



# ASX Release

22 August 2024

## 360 Capital REIT (ASX: TOT)

### Appendix 4E for the year ended 30 June 2024

Page 1 of 2

360 Capital REIT comprises the stapling of 360 Capital FM Limited (ABN 15 090 664 396) (AFSL 221474) as Responsible Entity for 360 Capital Passive REIT (ARSN 602 304 432) and 360 Capital Active REIT (ARSN 602 303 613), (collectively the "Fund" or "TOT").

This Preliminary Financial Report is given to the ASX in accordance with Listing Rule 4.3A. This report should be read in conjunction with the Annual Report for the year ended 30 June 2024. It is also recommended that the Annual Report be considered together with any public announcements made by the Fund. Reference should also be made to the statement of significant accounting policies as outlined in the Financial Report. The Annual Report for the year ended 30 June 2024 is attached and forms part of this Appendix 4E.

#### Details of reporting period

Current reporting period: 1 July 2023 – 30 June 2024

Prior corresponding period: 1 July 2022 – 30 June 2023

#### Results announcement to the market

	30 Jun 2024 \$'000	30 Jun 2023 \$'000	Movement \$'000	Movement %
Revenue and other income from ordinary activities	15,222	16,411	(1,189)	(7.2)
Loss attributable to stapled securityholders for the year	(21,948)	(47,921)	25,973	54.2
Operating profit <sup>1</sup>	4,138	7,124	(2,986)	(41.9)

<sup>1</sup> Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit/(loss) under AAS adjusted for non-operating items. The Responsible Entity considers operating profit to reflect the core earnings of the Fund. Operating earnings is used by the Board to make strategic decisions and as a guide to assessing an appropriate distribution to declare. A reconciliation of the Fund's statutory profit to operating earnings is provided in Note 1 of the Financial Report.

	30 Jun 2024 Cents per security	30 Jun 2023 Cents per security	Movement Cents per security	Movement %
Earnings per security – Basic and diluted	(13.3)	(33.4)	20.1	60.2
Operating profit per security	2.5	5.0	(2.5)	(50.0)



## Distributions

During the financial year, distributions made by the Fund to securityholders were in the form of fully franked dividends from 360 Capital Active REIT. There were no distributions paid from 360 Capital Passive REIT. Dividends paid or payable during the year were as follows:

	Amount per Security (cents)	Franked amount per security (cents)	Total paid \$'000	Record date	Date of payment
September 2023 quarterly distribution – fully franked	1.50	1.50	2,167	29 September 2023	27 October 2023
December 2023 quarterly distribution – fully franked	1.50	1.50	2,167	29 December 2023	25 January 2024
March 2024 quarterly distribution – fully franked	1.50	1.50	2,193	28 March 2024	24 April 2024
June 2024 quarterly distribution – fully franked	0.75	0.75	1,593	28 June 2024	26 July 2024
<b>Total distribution for the year ended 30 June 2024</b>	<b>5.25</b>	<b>5.25</b>	<b>8,120</b>		
September 2022 quarterly distribution – fully franked	1.50	1.50	2,125	30 September 2022	27 October 2022
December 2022 quarterly distribution – fully franked	1.50	1.50	2,167	30 December 2022	25 January 2023
March 2023 quarterly distribution – fully franked	1.50	1.50	2,166	31 March 2023	27 April 2023
June 2023 quarterly distribution – fully franked	1.50	1.50	2,167	30 June 2023	27 July 2023
<b>Total distribution for the year ended 30 June 2023</b>	<b>6.00</b>	<b>6.00</b>	<b>8,625</b>		

## Net tangible asset per security

	30 Jun 2024 \$	30 Jun 2023 \$
NTA per security	0.61	0.91

## Distribution Reinvestment Plan

The Fund's distribution reinvestment plan was activated for the December 2023, March 2024 and June 2024 quarterly distributions.

## Control Gained or Lost over Entities during the year

Refer to Note 17 Controlled Entities of the Financial Report.

## Details of Associates and Joint Venture entities

The Fund does not have Joint Venture and Associates during the year.

360 Capital



# 360 CAPITAL REIT

(ASX:TOT)

ANNUAL REPORT

For the year ended 30 June 2024

360 Capital REIT (ASX:TOT) comprises:  
360 Capital Passive REIT (ARSN 602 304 432) and its controlled entities and  
360 Capital Active REIT (ARSN 602 303 613) and its controlled entities.

## General information

360 Capital REIT is an Australian Securities Exchange (ASX) listed stapled security comprising 360 Capital Passive REIT and 360 Capital Active REIT trading as 360 Capital REIT (ASX: TOT), constituted and domiciled in Australia. Its registered office and principal place of business is:

Suite 3701, Level 37, 1 Macquarie Place, Sydney NSW 2000 Australia

The Responsible Entity of the Fund is 360 Capital FM Limited (ABN 15 090 664 396) (AFSL No. 221474).

The nature of operations and principal activities of the Fund are disclosed in the Responsible Entity report, which is not part of the consolidated financial statements.

The financial report of 360 Capital REIT (Consolidated Entity or Fund) comprises the consolidated financial statements of 360 Capital Passive REIT (Passive REIT) (ARSN 602 304 432) and its controlled entities and 360 Capital Active REIT (Active REIT) (ARSN 602 303 613) and its controlled entities.

The consolidated financial statements are presented in Australian dollars, which is 360 Capital REIT's functional and presentation currency. The Fund is an entity of the kind referred to in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the financial report and Responsible Entity report have been rounded to the nearest thousand dollars, unless otherwise stated.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2024. The directors have the power to amend and reissue the financial statements.



## Contents

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Responsible Entity Report	4
Auditor's independence declaration	10
Consolidated statements of profit or loss and other comprehensive income	11
Consolidated statements of financial position	12
Consolidated statements of changes in equity	13
Consolidated statements of cash flows	15
Notes to the consolidated financial statements	16
Directors' declaration	41
Independent auditor's report to the securityholders of 360 Capital REIT	42
Securityholder information	46
Glossary	47
Corporate directory	48

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**360 Capital REIT**  
**Responsible Entity report**  
**For the year ended 30 June 2024**

The Directors of 360 Capital FM Limited (ABN 15 090 664 396) (AFSL No. 221474), the Responsible Entity, present their report together with the financial report of 360 Capital REIT ("Fund" or "consolidated entity") (ASX: TOT) for the year ended 30 June 2024. 360 Capital REIT comprises 360 Capital Passive REIT ("Parent Entity" or "Passive REIT") and its controlled entities and 360 Capital Active REIT ("Active REIT") and its controlled entities.

**Directors**

The following persons were directors of 360 Capital FM Limited during the reporting period and up to the date of this report, unless otherwise stated:

Tony Robert Pitt (Executive Chairman)  
David van Aanholt (Deputy Chairman)  
Andrew Graeme Moffat  
Anthony Gregory McGrath

**Principal activities**

The Fund listed on the Australian Securities Exchange ("ASX") in April 2015 as a unique fund investing in various forms of real estate assets. The Fund's strategy is to invest in real estate equity and is focused on investing in a diversified portfolio of well leased, income producing commercial real estate assets across Australia and New Zealand.

## Key financial highlights for the year ended 30 June 2024

Statutory loss

**\$21.9m**

(June 2023: loss \$47.9 million)

Statutory loss of \$21.9 million represents a 54.2% increase from the prior year. The result included a fair value loss on revaluation of investment properties of \$26.3 million (June 2023: loss \$53.4 million).

Operating profit

**\$4.1m**

(June 2023: \$7.1 million)

Operating profit<sup>1</sup> of \$4.1 million (equating to 2.5cps) includes a net operating property income<sup>2</sup> of \$10.9 million on the three investment properties (June 2023: \$9.9 million). Included in the prior year's operating profit was a \$2.6 million gain from the disposal of financial assets.

Distributions

**5.25cps**

(June 2023: 6.0cps)

Distributions for the year were 5.25cps, down 0.75cps on the prior year. Following the Fund's entitlement offer in February 2024, quarterly distributions were rebased to 0.75cpu from the June 2024 quarter, equivalent to 3.0cps per annum.

Net tangible assets

**\$0.61**

per security  
(June 2023: \$0.91)

The Fund's Net Tangible Assets ("NTA") of \$0.61 per security reflects a decrease of \$0.30 or 33.0% from 30 June 2023. The decrease in NTA was contributed to by the increase of issued securities following the entitlement offer and fair value loss on the investment properties during the year.

ASX closing price

**\$0.385**

per security  
(June 2023: \$0.68)

The Fund's ASX closing price of \$0.385 per security was down from \$0.68 per security as at 30 June 2023.

<sup>1</sup> Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for non-operating items. The Responsible Entity considers operating profit to reflect the core earnings of the Fund and it is used as a guide to assess the Fund's ability to pay distributions to securityholders. The operating profit information in the table has not been subject to any specific audit procedures by the Fund's auditor but has been extracted from Note 1: Segment reporting.

<sup>2</sup> Net operating property income of \$10.9 million (June 2023: \$9.9 million) excludes IFRS adjustments including straight-lining of rental income and amortisation of incentives of \$1.0 million (June 2023: \$1.4 million).



## Key operational achievements for the year ended 30 June 2024

Investment property  
portfolio

**\$201.4m**

(June 2023: \$225.0 million)

The investment property portfolio includes three modern well leased investment properties currently valued at \$201.4 million. All properties have been externally valued as at 30 June 2024, with the Weighted Average Capitalisation Rate ("WACR") increasing from 5.33% to 6.16%.

Capital raised

**\$25.5m**

Entitlement offer

In February 2024, the Fund undertook a 0.8 for 1 non-underwritten, pro-rata, non-renounceable entitlement offer which raised a total of \$25.5 million. Net proceeds from the entitlement offer were used to reduce the Fund's gearing and reduce the Fund's interest expense.

NABERS Energy

**5.0 Star**

Property portfolio

The Fund has now achieved 5.0 Star<sup>1</sup> NABERS Energy ratings across its property portfolio, together with a 4.5 Star NABERS Water rating.

1. 510 Church Street Cremorne VIC, 4.5 Star NABERS Energy rating, 5.0 Star with Green Power.

# 360 Capital REIT

## Responsible Entity report

### For the year ended 30 June 2024

#### Operating and financial overview (continued)

##### Financial overview

The Fund's statutory loss attributable to securityholders for the year was \$21.9 million (June 2023: \$47.9 million). The operating profit for the year was \$4.1 million (June 2023: \$7.1 million). The Fund's statutory balance sheet as at 30 June 2024 had gross assets of \$207.4 million (June 2023: \$232.9 million).

