Primewest Group Limited
(including Primewest Property Fund as a stapled group)

ABN 58 636 344 137

Financial Report
For the year ended 30 June 2020

Primewest Group Limited
Directors' Report
30 June 2020

Your directors present their report on the stapled group for the financial year ended 30 June 2020.

Directors

The names of the directors at any time during, or since the end of the financial year are:

John Bryan Bond
James Evangelos Litis
David Jacob Schwartz
Hamish Richard Beck (appointed 11 October 2019)
Erin Afra Mary Flaherty (appointed 11 October 2019)

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

Principal Activities

Primewest operates in the real estate funds management sector managing 83 separate funds across 7 different asset classes. The management of these funds and syndicates involves sourcing, acquiring, managing and disposing of real estate assets on behalf of investors.

During the financial year, the principal continuing activities of the stapled group consisted of:

- Generation of revenue through asset management fees, property services fees, transactional fees and performance fees from the funds and syndicates managed by Primewest Group Limited and its subsidiaries.
- Interest and investment income earned through the Primewest Property Fund.

The stapled group commenced trading on the Australian Securities Exchange on 8 November 2019. There were no other significant changes in the nature of the stapled group's activities during the financial period.

Dividends

Dividends of $5,180,404 were paid to former shareholders of Primewest Group Limited's controlled entities prior to the Initial Public Offering on 8 November 2019.

On 13 August 2020 the directors declared a final fully franked dividend for the year ended 30 June 2020 of 2.57 cents per ordinary share (franked at 27.5%) and a trust distribution of 0.23 cents per share from the Primewest Property Fund to be paid on 25 August 2020. A total distribution of $9,775,797 (2.8 cents per stapled security) is based on the number of ordinary stapled securities on issue as at 1 July 2020.

There was no dividend reinvestment plan (DRP) active for the period ended 30 June 2020.

Review of Operations

The profit for the stapled group after providing for income tax amounted to $9,337,661 (30 June 2019: $8,476,215).

Australian Securities Exchange Listing

Primewest is structured as a stapled group comprising Primewest Group Limited and Primewest Property Fund (a unit trust established on 24 September 2019) and their controlled entities. Primewest Management Ltd (ACN 091 415 833) (AFSL 250963) is the responsible entity of Primewest Property Fund.

Shares in Primewest Group Limited and units in Primewest Property Fund are stapled together to form a stapled security such that a unit in Primewest Property Fund and a share in Primewest Group Limited must be purchased and sold together. The Group's securities are traded on the Australian Securities Exchange (ASX: PWG), having listed on 8 November 2019. The Group raised $85 million through an initial public offering of 85 million securities at an offer price of $1.00 per security.

The Stapled Entity has used its cash and assets in a form readily convertible into cash that it had at the time of admission to the official list of the ASX, in a manner consistent with its business objectives stated in Section 2.3 of the Offer Document, and in accordance with its pre-quotation disclosure.

Business combination

This report comprises Primewest Group Limited and its controlled entities and Primewest Property Fund (together referred to as "Primewest"). Primewest was formed on 1 October 2019 through the acquisition of Primewest Funds Ltd, Primewest Management Ltd, PWG Property Pty Ltd, Primewest P/Q Pty Ltd and Primewest (USA) Trust and certain other corporate trustee entities as part of a corporate restructure. For the purposes of the business combination, Primewest Funds Ltd has been treated as the acquiring entity. As such, comparative information for the year ended 30 June 2019 has been presented for Primewest Funds Ltd.

Growth in Unlisted Assets Under Management

During the year, Primewest increased its unlisted Assets Under Management (AUM) by $377 million with acquisitions of retail, industrial and office assets on behalf of investors in the funds it manages. During the year Primewest established its first Agricultural fund to acquire high quality agricultural assets leased to established producers.

Primewest secured an institutional investment mandate to manage up to $300 million of daily needs retail centres. Primewest Property Fund has committed to co-invest 5% of the equity required for the mandate. The first two assets under this mandate were acquired prior to 30 June 2020 and the third asset was acquired subsequent to 30 June 2020.

Acquisition of goFARM Asset Management Pty Ltd

On 18 June 2020 Primewest Group Limited acquired 100% of the ordinary shares of goFARM Asset Management Pty Ltd, an entity which holds the asset management rights to the Vital Harvest Freehold Trust (ASX:VTH). VTH is an ASX listed real estate investment trust which owns seven agricultural properties with a value at 30 June 2020 of $281 million. goFARM Asset Management Pty Ltd has subsequently been renamed Primewest Agrichain Management Pty Ltd.

On the same day the Primewest Property Fund acquired 11.8% of the issued units of the Vital Harvest Freehold Trust as well as a First Right of Refusal (FROR) over a further 6.2% interest. Subsequent to the end of the financial year, a further 2.1% was acquired and the FROR was reduced to 6.0%, bringing the total units controlled to 19.99%.

Impact of COVID-19

Primewest's exposure is limited to the impact of COVID-19 on the fees it generates from its principal activities. The largest segment of revenue is asset management fees which are calculated based on the value of the properties managed by the stapled group. Independent valuations were conducted at 30 June 2020 and the property values did not change significantly compared to the prior year. Property services fees have not been significantly impacted as a result of COVID-19, however acquisition activity, through which Primewest generates transaction fees, has seen some slowing due to COVID restrictions.

Primewest waived asset management fees totalling $160,000 during the last quarter of the year from several of its funds with assets in the hospitality sector. Primewest also deferred of a portion of its asset management fees from a number of funds for the period April to June 2020 while rent collections in those funds were uncertain. These deferred amounts, totalling $640,000 at 30 June 2020 are expected to be fully collected in the first six months of the new financial year.

No other significant changes in Primewest's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

On 13 July 2020 the stapled group acquired 3,969,249 units of Vital Harvest Freehold Trust for the amount of $3,063,046 and reduced the units subject to First Right of Refusal (see note 9) by 324,378 units.

On 13 August 2020 a distribution of $9,775,797 was declared and was paid on 25 August 2020.

The Directors of the stapled group are not aware of any other matter or circumstance not otherwise dealt with in this report that has arisen since 30 June 2020 that has significantly affected, or may significantly affect the stapled group's operations, the results of those operations, or the stapled group's state of affairs in future financial years.

Likely developments and expected results of operations

While COVID-19 has impacted the property sector, management expects no significant impact to its core operations of asset management and property service fees. As a result of its strong relationship with capital partners, management further expects to grow assets under management across all asset classes however the COVID-19 pandemic is expected to reduce the flow of potential assets available to Primewest for consideration. Where assets and liabilities are recorded at fair value, in management's opinion the value attributed to those assets and liabilities has considered the impact of COVID-19 where relevant.

