comprehensive income	2025	2024
	\$	\$
Profit/(loss) for the year	818,722	(1,161)
Other comprehensive income	-	-
Total comprehensive income	818,722	(1,161)

Key Capital Property Fund

Notes to the financial statements

For the year ended 30 June 2025

23. Contingencies

At the reporting date, the Fund has recognised stamp duty of \$450,327 in respect of the acquisition of PCP Trust, of which \$371,677 remains payable as at balance date.

Management has lodged an objection with the State Revenue Office (SRO) regarding the application of stamp duty concessions. The SRO has applied real property duty rules (50% regional concession), while management contends that the landholder duty concession (0%) should apply.

If the objection is successful, the stamp duty cost would reduce from \$450,327 to approximately \$225,000, resulting in a potential refund of \$225,327. As the outcome of the objection process is uncertain, no asset has been recognised in these financial statements. (2024: None).

24. Events occurring after the reporting date

In May 2025, a deposit was paid for the purchase of the property at 86–88 Smith Street, Naracoorte SA 5271. The acquisition was formally settled, and the property was recognised in August 2025. As the settlement occurred after the reporting date, this represents a non-adjusting event and does not affect the amounts reported in these financial statements.

25. Statutory information

The registered office and principal place of business of the Fund is:

Key Capital Property Fund
Suite 15, Level 1, 1 East Ridge Drive
Chirnside Park VIC Australia
3116

Key Capital Property Fund

Directors' declaration

In the directors opinion:

1. the financial statements and notes for the year ended 30 June 2025 are in accordance with the *Corporations Act 2001* and:
 - comply with Australian Accounting Standards; and
 - give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Fund.
2. there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.



George Nikakis
Director

Dated: 01/10/2025

Independent Auditor's Report to the Unitholders of Key Capital Property Fund

Report on the audit of the financial report

Opinion

We have audited the accompanying financial report of Key Capital Property Fund (the Fund), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

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

1. giving a true and fair view of the Fund's financial position as at 30 June 2025 and of its financial performance for the year ended; and
2. complying with Australian Accounting Standards and the *Corporations Act 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the Financial Report

The directors of the Fund are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

Responsibilities of Directors for the Financial Report (continued)

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

The Field Group - Audit

The Field Group - Audit



Muqeeb Bilwani

Director

Dated: 01/10/2025

Chirnside Park, Victoria