##### Investments

The Fund's property portfolio comprises three modern properties valued at \$201.4 million and located in Melbourne, Canberra and Brisbane with a Weighted Average Lease Expiry ("WALE") of 6.7<sup>1</sup> years, average age of 3.7<sup>2</sup> years, and is now 93.0% occupied. The investment properties were all externally valued as at 30 June 2024. The property portfolio comprises:

- 510 Church Street, Cremorne VIC, was completed in 2021, is an office/healthcare facility valued at \$105.0 million (50% interest) comprising 19,719sqm of lettable area and 145 car parks;
- 38 Sydney Avenue, Forrest ACT, refurbished in 2018, is an A-grade office building, valued at \$66.4 million comprising 8,718sqm lettable area and 82 car parks; and
- 34 Southgate Avenue, Cannon Hill QLD, completed in September 2022, comprising a 3,585sqm high-tech industrial facility, 153 car parks and is valued at \$30.0 million, and is occupied by Michael Hill International as its global headquarters.

The property portfolio is well diversified, comprising 52.1% office/healthcare, 33.0% office, 14.9% high-tech industrial assets.

The Fund has a 4.5% interest in an unlisted trust which owns a property, Home HQ Artarmon. Post balance date, the Fund sold its interest in the trust in exchange for listed securities at its 30 June 2024 carrying value of \$3.3 million.

##### Valuations

Independent valuations were instructed on all of the properties in June 2024. The value of the property portfolio as at 30 June 2024 was \$201.4 million (June 2023: \$225.0 million). The fair value loss on investment properties during the year was \$26.3 million resulting from a softening in capitalisation rates with the portfolio WACR increasing from 5.33% as at 30 June 2023 to 6.16% as at 30 June 2024.

##### ESG initiatives

The Fund achieved 5.0 Star NABERS Energy ratings at 34 Southgate Ave, Cannon Hill QLD in December 2023 and 38 Sydney Avenue, Forrest, ACT, in February 2024. Also in July 2024, 510 Church Street, Cremorne, VIC received a 4.5 Star NABERS Energy rating or 5.0 Star with Green Power. All properties achieved a 4.5 Star NABERS Water rating.

##### Capital management

As a result of the deteriorating commercial real estate market resulting in the Fund's asset values reducing and following the payment of tax liabilities in December 2023, the Fund's gearing<sup>3</sup> increased to 41.6%, above its stated gearing range of 30-40%. In February 2024, the Fund announced a 0.8 for 1 non-underwritten, pro-rata, non-renounceable entitlement offer at an offer price of \$0.40 per new security ("Entitlement Offer"). In March 2024, the Entitlement Offer was completed and \$25.5 million was raised with 63.8 million new securities issued, the net raising proceeds were used to reduce the Fund's borrowings.

Following the Entitlement Offer, the Fund's borrowings were reduced to \$73.6 million and its finance facility limit was reduced to \$84.0 million. The gearing of the Fund was 34.6%<sup>3</sup> as at 30 June 2024. The loan facility is unhedged and subject to a floating interest rate and the weighted average interest rate was 6.01% for the year.

In August 2024, the Fund agreed terms on an extension of its existing finance facility for three years from the completion date, at a reduced margin, further reducing the Funds interest expense.

During the year, the Fund activated its Distribution Reinvestment Plan ("DRP") for the December 2023 and March 2024 quarterly distributions, with 1,795,904 and 2,215,471 securities issued at an issue price of \$0.54 and \$0.42 per security respectively. Post balance date, the Fund issued 2,200,376 securities in relation to the June 2024 quarter at an issue price of \$0.36 per security. In the prior year, the Fund activated its DRP for the June 2022 and September 2022 quarterly distributions, with 1,003,732 and 2,749,114 securities issued at an issue price of \$0.78 and \$0.77 per security respectively with the September 2022 DRP fully underwritten. In January 2024, 44,760 securities were sold under the small security holding sale facility at the price of \$0.54 per security.

<sup>1</sup> Weighted by gross income including car parking, rental guarantee and excluding outstanding incentives.

<sup>2</sup> Average age assumes from the date of major refurbishment of 38 Sydney Avenue and completion date for remaining portfolio. Weighted by value.

<sup>3</sup> Gearing equals to borrowings less cash, divided by total assets less cash.



# 360 Capital REIT

## Responsible Entity report

### For the year ended 30 June 2024

#### Operating and financial overview (continued)

##### Strategy and Outlook

The Fund remains focused on executing the leasing objectives within its property portfolio and further enhancing the environmental, social, and governance (“ESG”) credentials of the portfolio.

The commercial real estate market has continued to deteriorate with valuations of office assets declining following sales transactions occurring across the market at discounts to carrying values. It is likely that if current interest rates persist or increase this may result in continued negative impacts to property valuations. Whilst the Fund’s asset valuations have been impacted by market conditions, the Fund’s property portfolio comprises high quality, well-leased assets in core locations and the Fund expects its high-quality portfolio to outperform secondary assets and portfolios should prevailing macroeconomic conditions persist.

##### Distributions

During the financial year, distributions made by the Fund to securityholders were in the form of fully franked distributions from the Active REIT. There were no distributions paid from the Passive REIT. Distributions paid or payable during the year were as follows:

Distribution period	Date of payment	Amount per Security (Cents)	30 June 2024 \$'000	30 June 2023 \$'000
September 2023 quarterly fully franked distribution	27 October 2023	1.50	2,167	-
December 2023 quarterly fully franked distribution	25 January 2024	1.50	2,167	-
March 2024 quarterly fully franked distribution	24 April 2024	1.50	2,193	-
June 2024 quarterly fully franked distribution	26 July 2024	0.75	1,593	-
<b>Total distribution for the year ended 30 June 2024</b>		<b>5.25</b>	<b>8,120</b>	<b>-</b>
September 2022 quarterly fully franked distribution	27 October 2022	1.50	-	2,125
December 2022 quarterly fully franked distribution	25 January 2023	1.50	-	2,167
March 2023 quarterly fully franked distribution	27 April 2023	1.50	-	2,166
June 2023 quarterly fully franked distribution	27 July 2023	1.50	-	2,167
<b>Total distribution for the year ended 30 June 2023</b>		<b>6.00</b>	<b>-</b>	<b>8,625</b>

##### Significant changes in the state of affairs

Other than the matters described above, there were no significant changes in the state of affairs of the consolidated entity during the year.

##### Likely developments and expected results of operations

The Fund will continue to invest in real estate based activities and actively manage a diversified portfolio of investments in line with the Fund's stated strategy.

##### Number of securities on issue

As at 30 June 2024 the number of securities on issue in the Fund was 212,410,517 (30 June 2023: 144,436,537).

##### Buy-back arrangements

As detailed in the Fund constitution, the Responsible Entity is not under any obligation to buy back, purchase or redeem securities from stapled securityholders. During the year ended 30 June 2024 there were no security buy backs (30 June 2023: nil).

##### Options

No options over issued securities in the Fund were granted during or since the end of the financial year (30 June 2023: nil) and there were no options outstanding at the date of this report. The directors of the Responsible Entity hold no options over securities in the Fund.

##### Securities held by the Responsible Entity or related parties of the Responsible Entity

At 30 June 2024 related parties of the Responsible Entity held securities in the Fund, as detailed in Note 23 to the financial statements.

##### Fees, commissions or other charges by the Responsible Entity or related parties of the Responsible Entity

All fees payable to the Responsible Entity or its related parties are detailed in Note 23 to the financial statements.

##### Environmental regulation

The directors of the Responsible Entity of the Fund, oversee the policies, procedures and systems that have been implemented to ensure adequacy of the Fund’s environmental risk management practices. The Responsible Entity believes that adequate systems are in place for the management of the Fund’s environmental responsibilities and compliance with its various license requirements and regulations and is not aware of any breaches of these requirements.

## **360 Capital REIT Responsible Entity report For the year ended 30 June 2024**

### **Matters subsequent to the end of the financial year**

Post balance date, the Fund sold its investment in unlisted securities in exchange for listed securities at the 30 June 2024 carrying value of \$3.3 million. In August 2024, the Fund agreed terms on an extension of its existing finance facility for three years from the completion date, at a reduced margin. In August 2024, the Fund entered into a heads of agreement for the leasing of 740sqm at 38 Sydney Avenue, Forrest, ACT.

No other matters or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### **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 Responsible entity report.

### **Indemnity and insurance of officers**

During or since the end of the financial year, the Responsible Entity has paid insurance premiums to insure each of the aforementioned directors as well as officers of the Responsible Entity of the Fund against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity of the Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity. Insurance premiums are paid out of 360 Capital Group and not out of the assets of the Fund. The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an officer of the Responsible Entity.

### **Indemnity and insurance of auditor**

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

### **Non-audit services**

The Fund's auditor, Ernst & Young Australia provided non-audit services to the Fund during the year. Details of these services are provided in Note 21. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

### **Stapled group report**

360 Capital REIT is an entity of the kind referred to in ASIC Corporations (Stapled Group Reports) Instrument 2015/838 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the annual financial report and Responsible Entity report include the consolidated results of 360 Capital REIT alongside the result of the Active REIT presented in adjacent columns.

### **Rounding of amounts**

360 Capital REIT 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.

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



Tony Robert Pitt  
Executive Chairman



David van Aanholt  
Deputy Chairman

22 August 2024





**Building a better  
working world**

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## **Auditor's Independence Declaration to the Directors of 360 Capital FM Limited as Responsible Entity for 360 Capital REIT and 360 Capital Active REIT**

As lead auditor for the audit of the financial reports of 360 Capital REIT and 360 Capital Active REIT for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit

This declaration is in respect of 360 Capital REIT and the entities it controlled during the financial year and 360 Capital Active REIT and the entities it controlled during the financial year.