Environmental Regulation

The stapled group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

Director	Qualifications and Experience
Mr John Bond	Mr Bond is a professional property investor with over 30 years' experience in negotiating acquisitions, overseeing development of properties and asset management. He also has substantial experience in residential subdivisions throughout Australia. Mr Bond is a qualified solicitor, holding a Bachelor of Law and a Bachelor of Jurisprudence. He also holds a Bachelor of Commerce. Mr Bond is a responsible manager under the AFSL.
Mr James Litis	Mr Litis has extensive experience in retail, having founded and successfully operated Douglas Hi-Fi in Perth from 1973 to 1988. He holds a Bachelor of Applied Science (Pharmacy). He has been a professional property investor for over 30 years and has substantial experience and expertise in asset management and development of both retail and commercial property. Mr Litis is a responsible manager under the AFSL.
Mr David Schwartz	Mr Schwartz is a professional property investor with over 30 years' experience in negotiating acquisitions and overseeing development of properties. He is non-executive Director of Schaffer Corporation Ltd. His property investments have been strongly focused on retail and commercial developments. Mr Schwartz is a responsible manager under the AFSL.
Mr Hamish Beck	Mr Beck is the Managing Director of Beck Advisory and Property Australia Management. Mr Beck is the Chairperson of the Swan River Trust, Deputy Chairperson of the Rottnest Island Authority, Member of the Central Perth Planning Committee and Board Member of the Western Australian Maritime Museum Advisory Committee. Mr Beck was appointed a director on 11 October 2019.
Mrs Erin Flaherty	Mrs Flaherty business career has spanned over 30 years on both private and government sectors. She holds a Masters in Law, a Diploma in Applied Corporate Governance and is a member of the Australian Institute of Directors. Mrs Flaherty is the Chair of Moorebank Intermodal Company and a Guardian of the Commonwealth Future Fund. She is also a Trustee of the Sydney Cricket Ground and a board member of the NSW Police Citizens Youth Clubs. Mrs Flaherty was appointed a director on 11 October 2019.

Stapled group Secretary

David Creasy has held the role of Company Secretary since October 2019. He is a Chartered Professional Accountant (Canada) with over 25 years' experience in the property industry.

Directors' Interests

The relevant interests of directors either directly or through entities controlled by the directors in the stapled securities of Primewest at the date of this report are:

Director	**Ordinary Shares**
Mr John Bond	70,504,939
Mr James Litis	71,461,944
Mr David Schwartz	69,265,697
Mr Hamish Beck	273,740
Mrs Erin Flaherty	30,000
Total	**211,536,320**

Meetings of Directors

The number of meetings of the stapled group's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020 and the number of meetings attended by each director were:

	Full board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
John Bond	8	8	*	*	*	*
David Schwartz	8	8	*	*	*	*
Jim Litis	8	8	1	1	3	3
Hamish Beck	8	8	1	1	3	3
Erin Flaherty	8	8	1	1	3	3

* Not a member of the committee

Remuneration Report

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the stapled group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the stapled group, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the stapled group’s executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the stapled group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the stapled group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. Shareholders approved a maximum annual aggregate remuneration of $550,000 for non-executive directors.

Executive remuneration
The stapled group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- short-term performance incentives
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the stapled group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the stapled group and provides additional value to the executive.

The short-term performance incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets being achieved.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the stapled group are set out in the following tables.

The key management personnel of the stapled group consisted of :

- John Bond - Executive Chairman
- David Schwartz - Managing Director
- Jim Litis - Executive Director
- Hamish Beck – Non Executive Director (appointed 11 October 2019)
- Erin Flaherty – Non Executive Director (appointed 11 October 2019)

- David Creasy – Chief Financial Officer & Joint Company Secretary
- Julian Lodge – Chief Investment Officer
- Adam O’Donoghue – Head of Asset Management

2020 *	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled shares $	Equity-settled options $	Total $
Non-Executive Directors:								
Hamish Beck	62,938	-	-	5,979	-	-	-	68,917
Erin Flaherty	71,253	-	-	-	-	-	-	71,253
Executive Directors:								
John Bond	180,000	-	5,882	16,594	-	-	-	202,476
Jim Litis	180,000	-	5,882	16,594	-	-	-	202,476
David Schwartz	180,000	-	5,882	16,594	-	-	-	202,476
Other Key Management Personnel:								
David Creasy	210,000	50,000	-	14,353	-	1,000	6,043	281,396
Julian Lodge	180,000	-	5,882	16,651	-	-	-	202,533
Adam O'Donoghue	180,000	-	5,882	16,651	-	-	-	202,533
	1,244,191	50,000	29,410	103,416	-	1,000	6,043	1,434,060

* All directors and key management personnel are employed through the subsidiary entity Primewest Management Ltd. This entity did not become a member of the stapled group until the business combination which took place on 30 September 2019 (see note 3), therefore the above 2020 remuneration information is for the period 1 October 2019 to 30 June 2020. As a consequence, there is no remuneration information for the comparative period.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI	
Name	2020	2019	2020	2019
Non-Executive Directors:				
Hamish Beck	100%	n/a	0%	n/a
Erin Flaherty	100%	n/a	0%	n/a
Executive Directors:				
John Bond	33%	n/a	67%	n/a
David Schwartz	33%	n/a	67%	n/a
Jim Litis	33%	n/a	67%	n/a
Other Key Management Personnel:				
David Creasy	81%	n/a	19%	n/a
Julian Lodge	50%	n/a	50%	n/a
Adam O'Donoghue	50%	n/a	50%	n/a

Cash bonuses are dependent on exceeding the annual target for Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"). The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Remuneration and Nomination Committee.

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
Name	2020	2019	2020	2019
Executive Directors:				
John Bond	0%	n/a	100%	n/a
David Schwartz	0%	n/a	100%	n/a
Jim Litis	0%	n/a	100%	n/a
Other Key Management Personnel:				
David Creasy	100%	n/a	0%	n/a
Julian Lodge	0%	n/a	100%	n/a
Adam O'Donoghue	0%	n/a	100%	n/a

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	John Bond
Title:	Executive Chairman
Agreement commenced:	1 October 2019
Details:	Base salary of $240,000 plus superannuation. Directors do not participate in the Employee Securities Option Plan but may be entitled to a cash bonus of up to 200% of base salary as per Remuneration and Nomination Committee approval and performance against targeted EBITDA. Three-month termination notice. The employment contract includes a restraint of trade period of three years from 8 November 2019 if the employment contract is terminated at any time before two years after 8 November 2019 and one year after termination date if the employment contract is terminated two or more years after 8 November 2019.

Name:	David Schwartz
Title:	Managing Director
Agreement commenced:	1 October 2019
Details:	Base salary of $240,000 plus superannuation. Directors do not participate in the Employee Securities Option Plan but may be entitled to a cash bonus of up to 200% of base salary as per Remuneration and Nomination Committee approval and performance against targeted EBITDA. Three-month termination notice. The employment contract includes a restraint of trade period of three years from 8 November 2019 if the employment contract is terminated at any time before two years after 8 November 2019 and one year after termination date if the employment contract is terminated two or more years after 8 November 2019.

Name:	Jim Litis
Title:	Executive Director
Agreement commenced:	1 October 2019
Details:	Base salary of $240,000 plus superannuation. Directors do not participate in the Employee Securities Option Plan but may be entitled to a cash bonus of up to 200% of base salary as per Remuneration and Nomination Committee approval and performance against targeted EBITDA. Three-month termination notice. The employment contract includes a restraint of trade period of three years from 8 November 2019 if the employment contract is terminated at any time before two years after 8 November 2019 and one year after termination date if the employment contract is terminated two or more years after 8 November 2019.

Name:	Hamish Beck
Title:	Non-Executive Director
Agreement commenced:	11 October 2019
Details:	Annual directors fee of $95,000, inclusive of superannuation contributions where required by law to be made by Primewest.

Name:	Erin Flaherty
Title:	Non-Executive Director
Agreement commenced:	11 October 2019
Details:	Annual directors fee of $95,000, inclusive of superannuation contributions where required by law to be made by Primewest.

Name:	David Creasy
Title:	Chief Financial Officer & Joint Company Secretary
Agreement commenced:	10 February 2018
Details:	Base salary of $280,000 plus superannuation. One-month termination notice by either party.

Name:	Julian Lodge
Title:	Chief Investment Officer
Agreement commenced:	8 November 2019
Details:	Base salary of $240,000 plus superannuation. Three-month termination notice by either party, cash bonus of up to 100% of base salary as per Remuneration and Nomination Committee approval and performance against targeted EBITDA. The employment contract includes a restraint of trade period of three years from 8 November 2019 if the employment contract is terminated at any time before two years after 8 November 2019 and one year after termination date if the employment contract is terminated two or more years after 8 November 2019.

Name:	Adam O’Donoghue
Title:	Head of Asset Management
Agreement commenced:	8 November 2019
Details:	Base salary of $240,000 plus superannuation. Three-month termination notice by either party, cash bonus of up to 100% of base salary as per Remuneration and Nomination Committee approval and performance against targeted EBITDA. The employment contract includes a restraint of trade period of three years from 8 November 2019 if the employment contract is terminated at any time before two years after 8 November 2019 and one year after termination date if the employment contract is terminated two or more years after 8 November 2019.

Key management personnel have no entitlement to termination payments in the event of removal for gross or serious misconduct, or conviction of a serious criminal offence.

Share-based compensation

Issue of securities
Details of securities issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Date	Shares	Issue price	$
David Creasy	8 November 2019	1,000	$1.00	1,000

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the stapled group held during the financial year by each director and other members of key management personnel of the stapled group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of the business combination	Received as part of remuneration	Additions	Disposals/ (other)	Balance at the end of the year
Stapled Securities						
John Bond	-	74,711,260	-	793,679	(5,000,000)	70,504,939
Jim Litis	-	74,711,260	-	1,750,684	(5,000,000)	71,461,944
David Schwartz	-	66,956,226	-	2,309,471	-	69,265,697
Hamish Beck	-	-	-	273,740	-	273,740
Erin Flaherty	-	-	-	30,000	-	30,000
David Creasy	-	-	1,000	-	-	1,000
Julian Lodge	-	16,272,203	-	44,635	(3,500,000)	12,816,838
Adam O'Donoghue	-	5,965,408	-	1,641	(1,500,000)	4,467,049
Total	**-**	**238,616,357**	**1,000**	**5,203,850**	**(15,000,000)**	**228,821,207**

Option holding

The number of options over ordinary securities in the stapled group held during the financial year by each director and other members of key management personnel of the stapled group, including their personally related parties, is set out below:

	Balance at start of year	**Granted**	**Exercised**	**Expired/ Forfeited**	**Balance at end of year**
Options over ordinary securities					
David Creasy	-	106,302	-	-	106,302
	-	**106,302**	**-**	**-**	**106,302**

Other transactions with key management personnel and their related parties

During the financial year income was received from the following entities related to directors:

Related Party Entity	**Nature of Income**	**Income Received**
Base Capital Pty Ltd *	Office sub-lease	$12,688
PWD Developments Pty Ltd *	Office sub-lease	$26,388

During the financial year expenses were paid to the following entities related to directors:

Related Party Entity	Nature of Expense	Expenses Paid
Core Vision *	Information technology services	$4,325
307 Murray St Property Syndicate *	Office rental	$319,727
Beck Advisory **	Property advisory fees	$3,937

** Entities controlled by J Litis, J Bond & D Schwartz*
*** Entity controlled by H Beck*

All transactions in relation to this income and expenditure were made on normal commercial terms and conditions and at market rates.

The executive directors have investments in 78 of the funds managed by Primewest, however none of the directors individually hold over 50% in any of the funds and therefore do not control any of the funds.

This concludes the remuneration report, which has been audited.

Options

Shares under option
Unissued ordinary stapled securities of Primewest Group Limited under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	No. under Option
17 December 2019	17 December 2026	$1.00	248,423
17 December 2019	17 December 2029	$1.20	257,500
17 December 2019	17 December 2031	$1.50	257,500
		Total	**763,423**

No person entitled to exercise the options had or has any right by virtue of the option to participate in any security issue of the stapled group or of any other body corporate.

Indemnity and insurance of officers

The stapled group has indemnified the directors and executives of the stapled group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the stapled group paid a premium in respect of a contract to insure the directors and executives of the stapled group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The stapled group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the stapled group or any related entity against a liability incurred by the auditor.

During the financial year, the stapled group has not paid a premium in respect of a contract to insure the auditor of the stapled group or any related entity.

Proceedings on behalf of the stapled group

No person has applied for leave of Court to bring proceedings on behalf of the stapled group or intervene in any proceedings to which the stapled group is a party for the purpose of taking responsibility on behalf of the stapled group for all or any part of those proceedings.

The stapled group was not a party to any such proceedings during the year.

Primewest Group Limited
Directors' report
30 June 2020

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 21 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 21 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the stapled group, acting as advocate for the stapled group or jointly sharing economic risks and rewards.

Officers of the stapled group who are former partners of RSM Australia Partners

There are no officers of the stapled group who are former partners of RSM Australia Partners.

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 immediately after this directors' report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

John Bond
Director

27 August 2020
Perth

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Primewest Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 27 August 2020

J A KOMNINOS
Partner

General information

The financial statements of Primewest Group Limited as a stapled group comprised of Primewest Group Limited and the entities it controlled at the end of, or during, the year and Primewest Property Fund. The financial statements are presented in Australian dollars, which is Primewest Group Limited's functional and presentation currency.

Primewest Group Limited is a listed public stapled group limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 1 307 Murray Street Perth WA 6000	Level 1 307 Murray Street Perth WA 6000

A description of the nature of the stapled group’s operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 August 2020.