Ernst & Young

St Elmo Wilken  
Partner  
22 August 2024

## 360 Capital REIT

### Consolidated statements of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	Consolidated		Active REIT	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Rental income	3	14,891	13,327	-	-
Distribution from property fund		152	155	152	155
Finance revenue		179	267	16	176
<b>Total revenue from continuing operations</b>		<b>15,222</b>	<b>13,749</b>	<b>168</b>	<b>331</b>
Net gain on foreign exchange		-	6	-	6
Net gain on disposal of equity accounted investments		-	2,576	-	2,576
Other income		-	80	-	20
<b>Total revenue from continuing operations and other income</b>		<b>15,222</b>	<b>16,411</b>	<b>168</b>	<b>2,933</b>
<b>Expenses</b>					
Property expenses and outgoings		(2,994)	(2,036)	-	-
Transaction costs		-	(3,681)	-	(3,681)
Administration expenses		(341)	(362)	(66)	(179)
Management fees		(1,515)	(1,700)	(27)	(144)
Finance costs		(5,362)	(3,855)	-	-
Net fair value loss on investment properties	7	(26,290)	(53,359)	-	-
Net fair value loss on financial assets		(947)	(508)	(947)	(508)
<b>Total expenses</b>		<b>(37,449)</b>	<b>(65,501)</b>	<b>(1,040)</b>	<b>(4,512)</b>
<b>Loss before income tax benefit</b>		<b>(22,227)</b>	<b>(49,090)</b>	<b>(872)</b>	<b>(1,579)</b>
Income tax benefit	4	279	1,169	279	1,169
<b>Loss after income tax benefit for the year attributable to the securityholders of 360 Capital REIT</b>		<b>(21,948)</b>	<b>(47,921)</b>	<b>(593)</b>	<b>(410)</b>
Other comprehensive income for the year, net of tax		-	-	-	-
<b>Total comprehensive income for the year attributable to the securityholders of 360 Capital REIT</b>		<b>(21,948)</b>	<b>(47,921)</b>	<b>(593)</b>	<b>(410)</b>
Total comprehensive income attributable to:					
		Consolidated		Active REIT	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
Securityholders of 360 Capital Passive REIT		(21,355)	(47,511)	-	-
Securityholders of 360 Capital Active REIT		(593)	(410)	(593)	(410)
		<b>(21,948)</b>	<b>(47,921)</b>	<b>(593)</b>	<b>(410)</b>
		Consolidated		Active REIT	
		Cents	Cents	Cents	Cents
Basic earnings per security	22	(13.3)	(33.4)	(0.4)	(0.3)
Diluted earnings per security	22	(13.3)	(33.4)	(0.4)	(0.3)

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



**360 Capital REIT**  
**Consolidated statements of financial position**  
**As at 30 June 2024**

	Note	Consolidated		Active REIT	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,344	3,082	5	320
Trade and other receivables	5	316	552	43	74
Financial assets at fair value through profit or loss	6	3,316	4,263	3,316	4,263
Related party loan	23	-	-	56,505	65,775
<b>Total current assets</b>		<b>5,976</b>	<b>7,897</b>	<b>59,869</b>	<b>70,432</b>
<b>Non-current assets</b>					
Investment properties	7	201,400	225,000	-	-
<b>Total non-current assets</b>		<b>201,400</b>	<b>225,000</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>207,376</b>	<b>232,897</b>	<b>59,869</b>	<b>70,432</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	8	3,325	3,450	18	52
Income tax payable		-	11,793	-	11,793
Distribution payable		1,593	2,167	1,593	2,167
<b>Total current liabilities</b>		<b>4,918</b>	<b>17,410</b>	<b>1,611</b>	<b>14,012</b>
<b>Non-current liabilities</b>					
Borrowings	9	73,379	83,408	-	-
Deferred tax liabilities	10	349	628	349	628
<b>Total non-current liabilities</b>		<b>73,728</b>	<b>84,036</b>	<b>349</b>	<b>628</b>
<b>Total liabilities</b>		<b>78,646</b>	<b>101,446</b>	<b>1,960</b>	<b>14,640</b>
<b>Net assets attributable to securityholders</b>		<b>128,730</b>	<b>131,451</b>	<b>57,909</b>	<b>55,792</b>
<b>Equity</b>					
Issued capital	11	212,559	185,212	37,022	26,192
Retained profits/(accumulated losses)		(83,829)	(53,761)	20,887	29,600
<b>Total equity</b>		<b>128,730</b>	<b>131,451</b>	<b>57,909</b>	<b>55,792</b>

*The above consolidated statements of financial position should be read in conjunction with the accompanying notes*

**360 Capital REIT**  
**Consolidated statements of changes in equity**  
**For the year ended 30 June 2024**

<b>Consolidated</b>	<b>Note</b>	<b>Issued capital \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023		185,212	(53,761)	131,451
Loss after income tax benefit for the year		-	(21,948)	(21,948)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		-	(21,948)	(21,948)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Entitlement offer	13	25,585	-	25,585
Distribution reinvestment plan	11	1,902	-	1,902
Transaction cost incurred	11	(140)	-	(140)
Distributions	2	-	(8,120)	(8,120)
<b>Balance at 30 June 2024</b>		<b>212,559</b>	<b>(83,829)</b>	<b>128,730</b>

<b>Consolidated</b>	<b>Note</b>	<b>Issued capital \$'000</b>	<b>Retained profits/ (accumulated losses) \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2022		182,327	2,785	185,112
Loss after income tax benefit for the year		-	(47,921)	(47,921)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		-	(47,921)	(47,921)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Distribution reinvestment plan	11	2,905	-	2,905
Transaction cost incurred	11	(20)	-	(20)
Distributions	2	-	(8,625)	(8,625)
Balance at 30 June 2023		185,212	(53,761)	131,451

*The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes*



**360 Capital REIT**  
**Consolidated statements of changes in equity**  
**For the year ended 30 June 2024**

	Note	Issued capital \$'000	Retained profits \$'000	Total equity \$'000
<b>Active REIT</b>				
Balance at 1 July 2023		26,192	29,600	55,792
Loss after income tax benefit for the year		-	(593)	(593)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		-	(593)	(593)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Entitlement offer	13	10,106	-	10,106
Distribution reinvestment plan	11	779	-	779
Transaction cost incurred	11	(55)	-	(55)
Distributions	2	-	(8,120)	(8,120)
<b>Balance at 30 June 2024</b>		<b>37,022</b>	<b>20,887</b>	<b>57,909</b>

	Note	Issued capital \$'000	Retained profits \$'000	Total equity \$'000
<b>Active REIT</b>				
Balance at 1 July 2022		25,197	38,635	63,832
Loss after income tax benefit for the year		-	(410)	(410)
Other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		-	(410)	(410)
<i>Transactions with securityholders in their capacity as securityholders:</i>				
Distribution reinvestment plan	11	1,002	-	1,002
Transaction cost incurred	11	(7)	-	(7)
Distributions	2	-	(8,625)	(8,625)
Balance at 30 June 2023		26,192	29,600	55,792

*The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes*

**360 Capital REIT**  
**Consolidated statements of cash flows**  
**For the year ended 30 June 2024**

	Note	Consolidated		Active REIT	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Receipts from customers (inclusive of GST)		15,077	14,794	-	-
Payments to suppliers (inclusive of GST)		(6,042)	(4,856)	(124)	(612)
Distributions received		178	106	178	106
Finance revenue		182	247	16	175
Interest and other finance costs paid		(5,149)	(3,605)	-	-
Income tax paid		(11,793)	(453)	(11,793)	(453)
<b>Net cash (used in)/from operating activities</b>	12	<b>(7,547)</b>	6,233	<b>(11,723)</b>	(784)
<b>Cash flows from investing activities</b>					
Payment for acquisition of investment properties		-	(275,644)	-	-
Payment for capital expenditure on investment properties		(1,645)	(1,082)	-	-
Proceeds from disposal of financial assets		-	166,728	-	166,728
Proceeds from disposal of equity accounted investments		-	21,620	-	21,620
Payment of transaction and other costs		-	(3,728)	-	(3,728)
<b>Net cash (used in)/from investing activities</b>		<b>(1,645)</b>	(92,106)	-	184,620
<b>Cash flows from financing activities</b>					
Proceeds from issue of securities		25,585	1,393	10,106	481
Proceeds from borrowings		15,500	89,800	-	-
Repayment of borrowings		(25,700)	(6,000)	-	-
Security issue transaction costs		(140)	(20)	(55)	(7)
Distributions paid	2	(6,791)	(7,057)	(6,791)	(6,144)
Repayment of related party loan		-	-	-	(186,763)
Proceeds from related party loan		-	-	8,148	-
<b>Net cash from/(used in) financing activities</b>		<b>8,454</b>	78,116	<b>11,408</b>	(192,433)
Net decrease in cash and cash equivalents		(738)	(7,757)	(315)	(8,597)
Cash and cash equivalents at the beginning of the financial year		3,082	10,839	320	8,917
<b>Cash and cash equivalents at the end of the financial year</b>		<b>2,344</b>	3,082	<b>5</b>	320

*The above consolidated statements of cash flows should be read in conjunction with the accompanying notes*

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Contents**

Note 1. Operating segments	17
Note 2. Distributions	18
Note 3. Rental income	18
Note 4. Income tax benefit	19
Note 5. Trade and other receivables	19
Note 6. Financial assets at fair value through profit or loss	20
Note 7. Investment properties	20
Note 8. Trade and other payables	22
Note 9. Borrowings	22
Note 10. Deferred tax liabilities	23
Note 11. Issued capital	24
Note 12. Reconciliation of loss after income tax to net cash used in operating activities	26
Note 13. Critical accounting judgements, estimates and assumptions	26
Note 14. Capital management	27
Note 15. Financial instruments	27
Note 16. Fair value measurement	31
Note 17. Controlled entities	32
Note 18. Business combinations	32
Note 19. Commitments and contingencies	32
Note 20. Events after the reporting period	32
Note 21. Remuneration of auditors	33
Note 22. Earnings per security	33
Note 23. Related party transactions	34
Note 24. Parent entity disclosures	36
Note 25. Material accounting policy information	36



**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 1. Operating segments**

*Identification of reportable operating segments*

The Fund invests solely in the property sector within Australia and New Zealand.

The Chief Operating Decision Maker, being the Executive Chairman of the Responsible Entity, monitors the performance and results of the Fund at a consolidated Fund level. As a result, the Fund has only one segment and no segment information is reported for the Active REIT.

Operating profit is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents the profit under AAS adjusted for non-operating items which management consider to reflect the core earnings of the Fund and is used as a guide to assess the Fund's ability to pay distributions to stapled securityholders. The information provided is net of non-operating items comprising unrealised fair value adjustments of financial assets and investment properties, rent straight-lining adjustment, lease incentive amortisation, transaction costs, unrealised foreign exchange gain, deferred finance charges and all other non-operating activities.

The following table summarises key reconciling items between statutory profit attributable to the securityholder of the Fund and operating profit.

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Loss attributable to stapled securityholders of the Fund</b>	<b>(21,948)</b>	<b>(47,921)</b>
<b>Non-operating items</b>		
Net loss on fair value of financial assets	947	508
Net loss on fair value of investment properties	26,290	53,359
Transaction and acquisition costs	-	3,681
Net foreign exchange gain	-	(6)
Borrowing costs amortisation	195	-
Rent straight-lining adjustments	(1,212)	(1,411)
Lease incentive amortisation	168	40
Tax expense on non-operating items	(302)	(1,126)
<b>Operating profit (profit before non-operating items)</b>	<b>4,138</b>	<b>7,124</b>
Weighted average number of stapled securities ('000)	164,674	143,476
<b>Operating profit (profit before non-operating items) per stapled security - cents</b>	<b>2.5</b>	<b>5.0</b>

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 2. Distributions**

During the financial year, distributions made by the Fund to securityholders were in the form of fully franked distributions from Active REIT. There were no distributions paid from Passive REIT. Distributions paid or payable during the year were as follows:

Distribution period	Date of payment	Amount per Security (Cents)	30 June 2024 \$'000	30 June 2023 \$'000
September 2023 quarterly fully franked distributions	27 October 2023	1.50	2,167	-
December 2023 quarterly fully franked distributions	25 January 2024	1.50	2,167	-
March 2024 quarterly fully franked distributions	24 April 2024	1.50	2,193	-
June 2023 quarterly fully franked distributions	26 July 2024	0.75	1,593	-
<b>Total distribution for the year ended 30 June 2023</b>		<b>5.25</b>	<b>8,120</b>	<b>-</b>
September 2022 quarterly fully franked distributions	27 October 2022	1.50	-	2,125
December 2022 quarterly fully franked distributions	25 January 2023	1.50	-	2,167
March 2023 quarterly fully franked distributions	27 April 2023	1.50	-	2,166
June 2023 quarterly fully franked distributions	27 July 2023	1.50	-	2,167
<b>Total distribution for the year ended 30 June 2023</b>		<b>6.00</b>	<b>-</b>	<b>8,625</b>

*Franking Credits*

The final dividends recommended before 30 June 2024 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ended 30 June 2024.