Primewest Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Revenue from continuing operations			
Revenue	4	32,184,189	18,240,501
Interest revenue		538,084	45,954
		32,722,273	18,286,455
Expenses			
Employee costs		(6,106,871)	(3,778,489)
General and administration	5	(4,153,800)	(2,824,986)
Amortisation of right-of use assets		(305,596)	-
Amortisation of management rights	12	(3,082,083)	-
Depreciation and amortisation		(153,979)	(726)
Interest expense on lease liability		(45,005)	-
Initial listing expenses and restructuring costs		(2,450,781)	-
		(16,298,115)	(6,604,201)
Profit before income tax expense from continuing operations		16,424,158	11,682,254
Income tax expense	6	(4,988,790)	(3,206,039)
Profit after income tax expense from continuing operations		11,435,368	8,476,215
Other comprehensive income			
Loss on revaluation of financial assets	9	(2,097,707)	-
Total comprehensive income for the year		9,337,661	8,476,215
Total comprehensive income for the year is attributable to:			
Owners of Primewest Group Limited		9,337,661	8,476,215

	$	$
Earnings per stapled security		
Basic earnings per stapled security	0.037	1,583.63
Diluted earnings per stapled security	0.037	1,583.63

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Primewest Group Limited
Consolidated statement of financial position
As at 30 June 2020

	Note	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents	7	54,146,041	3,498,285
Trade and other receivables	8	8,035,428	539,088
Financial assets at fair value through profit and loss	9	3,750,000	-
Total current assets		65,931,469	4,037,373
Non-current assets			
Financial assets at fair value through other comprehensive income	9	21,747,684	104,126
Property, plant and equipment	10	371,016	911
Right-of-use assets	11	1,317,138	-
Intangibles	12	130,534,597	-
Deferred tax assets	13	1,428,776	-
Other		86,807	36,761
Total non-current assets		155,486,018	141,798
Total assets		221,417,487	4,179,171
Liabilities			
Current liabilities			
Trade and other payables	14	1,938,917	630,838
Lease liabilities	1	369,222	-
Provisions	15	3,381,430	464,004
Total current liabilities		5,689,569	1,094,842
Non-current liabilities			
Lease liabilities	1	1,000,727	-
Provisions	15	33,176	-
Total non-current liabilities		1,033,903	-
Total liabilities		6,723,472	1,094,842
Net assets		214,694,015	3,084,329
Equity			
Contributed equity	16	207,361,451	1,005
Reserves	17	(2,005,724)	-
Retained profits		9,338,288	3,083,324
Total equity		214,694,015	3,084,329

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

Primewest Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2020

Consolidated	**Issued capital $**	**Reserves $**	**Retained profits $**	**Total equity $**
Balance at 1 July 2018	1,005	-	10,443,455	10,444,460
Profit after income tax expense for the year	-	-	8,476,215	8,476,215
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	8,476,215	8,476,215
Transactions with owners in their capacity as owners:				
Dividends paid (note 18)	-	-	(15,836,346)	(15,836,346)
Balance at 30 June 2019 *	1,005	-	3,083,324	3,084,329

Consolidated	**Issued capital $**	**Reserves $**	**Retained profits $**	**Total equity $**
Balance at 1 July 2019	1,005	-	3,083,324	3,084,329
Business combination (note 3)	124,557,735	-	-	124,557,735
Initial public offering	85,170,346	-	-	85,170,346
Initial public offering issue costs, net of tax	(2,367,630)	-	-	(2,367,630)
Profit after income tax expense for the year	-	-	11,435,368	11,435,368
Other comprehensive income for the year, net of tax	-	(2,097,707)	-	(2,097,707)
Total comprehensive income for the year	-	(2,097,707)	11,435,368	9,337,661
Transactions with owners in their capacity as owners:				
Cancellation of class Z shares (note 16)	(5)	-	-	(5)
Share-based payments (note 17)	-	91,983	-	91,983
Dividends paid (note 18)	-	-	(5,180,404)	(5,180,404)
Balance at 30 June 2020 *	207,361,451	(2,005,724)	9,338,288	214,694,015

* As a result of the date of the business combination (note 3), the statement of changes in equity presents movements in shareholders for Primewest Funds Ltd for the year ended 30 June 2019 and of the stapled group for the year ended 30 June 2020.

Primewest Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 30 June 2020 $	30 June 2019 $
Cash flows from operating activities			
Receipts from customers		26,736,719	17,998,767
Payments to suppliers and employees		(13,400,754)	(6,834,471)
Interest received		538,084	45,954
Income taxes paid		(4,228,550)	(3,118,481)
Net cash from operating activities	27	9,645,499	8,091,769
Cash flows from investing activities			
Payment for business combination		(10,640,896)	-
Cash acquired on business combination		1,553,601	-
Payments for purchase of financial assets		(27,490,122)	(100,000)
Payments for property, plant and equipment		(42,634)	-
Net cash used in investing activities		(36,620,051)	(100,000)
Cash flows from financing activities			
Proceeds from issuance of capital, net of issue costs		82,802,712	-
Dividends paid	18	(5,180,404)	(15,836,346)
Repayment of amounts due from shareholders		-	8,582,851
Net cash from /(used in) financing activities		77,622,308	(7,253,495)
Net increase in cash and cash equivalents		50,647,756	738,274
Cash and cash equivalents at the beginning of the financial year		3,498,285	2,760,011
Cash and cash equivalents at the end of the financial year		54,146,041	3,498,285

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

Note 1. Significant accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

The stapled group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the stapled group:

AASB 16 Leases
The stapled group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The impact on the financial performance and position of the stapled group from the adoption of AASB 16 was:

- Recognition and separate disclosure of a right-of-use asset and a lease liability of $1.3m at 30 June 2020.
- Measurement of the lease liability as the present value of the lease payments that are unpaid at the date of transition, discounted using an appropriate discount rate.
- Operating expense of $297,791 is replaced by interest expense of $45,005 and depreciation of $305,596.

The average incremental borrowing rate used to measure the lease liability described above is 4.0%. After transition, the right-of-use asset is amortised over the remaining lease term and the lease liability is measured on an effective interest basis.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the stapled group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Note 1. Significant accounting policies (Cont.)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Primewest Group Limited ('stapled group' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended and Primewest Property Fund. Primewest Group Limited, its subsidiaries and Primewest Property Fund together are referred to in these financial statements as the 'stapled group'.

Subsidiaries are all those entities over which the stapled group has control. The stapled group controls an entity when the stapled group 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 activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the stapled group. They are de-consolidated from the date that control ceases.

Intercompany group transactions, balances and unrealised gains on transactions between entities in the stapled group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the stapled group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the stapled group. Losses incurred by the stapled group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the stapled group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The stapled group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is the stapled group’s functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Significant accounting policies (Cont.)

Revenue recognition
The stapled group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the stapled group is expected to be entitled in exchange for services provided to a customer. For each contract with a customer, the stapled group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 1. Significant accounting policies (Cont.)

Income Tax (Cont.)
Primewest Group Limited and its wholly-owned Australian subsidiaries have formed an income tax stapled group under the tax consolidation regime. The head entity and each subsidiary in the tax stapled group continue to account for their own current and deferred tax amounts. The tax stapled group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax stapled group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax stapled group.

Assets or liabilities arising under tax funding agreements with the tax stapled entities are recognised as amounts receivable from, or payable to, other entities in the tax stapled group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax stapled group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the stapled group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the stapled group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The stapled group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 1. Significant accounting policies (Cont.)

Investments and other financial assets (Cont.)
Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the stapled group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the stapled group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The stapled group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the stapled group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the diminishing value method to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	2-10 years
Plant and equipment	2-10 years

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the stapled group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (Cont.)

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the stapled group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The stapled group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the stapled group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the stapled group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (Cont.)

Lease liabilities (Cont.)
Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions
Provisions are recognised when the stapled group has a present (legal or constructive) obligation as a result of a past event, it is probable the stapled group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the stapled group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 1. Significant accounting policies (Cont.)

Employee benefits (Cont.)

If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the stapled group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the stapled group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the stapled group.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Note 1. Significant accounting policies (Cont.)