Franking credits available for subsequent reporting periods based on a tax rate of 30% (2023: 30%) would be \$7,557,027 (2023: \$11,965,391).

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year. The amounts include franking credits that would be available to the parent entity, 360 Capital Active REIT, if distributable profits of subsidiaries were paid as dividends.

**Note 3. Rental income**

	Consolidated		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Rental income	11,968	10,567	-	-
Rent straight-lining adjustments	1,212	1,411	-	-
Recoverable outgoings	1,711	1,349	-	-
	<b>14,891</b>	<b>13,327</b>	<b>-</b>	<b>-</b>

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 4. Income tax benefit**

	Consolidated		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>				
Loss before income tax benefit	(22,227)	(49,090)	(872)	(1,579)
Tax at the statutory tax rate of 30%	(6,668)	(14,727)	(262)	(474)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Trust loss exempt from income tax	6,406	14,253	-	-
Gain on sale of active foreign business	-	(711)	-	(711)
Capital raising costs	(17)	-	(17)	-
Other tax adjustments	-	(76)	-	(76)
	(279)	(1,261)	(279)	(1,261)
Adjustment to deferred tax balances as a result of change in statutory tax rate	-	84	-	84
Adjustment for current tax of prior years	-	8	-	8
<b>Income tax benefit</b>	<b>(279)</b>	<b>(1,169)</b>	<b>(279)</b>	<b>(1,169)</b>

**Note 5. Trade and other receivables**

	Consolidated		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Trade receivables	150	374	-	-
GST receivables	3	3	3	3
Prepayments	107	89	-	5
Distribution receivables	40	66	40	66
Other receivables	16	20	-	-
	<b>316</b>	<b>552</b>	<b>43</b>	<b>74</b>

*a) Allowance for expected credit losses*

During the year, the Fund made a nil (30 June 2023: nil) expected credit losses (ECL) provision in respect of impairment under AASB 9 as this number is considered immaterial to the Fund.

*b) Fair values*

The receivables are carried at amounts that approximate their fair value. There are no receivables where the fair value would be materially different from the carrying value.

*c) Credit risk*

There is a limited amount of credit risk - refer to Note 15 for more information on the risk management policy of the Fund.



**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 6. Financial assets at fair value through profit or loss**

	Consolidated		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
<i>Current assets</i>				
Investments in unlisted securities	3,316	4,263	3,316	4,263
<i>Reconciliation</i>				
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:				
Balance at 1 July	4,263	166,719	4,263	166,719
Disposals	-	(166,728)	-	(166,728)
Gain on sale of financial assets	-	3	-	3
Fair value adjustment of financial assets	(947)	6	(947)	6
Reclassification from financial assets at fair value through profit or loss - non current	-	4,263	-	4,263
<b>Closing fair value</b>	<b>3,316</b>	<b>4,263</b>	<b>3,316</b>	<b>4,263</b>

This asset is considered non-core to the Fund and is held for sale as a current financial asset. Post balance date, the Fund sold its investment in unlisted securities in exchange for listed securities at the 30 June 2024 carrying value of \$3.3 million.

In the prior year, included in the disposals were listed securities of \$165.3 million related to Irongate Group that were realised following the implementation of the Irongate Group scheme of arrangement.

Refer to Note 16 for further information on fair value measurement.

**Note 7. Investment properties**

Property	Fair value		Capitalisation rate		Discount rate		30 June 2024 Valuers	Last independent valuation date
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 %	30 June 2023 %	30 June 2024 %	30 June 2023 %		
38 Sydney Ave, Forrest ACT	66,400	74,000	6.25%	5.50%	7.00%	6.50%	Colliers	June 2024
510 Church St, Cremorne VIC	105,000	115,000	6.00%	5.25%	7.00%	6.00%	JLL	June 2024
34 Southgate Ave, Cannon Hill QLD	30,000	36,000	6.50%	5.25%	7.00%	6.00%	CBRE	June 2024
<b>Total</b>	<b>201,400</b>	<b>225,000</b>						

38 Sydney Ave, Forrest ACT

38 Sydney Avenue, refurbished in 2018, is an A-grade office building, valued at \$66.4 million comprising 8,718sqm lettable area and 82 car parks. The major tenant is the Australian National Audit Office which occupies 55.8% of the lettable area with a lease expiring in December 2034. The property has an 8.0 year Weighted Average Lease Expiry (WALE), inclusive of rental guarantee. The building has a 5.0 Star NABERS Energy rating and a 4.5 Star NABERS Water rating.

510 Church St, Cremorne VIC

510 Church Street was completed in 2021, is an office/healthcare facility valued at \$105.0 million (50% interest) comprising 19,719sqm of lettable area and 145 car parks. The property has a diverse tenant mix, a 5.5 year WALE. The building has a 4.5 Star NABERS Energy Rating or 5.0 Star with Green Power and a 4.5 Star NABERS Water Rating.

34 Southgate Ave, Cannon Hill QLD

34 Southgate Avenue was completed in September 2022, comprising a 3,585sqm high-tech industrial facility, 153 car parks and is valued at \$30.0 million. The property is occupied by Michael Hill International as its global headquarter with 8.2 years remaining and 3.0% fixed annual rent reviews. The building has a 5 Star NABERS Energy rating and a 4.5 Star NABERS Water rating.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 7. Investment properties (continued)**

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July</b>	<b>225,000</b>	-
Acquisition price	-	257,151
Acquisition costs	-	18,493
Additions	1,645	249
Lease incentives	-	1,095
Lease incentives amortisation	(167)	(40)
Rent straight-lining adjustments	1,212	1,411
Fair value adjustment	(26,290)	(53,359)
<b>Closing balance</b>	<b>201,400</b>	225,000

**Leases as lessor**

The Fund leases out its investment properties under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	<b>Consolidated</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Less than one year	10,652	10,864
Between one and two years	10,471	10,734
Between two and three years	10,815	10,476
Between three and four years	11,169	10,820
Between four and five years	11,033	11,176
More than five years	35,053	45,978
	<b>89,193</b>	100,048

**Valuation techniques and significant unobservable inputs (Level 3)**

The fair values of the investment properties were determined by the directors of the Responsible Entity with reference to independent external valuations or internal valuations. Independent external valuation companies possess the appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The Responsible Entity has also considered factors such as changes in downtime, incentive allowances, rental growth and rental relief when determining property valuations.

As at 30 June 2024, the Fund has undertaken independent external valuations for all three investment properties.

The valuations were prepared by considering the following valuation methodologies:

- **Capitalisation Approach:** the annual net rental income is capitalised at an appropriate market yield to arrive at the property's market value. Appropriate capital adjustments are then made where necessary to reflect the specific cash flow profile and the general characteristics of the property.
- **Discounted Cash Flow Approach:** this approach incorporates the estimation of future annual cash flows over a 10 year period by reference to expected rental growth rates, ongoing capital expenditure, terminal sale value and acquisition and disposal costs. The present value of future cash flows is then determined by the application of an appropriate discount rate to derive a net present value for the property.
- **Direct Comparison Approach:** this approach identifies comparable sales on a dollar per square meter of lettable area basis and compares the equivalent rates to the property being valued to determine the property's market value.

The valuations reflect, as appropriate; the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices and, where appropriate, counter notices have been served validly and within the appropriate time.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 7. Investment properties (continued)**

A further sensitivity analysis was undertaken by the Trust to assess the fair value of investment. The table below illustrates the impact on valuation of movements in capitalisation rates:

Fair value		Capitalisation rate +0.25%		Capitalisation rate -0.25%	
30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
201,400	225,000	(7,865)	(10,081)	8,532	11,074

Given the unknown future impact that the current volatile macroeconomic conditions, including the high inflation and increasing interest rate environment, might have on the commercial real estate market and global market in general, a higher degree of judgement and consideration is required in assessing the significant inputs that determine property valuations. The Fund has continued to re-assess the valuation method to ensure appropriate consideration given to inputs used.

**Note 8. Trade and other payables**

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<i>Current liabilities</i>				
Trade payables	17	264	-	-
Accruals - finance costs	734	705	-	-
Accruals - others	555	382	18	52
GST payable	231	118	-	-
Prepaid income	1,788	1,981	-	-
	<b>3,325</b>	<b>3,450</b>	<b>18</b>	<b>52</b>

Refer to Note 15 for further information on financial instruments.

**Note 9. Borrowings**

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<i>Non-current liabilities</i>				
Bank loans - secured	73,600	83,800	-	-
Borrowing costs	(221)	(392)	-	-
	<b>73,379</b>	<b>83,408</b>	<b>-</b>	<b>-</b>

The Fund has a bank loan facility agreement for a term of 3 years expiring in July 2025, which was used to fund the purchase of the three investment properties. In January 2024, the facility limit was increased by \$5.0 million to \$110.0 million, however following the Fund's entitlement offer in February 2024, the facility limit was decreased to \$84.0 million. The bank loan is secured by first mortgages over the three investment properties. The loan facility is unhedged and is subject to floating interest rate and the weighted average interest rate was 6.01% for the year (30 June 2023: 4.70%).

In August 2024, the Fund agreed terms on an extension of its existing finance facility for three years from the completion date, at a reduced margin.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 9. Borrowings (continued)**

Movements in the carrying value during the year are set out below:

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	83,408	-	-	-
Loan drawdowns	15,500	83,800	-	-
Loan repayments	(25,700)	-	-	-
Borrowing costs capitalised	(24)	(566)	-	-
Borrowing costs amortisation	195	174	-	-
<b>Closing balance</b>	<b>73,379</b>	<b>83,408</b>	<b>-</b>	<b>-</b>

As at 30 June 2024, the Fund has the following debt facilities:

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<b>Secured loan facilities</b>				
Facility limited	84,000	105,000	-	-
Facility unused	(10,400)	(21,200)	-	-
<b>Facility used</b>	<b>73,600</b>	<b>83,800</b>	<b>-</b>	<b>-</b>

**Debt covenants**

The Fund's borrowings are subject to a range of covenants, according to the facility agreement. The following covenants are included:

- Loan to value ratio: the borrowings amount must not exceed 50% of the fair value of the investment properties; and
- Interest coverage ratio (ICR): the ratio of net property income to finance costs on borrowings is not to be less than 1.5 times.