Business combinations (Cont.)
On the acquisition of a business, the stapled group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the stapled group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the stapled group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority are presented as operating cash flows.

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

Rounding of amounts
The stapled group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the stapled group for the annual reporting period ended 30 June 2020. The stapled group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the stapled group, are set out below.

Note 1. Significant accounting policies (Cont.)

New Accounting Standards and Interpretations not yet mandatory or early adopted (Cont.)

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria, as well as new guidance on measurement that affects several Accounting Standards. Where the stapled group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the stapled group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the stapled group's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the stapled group based on known information. This consideration extends to the nature of the services offered and geographic regions in which the stapled group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the stapled group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The stapled group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 27 for further information.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Fair value measurement hierarchy
The stapled group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Note 2. Critical accounting judgements, estimates and assumptions (Cont.)

Fair value measurement hierarchy (Cont.)
The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 19 for further information.

Estimation of useful lives of assets
The stapled group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets, that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The stapled group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 12 for further information.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The stapled group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date, by evaluating conditions specific to the stapled group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The stapled group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The stapled group recognises liabilities for anticipated tax audit issues based on the stapled group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only, if the stapled group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the stapled group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The stapled group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the stapled group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 2. Critical accounting judgements, estimates and assumptions (Cont.)

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the stapled group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Business Combination

Corporate Restructure

This report comprises Primewest Group Limited and its controlled entities and Primewest Property Fund (the stapled group). Primewest Group Limited (“PWG”) was incorporated on 20 September 2019. On 1 October 2019, PWG acquired all of the outstanding shares of Primewest Funds Ltd, Primewest Management Ltd, Primewest P/Q Pty Ltd, PWG Property Pty Ltd and Primewest (USA) Trust for consideration of 238,616,357 ordinary shares of Primewest Group Limited at a fair value of $124,752,571. For the purposes of the business combination, Primewest Funds Ltd has been treated as the acquiring entity. As such, comparative information for the year ended 30 June 2019 has been presented for Primewest Funds Ltd.

Details of the acquisition are as follows:

	Fair value **$**
Cash and cash equivalents	1,381,729
Trade and other receivables	852,621
Other assets	98,676
Plant and equipment	481,449
Trade and other payables	(1,322,423)
Net assets acquired	1,492,052
Management rights	100,535,378
Goodwill	22,725,141
Acquisition date fair value of the total consideration transferred	124,752,571
Representing:	
Securities issued	124,557,735
Cash and cash equivalents	194,836

Note 3. Business Combination (Cont.)

Acquisition of Primewest Agrichain Management Pty Ltd (formerly goFARM Asset Management Pty Ltd)

On 18 June 2020 Primewest Group Limited acquired 100% of the issued shares of goFARM Asset Management Pty Ltd for cash consideration of $10,446,060. The company was subsequently renamed Primewest Agrichain Management Pty Ltd.

Details of the acquisition are as follows:

	Fair value
	$
Cash and cash equivalents	171,872
Trade and other receivables	2,961
Other assets	761
Trade and other payables	(85,695)
Net assets acquired	89,899
Management rights	3,900,000
Goodwill	6,456,161
Acquisition date fair value of the total consideration transferred	10,446,060
Representing:	
Cash and cash equivalents	10,446,060

Note 4. Revenue

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
From continuing operations		
Revenue from contracts with customers		
Asset management fees	16,334,605	8,430,829
Property services fees	4,459,214	2,579,164
Transaction fees	5,463,466	7,223,828
Performance fees	5,640,314	-
	31,897,599	18,233,821
Other revenue	286,590	6,680
Revenue from continuing operations	32,184,189	18,240,501

The disaggregation of revenue from contracts with customers is as follows:

30 June 2020	Asset Management $	Property Services $	Transaction and Performance $	Total $
Geographical regions				
Australia	16,175,260	4,459,214	10,981,663	31,616,137
United States	159,345	-	122,117	281,462
	16,334,605	4,459,214	11,103,780	31,897,599

30 June 2019	Asset Management $	Property Services $	Transaction and Performance $	Total $
Geographical regions				
Australia	8,430,829	2,579,164	7,223,828	18,233,821
United States	-	-	-	-
	8,430,829	2,579,164	7,223,828	18,233,821

Note 5. Expenses - general and administrative

	Consolidated	
	30 June 2020 $	30 June 2019 $
Advertising and promotion	691,430	339,786
Commissions	1,292,250	1,234,849
Office and administration	900,018	737,498
Professional and consulting fees	880,049	512,853
Other expenses	390,053	-
	4,153,800	2,824,986

Note 6. Income tax

	Consolidated	
	30 June 2020 $	30 June 2019 $
Current tax in respect of the current year	5,740,132	3,213,821
Adjustments to current tax in relation to prior years	(220,632)	(7,782)
	5,519,500	3,206,039
Deferred tax expense	(530,710)	-
	4,988,790	3,206,039

Reconciliation of Income Tax Expense

Profit before tax	14,326,451	11,682,254
Add: loss not subject to income tax (trust income)	1,626,482	-
	15,952,933	11,682,254
Income tax expense calculated at 27.5%	4,387,057	3,212,620
Add / (deduct) tax effect of amounts which are not deductible (assessable):		
Non-deductible items	886,037	1,201
Deferred tax assets not previously recognised	(63,671)	-
Adjustments to current tax in relation to prior years	(220,633)	(7,782)
Income tax expense	4,988,790	3,206,039

Note 7. Current assets - cash and cash equivalents

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Cash on hand	1,000	1,005
Cash at bank	54,145,041	3,497,280
	54,146,041	3,498,285

Note 8. Trade and other receivables

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Asset management and property service fees owing from managed funds	1,479,071	539,088
Performance fee owing from a managed fund	6,204,345	-
Other receivables from managed funds	258,240	-
Prepayments	93,772	-
	8,035,428	539,088

Allowance for expected credit losses
Trade and other receivables are due from managed funds under trust or management deeds and as a result, there is no expectation of credit losses for the year ended 30 June 2020.

The ageing of the receivables is as follows:

Consolidated	Carrying amount 2020 $	Carrying amount 2019 $
Not overdue	7,720,603	496,433
0 to 3 months overdue	310,168	42,655
3 to 6 months overdue	4,657	-
Over 6 months overdue	-	-
	8,035,428	539,088

Note 9. Financial assets

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Financial assets at fair value through profit and loss		
Loan receivable from a fund managed by the stapled group	3,750,000	-

The loan receivable bears interest at the Bank Bill Swap Rate (BBSY) + 1.65% and is due 8 June 2021.

Financial assets at fair value through other comprehensive income

Investments in listed ordinary shares	2,717,391	-
Investment in Vital Harvest Freehold Trust	16,991,286	-
Investment in property funds managed by the stapled group	2,039,007	104,126
	21,747,684	104,126

The stapled group has a First Right of Refusal to acquire 11,553,029 units in Vital Harvest Freehold Trust at a price of $0.92. The First Right of Refusal expires on 18 December 2020.

	30 June 2020 $	**30 June 2019 $**
Reconciliation Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	-
Additions	23,845,391	-
Disposals	-	-
Revaluation decrements	(2,097,707)	-
Closing fair value	21,747,684	-

Note 10. Non-current assets - property, plant and equipment

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Leasehold improvements - at cost	710,508	-
Less: Accumulated depreciation	(378,326)	-
	332,182	-
Plant and equipment - at cost	482,658	3,600
Less: Accumulated depreciation	(443,824)	(2,689)
	38,834	911
Total property, plant and equipment	371,016	911

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2019	-	911	911
Additions through business combinations (note 3)	407,421	74,028	481,449
Additions after business combinations	-	42,634	42,634
Disposals	-	-	-
Depreciation expense	(75,239)	(78,739)	(153,978)
Balance at 30 June 2020	332,182	38,834	371,016

Refer to note 19 for further information on fair value measurement.

Note 11. Non-current assets - right-of-use assets

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Office leases - right-of-use	1,724,599	-
Less: Accumulated depreciation	(407,461)	-
	1,317,138	-

Additions to the right-of-use assets during the year were $1,724,599, recognised upon initial adoption of AASB 16 Leases.

The stapled group is the lessee under its lease of office space over its premises in Perth and Sydney. The terms of the Perth lease are a fixed term of seven years ending October 2020 with an option of five years. The terms of the Sydney lease are a fixed term of four years ending June 2021 with no option to renew.

The stapled group leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 12. Non-current assets – intangibles

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Goodwill	29,181,302	-
Less: Impairment	-	-
	29,181,302	-
Management Rights	104,435,378	-
Less: Accumulated amortisation	(3,082,083)	-
	101,353,295	-
	130,534,597	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Goodwill $	Management Rights $	Total $
Balance at 1 July 2019	-	-	-
Additions through business combinations (note 3)	29,181,302	104,435,378	133,616,680
Amortisation expense	-	(3,082,083)	(3,082,083)
Balance at 30 June 2020	29,181,302	101,353,295	130,534,597

Impairment testing
As the stapled group only has one cash generating unit, all goodwill acquired through business combinations have been allocated to the cash-generating unit, asset management:

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Goodwill arising from the business combination on 30 September 2019	22,725,141	-
Goodwill arising from the acquisition of Primewest Agrichain Management Pty Ltd	6,456,161	-
	29,181,302	-

The recoverable amount of the stapled group's goodwill arising from the business combination on 30 September 2019 has been determined by a value-in-use calculation using a discounted cash flow model, based on a 4 year projection period approved by management using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Property funds management:
- 7.3% pre-tax discount rate;
- 3.0% annual compound growth rate in revenue;
- Operating costs and overheads at an average of 34-36% of revenue:
  Terminal value based on 13.2 times terminal free cash flow before tax.

Note 12. Non-current assets – intangibles (Cont.)

The discount rate of 7.3% pre-tax reflects management's estimate of the time value of money and the stapled group's weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 3.0% revenue growth rate is prudent and justified, based on the stapled group's history of growth in funds under management and general trends in the market including the impacts of COVID-19.

Sensitivity
As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by in excess of 50% before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase to a value in excess of 100% before goodwill would need to be impaired, with all other assumptions remaining constant.
  Even if the terminal value decreased to zero, goodwill would not be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

As the acquisition of Primewest Agrichain Management Pty Ltd was only completed on 18 June 2020, no impairment testing has been performed on the goodwill arising from this acquisition. Directors do not believe there has been any material change in assumptions relied upon to determine the acquisition price for this business combination between the acquisition date and 30 June 2020. Directors believe the acquisition price was based on fair market value in a competitive environment.

Note 13. Non-current assets - deferred tax

	Consolidated	
	30 June 2020 $	30 June 2019 $
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	12,833	-
IPO costs expensed	358,998	-
Legal and other expenses	208,313	-
Employee benefits	130,179	
	710,323	-
Amounts recognised in equity:		
Transaction costs on share issue	718,453	-
	718,453	-
Deferred tax asset	1,428,776	-
Movements:		
Opening balance	-	-
Credited to profit or loss (note 6)	530,710	-
Credited to equity	898,066	-
Closing balance	1,428,776	-

Note 14. Trade and other payables

	Consolidated	
	30 June 2020 $	30 June 2019 $
Trade accounts payable	658,550	231,043
Goods and services tax	1,125,915	257,634
Other payables	154,452	142,161
	1,938,917	630,838

Note 15. Provisions

	Consolidated	
Current liabilities	30 June 2020 $	30 June 2019 $
Employee benefits	440,203	-
Income taxes	2,941,227	464,004
	3,381,430	464,004

Non-current liabilities

Employee benefits	33,176	-

Note 16. Contributed equity

	30 June 2020 Securities*	30 June 2019 Securities*	30 June 2020 $	30 June 2019 $
Ordinary shares - fully paid	349,135,592	10,000	207,361,451	1,000
Z class shares – fully paid	-	5	-	5
			207,361,451	1,005

Movements in ordinary share capital

Details	Date	Securities*	Average issue price	$
Balance	30 June 2019	10,005	$0.10	1,005
Cancellation of Z class shares	30 September 2019	(5)	($1.00)	(5)
Issue of securities through business combination	1 October 2019	238,606,357	$0.52	124,557,735
Issue of securities through Initial Public Offering	8 November 2019	25,519,235	$0.006	170,346
Issue of securities through Initial Public Offering	8 November 2019	85,000,000	$1.00	85,000,000
Initial public offering listing costs, net of tax				(2,367,630)
Balance	30 June 2020	349,135,592		207,361,451

* Following the initial public offering completed by the group on 8 November 2019, the shares were stapled to a unit in the Primewest Property Fund to become a stapled security.

Note 17. Equity - reserves

	Consolidated 30 June 2020 $	Consolidated 30 June 2019 $
Financial assets at fair value through other comprehensive income reserve	(2,097,707)	-
Share based payments reserve	91,983	-
	(2,005,724)	-

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share based payments reserve
The reserve is used to recognise the cost of share based payments (see note 29).

Note 17. Equity – reserves (Cont.)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Financial assets at fair value through OCI $	Share based payments $	Total $
Balance at 1 July 2018	-	-	-
Revaluation	-	-	-
Share based payments	-	-	-
Balance at 30 June 2019	-	-	-
Revaluation	(2,097,707)	-	(2,097,707)
Share based payments	-	91,983	91,983
Balance at 30 June 2020	(2,097,707)	91,983	(2,005,724)

Note 18. Equity - dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Dividends paid	5,180,404	15,836,346

No dividends were paid subsequent to 8 November 2019, the date of the Initial Public Offering. The dividends paid in the current year were to shareholders of Primewest Funds Ltd and Primewest Management Ltd prior to the business combination and initial public offering of the stapled group. In the year ended 30 June 2019, dividends declared were applied to shareholders' loan balances outstanding of $8,572,851.

Dividends of $9,775,797 have been declared subsequent to balance date and paid on 25 August 2020.