A breach of these covenants may trigger the voluntary prepayment of an amount to cure the covenant breach. The Fund performed a review of debt covenants as at 30 June 2024 and no breaches were identified.

Refer to Note 15 for further information on financial instruments.

**Note 10. Deferred tax liabilities**

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets comprise temporary differences attributable to:</b>				
Accrued expenses	5	15	5	15
Business acquisition costs	27	54	27	54
Tax loss	77	-	77	-
	109	69	109	69
<b>Deferred tax liabilities comprise temporary differences attributable to:</b>				
Unrealised gain on investment	(458)	(697)	(458)	(697)
	(458)	(697)	(583)	(697)
<b>Net deferred tax liabilities</b>	<b>(349)</b>	<b>(628)</b>	<b>(349)</b>	<b>(628)</b>

Deferred tax assets and liabilities are shown as a net amount to the extent that they were with the same tax authority in Australia.



**Note 10. Deferred tax liabilities (continued)**

A reconciliation of the carrying amount of deferred tax assets and liabilities movements during the year is set out below:

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	(628)	(13,827)	(628)	(13,827)
Fair value movement on investments	239	(48)	239	(48)
Realised deferred tax liabilities	-	13,388	-	13,388
Tax loss	77	-	77	-
Recognition of other timing differences	(37)	(141)	(37)	(141)
<b>Closing balance</b>	<b>(349)</b>	<b>(628)</b>	<b>(349)</b>	<b>(628)</b>
Net deferred tax liabilities expected to reverse within 12 months	(349)	15	(349)	15
Net deferred tax liabilities expected to reverse after more than 12 months	-	(643)	-	(643)
	<b>(349)</b>	<b>(628)</b>	<b>(349)</b>	<b>(628)</b>

Tax consolidation

The Fund has formed a tax consolidated groups with 360 Capital Active REIT as the head entity. All wholly owned Australian resident subsidiaries of the head entity are part of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

**Note 11. Issued capital**

A 360 Capital REIT stapled security comprises one 360 Capital Passive REIT unit stapled to one 360 Capital Active REIT unit to create a single listed entity traded on the ASX. Units in the stapled security cannot be traded or dealt with separately.

**Ordinary securities**

Ordinary securities of the Fund are listed on the ASX; there are no separate classes of securities and each security in the Fund has the same rights attaching to it as all other securities of Fund. Each ordinary security confers upon the securityholder an equal interest in the Fund and is of equal value to other securities in the Fund. A security does not confer upon the holder any interest in any particular asset or investment of the Fund. The rights of securityholders are contained in the Fund's Constitution and include:

- The right to receive a distribution determined in accordance with the provisions of the Fund's Constitution, which states that securityholders are presently entitled to the distributable income of the Fund as determined by the responsible entity;
- The right to attend and vote at meetings of securityholders; and
- The right to participate in the termination and winding up of the Fund.

Redemption of units is not a right granted by the Constitution but may be performed at the discretion of the responsible entity.

**Equity classification**

Units are classified as equity. The Responsible Entity considers the units to meet the requirements for equity classification within AASB 132.16C-D based on the rights granted by the units.

**(a) Issued capital**

	Consolidated			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Securities	Securities	\$'000	\$'000
	'000	'000		
Issued capital - trust units	212,411	144,437	212,559	185,212

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 11. Issued capital (continued)**

	30 June 2024 Securities '000	Active REIT 30 June 2023 Securities '000	30 June 2024 \$'000	30 June 2023 \$'000
Issued capital - trust units	212,411	144,437	37,022	26,192

**(b) Movements in issued capital**

*Movements in issued capital - 360 Capital REIT*

Details	Date	Securities '000	Issue price	\$'000
Balance	1 July 2022	140,684		182,327
Securities issued DRP	27 July 2022	1,004	\$0.78	780
Transaction costs issue of securities	27 July 2022	-		(4)
Securities issued DRP	27 October 2022	2,749	\$0.77	2,125
Transaction costs issue of securities	27 October 2022	-		(16)
Balance	30 June 2023	144,437		185,212

Details	Date	Securities '000	Issue price	\$'000
Balance	1 July 2023	144,437		185,212
Securities issued DRP	25 January 2024	1,796	\$0.54	970
Transaction costs issue of securities	25 January 2024	-		(14)
Securities issued entitlement offer	14 March 2024	63,963	\$0.40	25,585
Transaction costs entitlement offer	14 March 2024	-		(121)
Securities issued DRP	24 April 2024	2,215	\$0.42	932
Transaction costs issue of securities	24 April 2024	-		(5)
Balance	30 June 2024	212,411		212,559

*Movements in issued capital - 360 Capital Active REIT*

Details	Date	Securities '000	Issue price	\$'000
Balance	1 July 2022	140,684		25,197
Securities issued DRP	27 July 2022	1,004	\$0.27	269
Transaction costs issue of securities	27 July 2022	-		(2)
Securities issued DRP	27 October 2022	2,749	\$0.27	733
Transaction costs issue of securities	27 October 2022	-		(5)
Balance	30 June 2023	144,437		26,192

Details	Date	Securities '000	Issue price	\$'000
Balance	1 July 2023	144,437		26,192
Securities issued DRP	25 January 2024	1,796	\$0.23	411
Transaction costs issue of securities	25 January 2024	-		(5)
Securities issued entitlement offer	14 March 2024	63,963	\$0.16	10,106
Transaction costs entitlement offer	14 March 2024	-		(48)
Securities issued DRP	24 April 2024	2,215	\$0.17	368
Transaction costs issue of securities	24 April 2024	-		(2)
Balance	30 June 2024	212,411		37,022

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 11. Issued capital (continued)**

*Buy-back*

During the year the Fund did not buy back and cancel any securities (30 June 2024: nil).

In January 2024, 44,760 securities were sold under the small security holding sale facility at the price of \$0.54 per security.

*Distribution reinvestment plan (DRP)*

During the year, the Fund activated its DRP for the December 2023 and March 2024 quarterly distributions, with 1,795,904 and 2,215,471 securities issued at an issue price of \$0.54 and \$0.42 per security respectively. Post balance date, the Fund issued 2,200,376 securities in relation to the June 2024 quarter at an issue price of \$0.36 per security.

In the prior year, the Fund activated its DRP for the June 2022 and September 2022 quarterly distributions, with 1,003,732 and 2,749,114 securities issued at an issue price of \$0.78 and \$0.77 per security respectively with the September 2022 DRP fully underwritten.

*Entitlement offer*

In March 2024, the Fund completed a 0.8 for 1 non-underwritten, non-renounceable pro rata entitlement offer of new securities in the Fund ("Entitlement Offer") and issued 63,962,605 securities at the price of \$0.40 per security.

**Note 12. Reconciliation of loss after income tax to net cash used in operating activities**

	<b>Consolidated</b>		<b>Active REIT</b>	
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax expense for the year	(21,948)	(47,921)	(593)	(410)
Adjustments for:				
Net loss on fair value of investment properties	26,290	53,359	-	-
Rent straight-lining adjustments	(1,212)	(1,411)	-	-
Lease incentive amortisation	168	40	-	-
Net gain on disposal of equity accounted investments	-	(2,576)	-	(2,576)
Net gain on foreign exchange currency	-	(6)	-	(6)
Net loss on fair value of financial assets	947	508	947	508
Transaction costs	-	3,681	-	3,681
Change in operating assets and liabilities:				
(Increase)/decrease in receivables	320	(525)	31	22
Increase/(decrease) in trade and other payables	(12,112)	1,084	(12,108)	(2,003)
<b>Net cash from/(used in) operating activities</b>	<b>(7,547)</b>	<b>6,233</b>	<b>(11,723)</b>	<b>(784)</b>

**Note 13. Critical accounting judgements, estimates and assumptions**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are:

*Financial assets at fair value through profit or loss*

The fair value of investments which are not traded in an active market is determined by using valuation techniques. The Fund uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.



**Note 13. Critical accounting judgements, estimates and assumptions (continued)**

*Investment properties*

Significant estimates and assumptions were applied to the valuation of investment properties. The fair values of the investment properties were determined by the directors of the Responsible Entity with reference to independent external valuations or internal valuations. Refer to Note 7 'Investment properties' for the discussion on key assumptions.

*Income tax*

In circumstances where the Fund becomes subject to income taxes in Australia there are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Fund may recognise liabilities based on the Fund's current understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, 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 consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

**Note 14. Capital management**

Under the direction of the Board, the Fund manages its capital structure to safeguard the ability of the Fund to continue as a going concern while maximising the return to securityholder through the optimisation of net debt and total equity balances.

In order to maintain or adjust the capital structure, the Fund may adjust the amount of distributions paid to securityholder, return capital to securityholder, issue new securities, purchase the Fund's own securities, or sell assets to reduce debt.

The Fund has a bank loan facility agreement with a facility limit of \$84.0 million as at 30 June 2024. The bank loan is secured by the three investment properties and was drawn to \$73.6 million as at 30 June 2024.

During the year, the Fund activated its DRP for the December 2023 and March 2024 quarterly distributions, with 1,795,904 and 2,215,471 securities issued at an issue price of \$0.54 and \$0.42 per security respectively. In the prior year, the Fund activated its DRP for the June 2022 and September 2022 quarterly distributions, with 1,003,732 and 2,749,114 securities issued at an issue price of \$0.78 and \$0.77 per security respectively with the September 2022 DRP fully underwritten.

In February 2024, the Fund announced a 0.8 for 1 non underwritten, pro-rata, non-renounceable entitlement offer for an offer price of \$0.40 per new security, with the net raising proceeds used to reduce the Fund's borrowings. In March 2024, the entitlement offer was completed and \$25.5 million was raised with 63.8 million new securities issued.

There were no changes in the Fund's approach to capital management during the year.

**Note 15. Financial instruments**

*Overview*

The consolidated entity's activities expose it to various types of financial risks including market risk, credit risk and liquidity risk. The Board of Directors of the Responsible Entity has responsibility for the establishment and oversight of the risk management framework ensuring the effective management of risk.

The Board has established risk management principles and policies and monitor their implementation. Policies are established to identify and analyse the financial risks faced by the Fund, to set appropriate risk limits and controls, and monitor the risks and adherence to limits. The Board meets regularly to review risk management policies and systems and ensure they reflect changes in market conditions and the Fund's activities.

The nature and extent of the financial instruments and the risk management policies employed by the Fund are discussed in this section.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 15. Financial instruments (continued)**

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Fund's market risk is managed in accordance with the investment guidelines as outlined in the Fund's Product Disclosure Statement.