Note 19. Fair value measurement

Fair value hierarchy
The following tables detail the stapled group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated – 30 June 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Cash and cash equivalents	54,146,041	-	-	54,146,041
Trade and other receivables	8,035,428	-	-	8,035,428
Financial assets	23,458,677	2,039,007	-	25,497,684
Total assets	85,640,146	2,039,007	-	87,679,153
Liabilities				
Trade and other payables	1,938,917	-	-	1,938,917
Provisions	3,414,606	-	-	3,414,606
Total liabilities	5,353,523	-	-	5,353,523

Consolidated – 30 June 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Cash and cash equivalents	3,498,285	-	-	3,498,285
Trade and other receivables	539,088	-	-	539,088
Financial assets	-	104,126	-	104,126
Total assets	4,037,373	104,126	-	4,141,499
Liabilities				
Trade and other payables	630,838	-	-	630,838
Provisions	464,004	-	-	464,004
Total liabilities	1,094,842	-	-	1,094,842

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2
The basis of the valuation of financial assets is fair value. The financial assets are revalued annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Note 20. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the stapled group is set out below:

	Consolidated	
	2020	**2019**
	$	**$**
Short-term employee benefits	1,323,601	-
Post-employment benefits	103,416	-
Share-based payments	7,043	-
	1,434,060	-

All directors and key management personnel are employed through the subsidiary entity Primewest Management Ltd. This entity did not become a member of the stapled group until the business combination which took place on 30 September 2019 (see note 3), therefore the above 2020 remuneration information is for the period 1 October 2019 to 30 June 2020. As a consequence there is no remuneration information for the comparative period.

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the stapled group:

	Consolidated	
	2020	**2019**
	$	**$**
Audit services – RSM Australia Partners		
Audit or review of the financial statements	124,750	-
Other services – RSM Australia Pty Ltd		
Preparation of tax returns	7,350	-
Tax advisory services	71,525	5,320
Corporate advisory services	253,623	-
	332,498	-
	457,248	5,320
Audit services – Macri Partners		
Audit or review of the financial statements	-	12,000
	457,248	17,320

Note 22. Contingent assets and contingent liabilities

There were no contingent assets or liabilities at the reporting date.

Note 23. Related party transactions

The stapled group is the lessee of office space in Perth which is leased from a Fund in which the Executive Directors hold approximately 58% ownership. Total rent paid for the year ending 30 June 2020 was $319,727 (2019: $nil).

Prior to the business combination described in note 3, Primewest Funds Ltd reimbursed Primewest Management Ltd for payroll and administrative expenses of $1,163,357 (2019: $4,855,773).

During the financial year income was received from the following entities related to directors:

Related Party Entity	Nature of Income	Income Received
Base Capital Pty Ltd *	Office sub-lease	$12,688
PWD Developments Pty Ltd *	Office sub-lease	$26,388

During the financial year expenses were paid to the following entities related to directors:

Related Party Entity	Nature of Expense	Expenses Paid
Core Vision *	Information technology services	$4,325
307 Murray St Property Syndicate *	Office rental	$319,727
Beck Advisory **	Property advisory fees	$3,937

* *Entities controlled by J Litis, J Bond & D Schwartz*
** *Entity controlled by H Beck*

All transactions in relation to this income and expenditure were made on normal commercial terms and conditions and at market rates.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020 $	2019 $
Profit after income tax	383,135	-
Total comprehensive income	383,135	-

Note 24. Parent entity information (Cont.)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	279,119	-
Total assets	4,966,112	-
Total current liabilities	420,345	-
Total liabilities	420,345	-
Equity		
Issued capital	6,170,649	-
Reserves	91,983	
Retained profits	(1,716,865)	-
Total equity	4,545,767	-

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the stapled group.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
PWG Property Pty Ltd	Australia	100%	-
Primewest US Holdings Pty Ltd	Australia	100%	-
Primewest P/Q Pty Ltd	Australia	100%	-
Primewest Agrichain Management Pty Ltd.	Australia	100%	-
Primewest Management Ltd	Australia	100%	-
Primewest Funds Ltd	Australia	100%	-
Primewest Corporate Holdings Pty Ltd	Australia	100%	-
Primewest Real Estate Pty Ltd	Australia	100%	-

Note 26. Events after the reporting period

On 13 July 2020 the stapled group acquired 3,969,249 units of Vital Harvest Freehold Trust for the amount of $3,063,046 and reduced the units subject to First Right of Refusal (see note 9) by 324,378 units.

On 13 August 2020 a distribution of $9,775,797 was declared and was paid on 25 August 2020.

The Directors of the stapled group are not aware of any other matter or circumstance not otherwise dealt with in this report that has arisen since 30 June 2020 that has significantly affected, or may significantly affect the stapled group's operations, the results of those operations, or the stapled group's state of affairs in future financial years.

Note 27. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Profit after income tax expense from continuing operations	11,435,368	8,476,215
Adjustments for:		
Depreciation and amortisation	3,236,062	726
Loss on disposal of plant and equipment	-	(3,326)
Share based payments	91,983	-
Lease payments	52,809	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(6,607,525)	(225,109)
Decrease/(increase) in other assets	15,016	(4,123)
Increase in deferred tax assets	(1,428,776)	-
Increase/(decrease) in trade and other payables	188,168	(230,366)
Increase in provisions	2,662,394	77,752
Net cash from operating activities	9,645,499	8,091,769

Note 28. Earnings per stapled security

	Consolidated	
	30 June 2020 $	**30 June 2019 $**
Earnings per stapled security for profit from continuing operations		
Profit after income tax attributable to the owners of Primewest Group Limited	9,337,661	8,476,215

	$	**$**
Basic earnings per stapled security	0.037	1,583.63
Diluted earnings per stapled security	0.037	1,583.63

	Number	**Number**
Weighted average number of stapled securities		
Weighted average number of securities used in calculating basic earnings per stapled security	249,630,704	10,000
Adjustments for calculation of diluted earnings per stapled security:	-	-
Options over stapled securities	133,400	-
Weighted average number of securities used in calculating diluted earnings per stapled security	249,764,104	10,000

Note 29. Share-based payments

A share option plan has been established by the stapled group whereby the stapled group may, at the discretion of the Nomination and Remuneration Committee, grant options over securities in the stapled group to certain key management personnel of the stapled group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

Set out below are summaries of options granted under the plan:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/12/2019	17/12/2026	$1.00	-	248,423	-	-	248,423
17/12/2019	17/12/2026	$1.20	-	262,500	-	(5,000)	257,500
17/12/2019	17/12/2026	$1.50	-	262,500	-	(5,000)	257,500
			-	773,423	-	(10,000)	763,423

No options were granted in the prior year.

Note 29. Share-based payments (Cont.)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2020 Number	2019 Number
17/12/2019	17/12/2026	248,423	-
		248,423	-

The weighted average remaining contractual life of options outstanding at the end of the financial year was 6.46 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
17/12/2019	17/12/2026	$1.16	$1.00	50%	4.22%	0.77%	$0.282
17/12/2019	17/12/2026	$1.16	$1.20	50%	4.22%	0.74%	$0.293
17/12/2019	17/12/2026	$1.16	$1.50	50%	4.22%	0.81%	$0.284

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the stapled group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the stapled group will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Director

27 August 2020
Perth

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the STAPLED SECURITY HOLDERS of PRIMEWEST GROUP LIMITED and PRIMEWEST PROPERTY FUND

Opinion

We have audited the financial report of Primewest Group Limited (the Company) and its subsidiaries and Primewest Property Fund (collectively the Stapled Group), which comprises the stapled consolidated statement of financial position as at 30 June 2020, the stapled consolidated statement of comprehensive income, the stapled consolidated statement of changes in equity and the stapled consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

(i) giving a true and fair view of the Stapled Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Business Combination
Refer to Note 3 in the financial statements</td></tr>
<tr><td>0n 1 October 2019, the Primewest Group Limited completed a business combination whereby it acquired all of the outstanding shares of Primewest Funds Limited, Primewest Management Limited, Primewest P/Q Pty Ltd, PWG Property Pty Ltd and Primewest (USA) Trust.