*Price risk*

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund and classified on the statement of financial position as financial assets at fair value through profit or loss. The Fund is not exposed to commodity price risk. These risks include, but are not limited to, exposure from different investment classes. The overall risk to exposures from investments is monitored and managed by the Board.

The tables below illustrate the potential impact a change in the security price by +/-1% would have had on the Fund's profit.

<b>Consolidated - 30 June 2024</b>	<b>% change</b>	<b>Average price increase</b>	<b>Effect on equity \$'000</b>	<b>Average price decrease</b>	<b>Effect on equity \$'000</b>
		<b>Effect on profit before tax \$'000</b>		<b>Effect on profit before tax \$'000</b>	
Financial assets at fair value through profit or loss	1%	33	33	(1%)	(33)

<b>Consolidated - 30 June 2023</b>	<b>% change</b>	<b>Average price increase</b>	<b>Effect on equity \$'000</b>	<b>Average price decrease</b>	<b>Effect on equity \$'000</b>
		<b>Effect on profit before tax \$'000</b>		<b>Effect on profit before tax \$'000</b>	
Financial assets at fair value through profit or loss	1%	50	50	(1%)	(50)

<b>Active REIT - 30 June 2024</b>	<b>% change</b>	<b>Average price increase</b>	<b>Effect on equity \$'000</b>	<b>Average price decrease</b>	<b>Effect on equity \$'000</b>
		<b>Effect on profit before tax \$'000</b>		<b>Effect on profit before tax \$'000</b>	
Financial assets at fair value through profit or loss	1%	33	33	(1%)	(33)

<b>Active REIT - 30 June 2023</b>	<b>% change</b>	<b>Average price increase</b>	<b>Effect on equity \$'000</b>	<b>Average price decrease</b>	<b>Effect on equity \$'000</b>
		<b>Effect on profit before tax \$'000</b>		<b>Effect on profit before tax \$'000</b>	
Financial assets at fair value through profit or loss	1%	50	50	(1%)	(50)

*Interest rate risk*

The Fund's main interest rate risk arises from cash balances and borrowings. The potential impact of a change in interest rates by +/-100bps on profit has been disclosed in the tables below.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 15. Financial instruments (continued)**

Consolidated - 30 June 2024	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000
Cash and cash equivalents	100	23	23	(100)	(23)	(23)
Borrowings	100	(736)	(736)	(100)	736	736
		(713)	(713)		713	713

Consolidated - 30 June 2023	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000
Cash and cash equivalents	100	31	31	(100)	(31)	(31)
Borrowings	100	(838)	(838)	(100)	838	838
		(807)	(807)		807	807

Active REIT - 30 June 2024	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000
Cash and cash equivalents	100	-	-	(100)	-	-

Active REIT - 30 June 2023	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000	Basis points change	Effect on profit before tax \$'000	Effect on equity \$'000
Cash and cash equivalents	100	3	3	(100)	(3)	(3)

**Credit risk**

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Fund is exposed to credit risk through the financial assets listed in the table below. The table also details the maximum exposure to credit risk for each class of financial instrument.

	Consolidated		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Cash and cash equivalents	2,344	3,082	5	320
Trade and other receivables	206	460	40	66
Related party loan	-	-	56,505	65,775
	<b>2,550</b>	<b>3,542</b>	<b>56,550</b>	<b>66,161</b>

The Fund manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. At reporting date, there has been no significant deterioration in the credit risk of financial assets and nothing is credit impaired, and all amounts are expected to be received in full.

**Liquidity risk**

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Board has a policy of prudent liquidity risk management ensuring that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 15. Financial instruments (continued)**

The Fund monitors its exposure to liquidity by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The maturities of financial liabilities at reporting date based on the contractual terms of each liability in place at reporting date have been disclosed in a table below. There are no financial liabilities where the fair value would be materially different from the amortised cost. The amounts disclosed are based on undiscounted cash flows.

The following are contractual maturities of financial liabilities, including estimated interest payments (using existing variable interest rates):

<b>Consolidated - 30 June 2024</b>	<b>1 year or less \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Remaining contractual maturities \$'000</b>
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	3,325	-	-	-	3,325
Distribution payable	1,593	-	-	-	1,593
<i>Interest bearing</i>					
Borrowings	4,413	73,926	-	-	78,339
<b>Total non-derivatives</b>	<b>9,331</b>	<b>73,926</b>	<b>-</b>	<b>-</b>	<b>83,257</b>

<b>Consolidated - 30 June 2023</b>	<b>1 year or less \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Remaining contractual maturities \$'000</b>
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	3,332	-	-	-	3,332
Distribution payable	2,167	-	-	-	2,167
<i>Interest bearing</i>					
Borrowings	4,286	88,403	-	-	92,689
<b>Total non-derivatives</b>	<b>9,785</b>	<b>88,403</b>	<b>-</b>	<b>-</b>	<b>98,188</b>

<b>Active REIT - 30 June 2024</b>	<b>1 year or less \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Remaining contractual maturities \$'000</b>
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	18	-	-	-	18
Distribution payable	1,593	-	-	-	1,593
<b>Total non-derivatives</b>	<b>1,611</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,611</b>

<b>Active REIT - 30 June 2023</b>	<b>1 year or less \$'000</b>	<b>Between 1 and 2 years \$'000</b>	<b>Between 2 and 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Remaining contractual maturities \$'000</b>
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	52	-	-	-	52
Distribution payable	2,167	-	-	-	2,167
<b>Total non-derivatives</b>	<b>2,219</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,219</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.



**Note 16. Fair value measurement**

*Fair value hierarchy*

The fair value of the Fund's financial assets and liabilities are approximately equal to that of their carrying values as at 30 June 2024. The fair values of cash and cash equivalents, receivables, trade and other payables, distributions payable, related party loan and bank borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following tables detail the consolidated entity's and Fund'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

<b>Consolidated - 30 June 2024</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Financial assets at fair value through profit or loss	-	-	3,316	3,316
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>3,316</b>	<b>3,316</b>

<b>Consolidated - 30 June 2023</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Financial assets at fair value through profit or loss	-	-	4,263	4,263
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>4,263</b>	<b>4,263</b>

<b>Active REIT - 30 June 2024</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Financial assets at fair value through profit of loss	-	-	3,316	3,316
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>3,316</b>	<b>3,316</b>

<b>Active REIT - 30 June 2023</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<i>Assets</i>				
Financial assets at fair value through profit of loss	-	-	4,263	4,263
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>4,263</b>	<b>4,263</b>

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

There were no transfers between Level 1, Level 2 or Level 3 fair value measurements during the year. Fair value hierarchy levels are reviewed on an annual basis unless there is a significant change in circumstances indicating that the classification may have changed.

**Valuation techniques**

The Fund invests in unlisted investments which are carried at fair value through profit or loss. Unlisted investments are not traded in an active market and are categorised as Level 3 instruments. The Net Tangible Assets (NTA) of the underlying investments is used as a basis for valuation however may be amended as deemed appropriate (e.g. when the NTA of the underlying investment is negative).

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 17. Controlled entities**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries controlled by 360 Capital Passive REIT:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		30 June 2024 %	30 June 2023 %
360 Capital Active REIT <sup>1</sup>	Australia	100%	100%
360 Capital TOT Residential Pty Limited <sup>2,3</sup>	Australia	-	100%
URB Investments Pty Limited <sup>2</sup>	Australia	100%	100%
360 Capital IG Trust <sup>2,4</sup>	Australia	-	100%
360 Capital TOT Finance Trust	Australia	100%	100%
360 Capital Private Debt Fund <sup>4</sup>	Australia	-	100%
360 Capital REIT Property Trust	Australia	100%	100%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries controlled by 360 Capital Active REIT:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		30 June 2024 %	30 June 2023 %
360 Capital TOT Residential Pty Limited <sup>3</sup>	Australia	-	100%
URB Investments Pty Limited	Australia	100%	100%
360 Capital IG Trust <sup>4</sup>	Australia	-	100%

1. 360 Capital Active REIT forms part of the stapled entity 360 Capital REIT, which is a consolidated entity and units are held by securityholders.

2. Entities controlled by stapled entity 360 Capital Active REIT which forms part of the consolidated entity's financial results.

3. 360 Capital TOT Residential Pty Limited was deregistered on 19 July 2023.

4. These trusts were dormant and were wound up on 15 December 2023.

**Note 18. Business combinations**

There are no business combinations during the current and prior year.

**Note 19. Commitments and contingencies**

**Capital expenditure commitments**

Commitments arising from contracts principally relating to the committed tenant incentives contracted for at balance date but not recognised on the Consolidated Statement of Financial Position are shown below.

	Consolidated		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Tenant incentives	-	1,545	-	-

There are no other commitments or contingent liabilities as at the end of the financial year (30 June 2023: Nil).

**Note 20. Events after the reporting period**

Post balance date, the Fund sold its investment in unlisted units in exchange for listed securities at the 30 June 2024 carrying value of \$3.3 million. In August 2024, the Fund agreed terms on an extension of its existing finance facility for three years from the completion date, at a reduced margin. In August 2024, the Fund entered into a heads of agreement for the leasing of 740sqm at 38 Sydney Avenue, Forrest, ACT.

Other than as disclosed in this report, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 21. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Fund:

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
<i>Assurance services - Ernst &amp; Young</i>				
Audit of the financial statements	134,000	126,650	2,224	63,325
Compliance plan audit	14,315	13,316	7,158	6,658
	148,315	139,966	9,382	69,983
<i>Other services - Ernst &amp; Young</i>				
Preparation of the tax return	16,350	15,300	10,000	9,000
Distribution review fee	6,000	5,500	-	-
	22,350	20,800	10,000	9,000
	<b>170,665</b>	<b>160,766</b>	<b>19,382</b>	<b>78,983</b>

**Note 22. Earnings per security**

	Consolidated	
	30 June 2024	30 June 2023
	\$'000	\$'000
Loss after income tax attributable to the securityholders of 360 Capital REIT	(21,948)	(47,921)
	<b>Number</b>	<b>Number</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary securities used in calculating basic earnings per security	164,674	143,476
Weighted average number of ordinary securities used in calculating diluted earnings per security	164,674	143,476
	<b>Cents</b>	<b>Cents</b>
Basic earnings per security	(13.3)	(33.4)
Diluted earnings per security	(13.3)	(33.4)
	<b>Active REIT</b>	<b>Active REIT</b>
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit after income tax attributable to the securityholders of 360 Capital REIT	(593)	(410)
	<b>Number</b>	<b>Number</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of ordinary securities used in calculating basic earnings per security	164,674	143,476
Weighted average number of ordinary securities used in calculating diluted earnings per security	164,674	143,476
	<b>Cents</b>	<b>Cents</b>
Basic earnings per security	(0.4)	(0.3)
Diluted earnings per security	(0.4)	(0.3)

**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 23. Related party transactions**

**Responsible entity**

The Responsible Entity of the Fund is 360 Capital FM Limited (ABN 15 090 664 396) (AFSL No. 221474). The immediate parent entity of the Responsible Entity is 360 Capital Property Limited (ABN 46 146 484 433), and its ultimate parent entity is 360 Capital Group Limited (ABN 18 113 569 136).

The registered office and the principal place of business of the Responsible Entity is:

Suite 3701, Level 37, 1 Macquarie Place, Sydney NSW 2000 Australia

*Controlled entities*

Interests in controlled entities are set out in Note 17.

**Responsible Entity's fees and other transactions**

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
<i>Management of the fund</i>				
Management fee	1,515,015	1,700,365	26,841	144,592
Acquisition fees	-	2,571,509	-	-
Disposal fees	-	216,207	-	216,207
Fund recoveries	14,267	83,287	627	71,525
	<b>1,529,282</b>	<b>4,571,368</b>	<b>27,468</b>	<b>432,324</b>

*Management Fee:* The Responsible Entity is entitled to a Management Fee of 0.65% p.a. of the gross value of the assets of the Fund during the relevant year for its role in managing and administering the Fund.

*Acquisition Fee:* The Responsible Entity is entitled to an Acquisition Fee of up to 1.0% of the total purchase price of an investment of the Fund. The acquisition fee is payable upon the completion of the relevant acquisition.

*Disposal Fee:* The Responsible Entity is entitled to a Disposal Fee of up to 1.0% of the total sale price of investments sold by the Fund. The disposal fee is payable upon the completion of the relevant sale.

*Performance Fee:* The Responsible Entity is entitled to a Performance Fee of 20% of any total return in excess of 12% p.a. The calculation of total return is based on actual distributions paid to Stapled Securityholders during the relevant financial year plus any increase in the trading price of Stapled Units in the relevant financial year. The Performance Fee is payable yearly in arrears after the end of the relevant financial year. The Responsible Entity has agreed to waive ongoing Performance Fees, however this waiver does not extend to Performance fees that would become payable as a result of a change of control event, as defined under the Fund's constitution.

*Indirect costs:* The Responsible Entity is entitled to recover indirect costs, being any amounts that directly or indirectly reduce the returns on the units of the Fund, or the amount of income or assets of the Fund.

**Securityholdings**

Securities held by the Responsible Entity and other Funds managed by and related to the Responsible Entity held stapled securities in the Fund and Active REIT are as follows:

	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	%	securities	%	securities
<i>360 Capital Property Limited</i>				
Stapled securities held	39.1%	83,078,435	26.1%	37,658,054

360 Capital Property Limited participated in the Fund's DRP in December 2023 and March 2024 quarterly distributions and acquired 1,165,771 securities and 1,671,550 securities at the price of 0.54 and 0.42 respectively. It purchased the Fund's securities on the market acquiring 8,057,600 securities at an average price of \$0.52, for a consideration of \$4,168,385. Further, it also participated in the Fund's entitlement offer at a price of \$0.40 per securities and was allotted 34,525,460 securities for a consideration of \$13,810,184. As a result, 360 Capital Property Limited's holdings in the Fund increased from 26.1% to 39.1% during the year.



**360 Capital REIT**  
**Notes to the consolidated financial statements**  
**For the year ended 30 June 2024**

**Note 23. Related party transactions (continued)**

**Distributions**

Distributions paid/payable by the Fund to the Responsible Entity and other Funds managed by and related to the Responsible Entity are as follows:

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
<i>360 Capital Property Limited</i>				
Distributions paid/payable	2,586,041	2,222,210	2,586,041	2,222,210

**Receivables from and payables to related parties**

The following amounts payable by the Fund to the Responsible Entity and other Funds managed by and related to the Responsible Entity are as follows:

	Consolidated		Active REIT	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$	\$	\$	\$
Trade and other payables	126,252	126,332	2,051	2,523
Distribution payable	623,088	567,871	623,088	567,871
	749,340	694,203	625,139	570,394

**Related party loan**

The Active REIT has a loan with the Passive REIT which relates to the working capital requirements between the two stapled entities. The balance of the loan receivable at 30 June 2024 is \$56,504,551 (30 June 2023: \$65,775,344). This loan is non-interest bearing and at call.

**Key management personnel (KMP)**

The Fund does not employ personnel in its own right. However, it has an incorporated Responsible Entity, 360 Capital FM Limited, to manage the activities of the Fund. The directors and key management personnel of the Responsible Entity are detailed below. No compensation is paid directly by the Fund to directors or to any of the key management personnel of the Responsible Entity.

Payments made by the Fund to the Responsible Entity do not specifically include any amounts attributable to the compensation of directors and KMP. The KMP of the Responsible Entity during the year were as follows:

- Tony Robert Pitt (Executive chairman), Director
- David van Aanholt (Deputy chairman), Director
- Andrew Graeme Moffat, Director
- Anthony Gregory McGrath, Director
- Glenn Butterworth, Chief Financial Officer and Company Secretary

**Management personnel securityholdings**

The number of units held directly or indirectly by directors, KMP and their related parties as at 30 June 2024 are as follows:

Name	Position	30 June 2023	Acquisitions/	30 June 2024
		Equity Holding	Disposals	Equity Holding
David van Aanholt	Director	78,157	69,296	147,453
Tony Robert Pitt	Director	1,218,072	1,079,962	2,298,034
Andrew Graeme Moffat	Director	570,010	505,380	1,075,390
Glenn Butterworth	Chief Financial Officer and Company Secretary	68,312	(55,891)	12,421

**Note 24. Parent entity disclosures**

The following details information relating to the parent entity 360 Capital Passive REIT (for Consolidated) and 360 Capital Active REIT (for Active REIT). The information presented below has been prepared using the consistent accounting policies as presented in Note 25.

	Passive REIT		Active REIT	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Current assets	73	73	59,483	57,204
Non-current assets	212,468	212,468	107	67
<b>Total assets</b>	<b>212,541</b>	<b>212,541</b>	<b>59,590</b>	<b>57,271</b>
Current liabilities	55,065	69,842	1,611	1,922
<b>Total liabilities</b>	<b>55,065</b>	<b>69,842</b>	<b>1,611</b>	<b>1,922</b>
Issued capital	175,537	159,020	37,022	26,191
Retained profits/(accumulated losses)	(18,061)	(16,321)	20,957	29,158
<b>Total equity</b>	<b>157,476</b>	<b>142,699</b>	<b>57,979</b>	<b>55,349</b>
Net (loss)/profit for the year	(1,740)	(2,445)	(82)	29,122
<b>Total comprehensive profit for the year attributable to securityholders</b>	<b>(1,740)</b>	<b>(2,445)</b>	<b>(82)</b>	<b>29,122</b>

**Note 25. Material accounting policy information**

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New and amended Australian Accounting Standards and Interpretations that are effective for the current year**

The consolidated entity has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the consolidated entity include:

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

These amendments have been deemed not to have a material impact on the consolidated financial statements of the Fund.

**Basis of preparation**

*Statement of compliance*

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 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 consolidated entity's and Fund'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 13.

*Stapled group reports*

360 Capital REIT is an entity of the kind referred to in ASIC Corporations (Stapled Group Reports) Instrument 2015/838 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the annual financial report and Responsible Entity report include the consolidated results of 360 Capital REIT alongside the results of the Active REIT presented in adjacent columns.

## **360 Capital REIT**

### **Notes to the consolidated financial statements**

#### **For the year ended 30 June 2024**

#### **Note 25. Material accounting policy information (continued)**

##### *Rounding*

360 Capital REIT 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.

##### **Basis of consolidation**

###### Stapling

On 21 April 2015, 360 Capital REIT was formed by stapling together the units of the 360 Capital Passive REIT, formerly 360 Capital Total Return Passive Fund, and the units of 360 Capital Active REIT, formerly 360 Capital Total Return Active Fund. The Fund was subsequently listed on 22 April 2015. Following approval at a CJT unitholder meeting held on 21 January 2015, CJT was restructured including the acquisition by the Passive Fund of all issued units in CJT, the issue of 1 Passive Fund unit for every 100 CJT units, and the stapling of each Passive Fund unit to an Active Fund unit.

The Fund has determined that the Passive Fund is the parent entity in the stapling arrangement.

For statutory reporting purposes, the Fund reflects the consolidated entity being the Passive Fund (the acquirer) and its controlled entities. On the basis that the Passive Fund does not hold any interest in the Active Fund, the net assets, profit or loss and other comprehensive income of the Active Fund are considered non-controlling interests and are therefore disclosed separately.

The Constitutions of the Passive Fund and the Active Fund ensure that, for so long as these entities remain jointly listed, the number of units in the Passive Fund and the number of units in the Active Fund shall be equal and that securityholder in both funds be identical. Both the Responsible Entity of the Passive Fund and the Active Fund must at all times act in the best interest of consolidated entity.

The stapling arrangement will cease upon the earlier of the winding up of any of the stapled entities, or any of the entities terminating the stapling arrangement.

###### Controlled entities

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of the Fund as at 30 June 2024 and the results of all controlled entities for the period then ended.

Controlled entities are entities controlled by the Fund. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of controlled entities are included in the financial report from the date that control commences until the date that control ceases.

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

Investments in controlled entities are accounted for at cost in the individual financial statements of the parent entity, less any impairment.

##### **Segment reporting**

Segment information is presented in respect of the Fund's operating segments, which are the primary basis of segment reporting. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. The primary segments are based on the Fund's management and internal reporting structure.

Operating segments are determined based on the information, which is regularly reviewed by the Executive Chairman, who is the Chief Operating Decision Maker (CODM) within the Fund. There is only one segment representing the Fund's investments in real estate equity in Australia and New Zealand and its performance is reviewed at this level.

## **360 Capital REIT**

### **Notes to the consolidated financial statements**

#### **For the year ended 30 June 2024**

#### **Note 25. Material accounting policy information (continued)**

##### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST paid. Revenue is recognised for the major business activities as follows:

##### *Rental income*

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

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

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

##### *Recoverable outgoings*

The Fund recovers the costs associated with general building and tenancy operation from lessees in accordance with specific clauses within lease agreements. These are invoiced monthly based on an annual estimate. The consideration is due 30 days from the invoice date. Should any adjustment be required based on actual costs incurred, this is recognised in the statement of profit or loss and other comprehensive income within the same reporting period and billed annually.

##### *Distributions from property funds*

Distribution income from investments is recognised when the securityholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the securityholder and the amount of income can be measured reliably.

##### *Finance revenue*

Interest income is recognised on a time proportion basis using the effective interest method. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest basis.

##### **Finance expenses**

Finance expenses which include interest and amortised borrowing costs are recognised using the effective interest rate applicable to the financial liability.

##### **Income tax**

###### Passive Fund

Under current Australian income tax legislation, the Passive Fund is generally not liable for income tax provided their taxable income and taxable capital gains are fully distributed to securityholder each year. In the circumstances if a managed investment trust undertakes certain trading activities that trust may be liable to pay income tax.