The transaction was treated as a business combination in accordance with AASB 3 Business Combinations. As detailed in Note 3 the purchase price allocation resulted in the recognition of $99 million of Intangible Assets – Management Rights and $22 million of Goodwill.

This was considered a key audit matter because the accounting for the transaction was complex and involved significant judgements with respect to the recognition and valuation of the consideration paid, the identification and valuation of the intangible assets and the determination of the fair value of the tangible assets acquired.</td><td>Our audit procedures in relation to the business combination included:
Obtaining the share purchase agreement, due diligence reports and other associated documents and ensuring that the transaction had been accounted for in compliance with AASB 3 Business Combinations;
Testing the initial consideration to the signed purchase agreements and assessing the appropriateness of the fair value;
Assessing the valuation models prepared by management to value the intangible assets identified in the acquired businesses and engaging our internal valuation specialists to challenge the assumptions and the methodology used by management; and
Reviewing the disclosures in Note 3 to the financial statements in order to assess compliance with the disclosure requirements of AASB 3.</td></tr>
<tr><td colspan="2">Goodwill
Refer to Note 12 in the financial statements</td></tr>
<tr><td>The Stapled Group has Goodwill of $22m relating to its business combination completed during the financial year.

We determined this area to be a key audit matter due to the size of the Goodwill balance and because the directors' assessment of the 'value in use' of the cash generating unit (CGU) involved judgements about the future underlying cash flows of the business and the discount rates applied to them.

For the year ended 30 June 2020 management performed an impairment assessment in respect of the Goodwill balance by:
calculating the value in use for the CGU using a discounted cash flow model. These models used cash flows (revenues, expenses and capital expenditure) for the CGU for 5 years, with a terminal growth rate applied to the 5th year. These cash flows were then discounted to net present value using the Stapled</td><td>Our audit procedures in relation to management's impairment assessment included:
Assessing management's determination that Goodwill should be allocated to a single CGU based on the nature of the Stapled Group's business and the manner in which results are monitored and reported
Assessing the valuation methodology used;
Challenging the reasonableness of key assumptions, including the cash flow projections, exchange rates, discount rates and sensitivities used; and
Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.</td></tr>
</table>

Group's weighted average cost of capital (WACC); and • comparing the resulting value in use of each CGU to their respective book values. Management also performed a sensitivity analysis over the value in use calculations, by varying the assumptions used (growth rates, terminal growth rate and WACC) to assess the impact on the valuations. As a final check, management compared the book values of each CGU to the ASX market capitalisation for the Stapled Group.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Stapled Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf.This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of the Stapled Group, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

J A KOMNINOS
Partner

Perth, WA
Dated: 27 August 2020

Primewest Group Limited
Security holder information
30 June 2020

The security holder information set out below was applicable as at 31 July 2020.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Stapled securities	
	Number of holders	Number of securities
1 to 1,000	149	102,843
1,001 to 5,000	384	1,039,837
5,001 to 10,000	251	2,023,327
10,001 to 100,000	535	17,067,325
100,001 and over	149	328,902,260
	1,468	349,135,592

There were 30 holders of less than a marketable parcel of securities holding 7,430 securities.

Stapled security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted stapled securities are listed below:

	Stapled securities	
	Number held	% of total securities issued
Jim Litis	71,461,944	20.47
John Bond	70,504,939	20.19
David Schwartz	69,265,697	19.84
Julian Lodge	12,816,838	3.67
J P Morgan Nominees Australia Pty Limited	9,382,594	2.69
BNP Paribas Noms Pty Ltd	7,992,247	2.29
HSBC Custody Nominees (Australia) Limited	6,323,332	1.81
National Nominees Limited	6,111,902	1.75
Netwealth Investments Limited <Wrap Services A/C>	5,259,485	1.51
The Trust Stapled group (Australia) Limited <A/C 4>	4,691,032	1.34
Adam O'Donoghue	4,467,049	1.28
UBS Nominees Pty Ltd	4,393,226	1.26
APPL Investments Pty Ltd	3,579,976	1.03
One Managed Investment Funds Limited <Charter Hall Maxim Property Securities A/C>	3,500,000	1.00
Schaffer Corporation Ltd	3,305,817	0.95
Jove Pty Ltd	3,088,258	0.88
Allendale Funds Pty Ltd	1,900,000	0.54
Netwealth Investments Limited <Super Services A/C>	1,780,720	0.51
CS Third Nominees Pty Limited <HSBC Cust Nom AU Ltd 13 A/C>	1,499,496	0.43
BNP Paribas Nominees Pty Ltd Hub 24 Custodial Serv Ltd <DRP A/C>	1,429,916	0.41
	292,754,468	83.85

Substantial holders
Substantial holders in the stapled group are set out below:

	Stapled securities	
	Number held	% of total securities issued
Jim Litis	71,461,944	20.47
John Bond	70,504,939	20.19
David Schwartz	69,265,697	19.84

Voting rights

All stapled securities carry one vote per security without restriction.

There are no other classes of equity securities.

Restricted securities

Class	Expiry date	Number of securities
Stapled securities	8 November 2022	28,000

Securities subject to voluntary escrow

Class	Expiry date	Number of securities
Stapled securities	31 August 2021	74,538,786
Stapled securities	31 August 2022	74,538,786
Stapled securities	31 August 2023	74,538,785
		223,616,357

Primewest Group Limited
Corporate directory
30 June 2020

Directors	John Bond Jim Litis David Schwartz Hamish Beck Erin Flaherty
Company secretaries	David Creasy and Helen Silva
Notice of annual general meeting	The details of the annual general meeting of Primewest Group Limited are: Esplanade Hotel 46-54 Marine Terrance Fremantle WA 6160 10:00 AWST on 25 November 2020
Registered office	Level 1 307 Murray Street Perth WA 6000 Phone: (08) 93217133
Principal place of business	Level 1 307 Murray Street Perth WA 6000 Phone: (08) 93217133
Share register	Automic Pty Ltd Level 2 267 St Georges Terrace Perth WA 6000 Phone: 1300 288 664
Auditor	RSM Australia Partners Level 32 Exchange Tower 2 The Esplanade Perth WA 6000
Solicitors	Hamilton Locke Level 42 Australia Square 264 George Street Sydney NSW 2000
Stock exchange listing	Primewest Group Limited stapled securities are listed on the Australian Securities Exchange (ASX code: PWG)
Website	www.primewest.biz
Corporate Governance Statement	www.primewest.biz/investor-centre/corporate-governance-policies/primewest-corporate-governance-statement