###### Active Fund

The Active Fund may be subject to income tax due to its investment in active trading businesses. Income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction and deferred tax expense calculated by reference to changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

## 360 Capital REIT

### Notes to the consolidated financial statements

#### For the year ended 30 June 2024

#### Note 25. Material accounting policy information (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Fund has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### 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.

#### Financial instruments

Financial assets and financial liabilities are recognised when a Fund entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Fund measures a financial assets and financial liabilities (other than trade receivables, loan receivables and cash) at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets are classified into the following specified categories: "Financial assets at amortised cost" and "Financial assets at fair value through profit or loss". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity 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 amortised cost*

##### *Loans and other receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets are carried at amortised cost using the effective interest method under AASB 9. Gains and losses are recognised in the consolidated statement of financial statement of financial performance when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### *Financial assets at fair value through profit or loss*

Financial assets measured at fair value through profit or loss comprises investments in unlisted and listed funds. Upon initial recognition, the investments are measured at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*.

Financial assets measured at fair value through profit or loss at inception, are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risk and rewards of ownership.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of profit or loss within income or expenses in the period in which they arise. Dividend/distribution income from financial assets at fair value through profit and loss is recognised in the statement of profit or loss as part of revenue from continuing operations when the Fund's right to receive payments is established.

#### *Impairment of financial assets*

Under AASB 9 *Financial Instruments*, the Fund's accounting for impairment losses for financial assets comprises a forward-looking expected credit loss (ECL) approach as prescribed by AASB 9. The Fund has applied the simplified approach and recorded lifetime expected losses on trade receivables and lease receivables. The ECL on trade receivables and lease receivables is immaterial.



## 360 Capital REIT

### Notes to the consolidated financial statements

#### For the year ended 30 June 2024

#### Note 25. Material accounting policy information (continued)

##### Investment Properties

Investment properties are properties which are held for the purpose of producing rental income, capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on a valuation performed by an accredited external independent valuer at least every two years, and otherwise by director's valuations at reporting dates where no independent valuation has been obtained.

##### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Under the effective interest rate method, any transaction fees, costs, discounts and premiums directly related to the borrowings are capitalised to borrowings and amortised in the statement of profit or loss over the expected life of the borrowings.

##### 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

Issued capital represents the amount of consideration received for stapled securities issued by the Fund. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

##### New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the consolidated financial statements, the consolidated entity has not applied or early adopted the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* and AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* (application date 1 January 2024)
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (application date 1 January 2025)

The above amendments are not expected to have a significant impact on the amounts recognised in the consolidated financial statements at the effective date.

The following new and revised Australian Accounting Standard, Interpretation and amendment that has been issued but is not yet effective is in the process of assessment by the Fund:

- AASB 18 *Presentation and Disclosure in Financial Statements* (application date 1 January 2027)

**360 Capital REIT**  
**Directors' declaration**  
**For the year ended 30 June 2024**

In the opinion of the Directors of 360 Capital FM Limited, the Responsible Entity:

- 1) The consolidated financial statements and notes that are set out on pages 11 to 40 are in accordance with the Corporations Act 2021, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- 2) There are reasonable grounds to believe that the Fund will be able to pay its debts when they become due and payable.
- 3) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Executive Chairman and the Chief Financial Officer for the financial year ended 30 June 2024.
- 4) The Directors draw attention to Note 25 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

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



Tony Robert Pitt  
Executive Chairman



David van Aanholt  
Deputy Chairman

22 August 2024

## Independent Auditor's Report to the unitholders of 360 Capital REIT

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of 360 Capital REIT (the Group), which comprises 360 Capital Passive REIT and its controlled entities, and 360 Capital Active REIT (TOTA) and its controlled entities. The financial report comprises:

- ▶ The Group's consolidated statement of financial position as at 30 June 2024;
- ▶ TOTA's consolidated statement of financial position as at 30 June 2024;
- ▶ The Group consolidated statement of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- ▶ TOTA's consolidated statement of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- ▶ Notes to the financial statements, including material accounting policy information; and
- ▶ The directors' declaration.

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

- a. Giving a true and fair view of the Group's and TOTA's financial position as at 30 June 2024 and of their financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

## Investment property valuations

Why significant	How our audit addressed the key audit matter
<p>The Group holds economic interests in commercial investment properties which are carried at a fair value of \$201.4 million at 30 June 2024. Collectively they represent 97% of total assets.</p> <p>Fair values were determined by the directors with reference to external independent property valuations, and are based on market conditions existing at the reporting date.</p> <p>Note 7 of the financial report discloses the accounting policy for these assets and sensitivities to changes in the key assumptions that may impact these valuations.</p> <p>Judgement involved in determining the fair value of investment property and the significance of the investment property carrying value disclosed at balance date, and therefore is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▶ Based on our understanding and discussions with management we assessed the following: <ul style="list-style-type: none"> <li>▶ Movements in the Group's investment property portfolio;</li> <li>▶ Changes in the condition of each property; and</li> <li>▶ Changes in the Group's investment property portfolio including understanding leasing activity and tenant occupancy risk.</li> </ul> </li> <li>▶ On a sample basis, for the assumptions adopted in the external valuations we: <ul style="list-style-type: none"> <li>▶ Assessed lease income, lease expiry and vacancy assumptions adopted against the schedule of tenancy reports, lease expiry profile and vacancy levels;</li> <li>▶ Assessed the re-leasing and capital expenditure requirement assumptions in terms of the current leasing status of the property;</li> <li>▶ Where available, corroborated these assumptions to supporting lease documentation or external market data; and</li> <li>▶ Tested the mathematical accuracy of valuations.</li> </ul> </li> <li>▶ Evaluated the suitability of the valuation methodology used in the external valuations.</li> <li>▶ Involved our real estate valuation specialists to assist with the assessment of the valuation assumptions and methodologies used in the external valuations.</li> <li>▶ Where relevant, assessed the reasonableness of comparable transactions utilised by the Group in the valuation process.</li> <li>▶ Assessed the qualifications, competence and objectivity of the valuers used by the Group.</li> <li>▶ Assessed the adequacy and appropriateness of disclosures included in Note 7 to the financial report.</li> </ul>

### **Information other than the financial report and auditor's report thereon**

The directors are responsible for the other information. The other information comprises the information included in the Group's 2024 annual report, but does not include the financial report and our 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, with the exception of the Remuneration Report and our related assurance opinion.

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 360 Capital FM Limited as Responsible Entity for 360 Capital Passive REIT and 360 Capital Active REIT, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

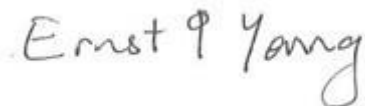


- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Ernst & Young



St Elmo Wilken  
Partner  
Sydney  
22<sup>nd</sup> August 2024

**360 Capital REIT**  
**Securityholder information**  
**For the year ended 30 June 2024**

The information below was prepared as at 14 August 2024.

**a) Top 20 registered securityholders:**

<b>Holder Name</b>	<b>Securities held</b>	<b>% of issued securities</b>
360 CAPITAL PROPERTY LIMITED	84,805,877	39.52
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	16,409,875	7.65
BNP PARIBAS NOMS (NZ) LTD	5,877,399	2.74
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,864,869	2.73
HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	3,948,747	1.84
TDA SECURITIES PTY LTD <TDA SECURITIES A/C>	3,340,000	1.56
FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	3,056,212	1.42
TT INVESTMENTS PTY LTD <TT SUPER FUND A/C>	2,345,817	1.09
HILLMORTON CUSTODIANS PTY LTD <THE LENNOX UNIT A/C>	1,576,218	0.73
HORRIE PTY LTD <SON OF HORRIE SUPER A/C>	1,530,000	0.71
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,351,844	0.63
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,152,062	0.54
MR HAMID ROBOUBI & MRS JILLIAN ANNE ROBOUBI	1,148,185	0.54
CITICORP NOMINEES PTY LIMITED	1,136,849	0.53
COWOSO CAPITAL PTY LTD <COWOSO SUPER FUND A/C>	1,097,751	0.51
GLENGALLAN INVESTMENTS PTY LTD	900,000	0.42
COLONIAL FIRST STATE INV LTD <3041001 PETERS A/C>	847,458	0.39
KELPADOR INVESTMENTS PTY LTD <KELPADOR SUPERANNUATION A/C>	772,798	0.36
COLONIAL FIRST STATE INV LTD <3051367 INVESTMENTS A/C>	677,966	0.32
MURRELL CORPORATION PROPERTY HOLDINGS	619,382	0.29
<b>Total units held by top 20 unitholders</b>	<b>138,459,309</b>	<b>64.52</b>
<b>Total units on issue</b>	<b>214,610,893</b>	<b>100.00</b>

**b) Distribution of securityholders:**

<b>Number of securities held by securityholders</b>	<b>Number of holders</b>	<b>securities held</b>	<b>% of issued securities</b>
1 to 1,000	85	34,878	0.02
1,001 to 5,000	560	1,636,158	0.76
5,001 to 10,000	375	3,030,853	1.41
10,001 to 100,000	1,046	37,780,043	17.60
100,001 and over	185	172,128,961	80.21
<b>Totals</b>	<b>2,251</b>	<b>214,610,893</b>	<b>100.00</b>

The total number of securityholders with less than a marketable parcel was 138 and they hold 96,530 securities.

**c) Substantial securityholder notices:**

<b>Securityholder Name</b>	<b>Date of notice</b>	<b>securities held</b>	<b>% of issued securities</b>
360 Capital Property Limited and associates	14/03/2024	83,660,284	39.80
Greig & Harrison Pty Ltd	18/03/2024	13,664,355	6.50

**d) Voting rights:**

Subject to the Constitutions of 360 Capital Active REIT and 360 Capital Passive REIT and to any rights or restrictions for the time being attached to any stapled securities:

- on a show of hands, each securityholder present in person or by proxy, attorney, or representative has one vote; and
- on a poll, each securityholder has:
  - in the case of a resolution of 360 Capital Active REIT, one vote for each unit in 360 Capital Active REIT held; and
  - in the case of a resolution of 360 Capital Passive REIT, one vote for each unit in 360 Capital Passive REIT held.

**360 Capital REIT**  
**Corporate directory**  
**For the year ended 30 June 2024**

<b>Term</b>	<b>Definition</b>
\$ or A\$ or cents	Australian currency
360 Capital Passive REIT	The managed investment scheme (ARSN 602 304 432) that represents part of the stapled entity, 360 Capital REIT
360 Capital Active REIT	The managed investment scheme (ARSN 602 303 613) that represents part of the stapled entity, 360 Capital REIT
The Fund, 360 Capital REIT	360 Capital REIT (ASX: TOT), the stapled entity comprising 360 Capital Passive REIT and 360 Capital Active REIT
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
AFSL	Australian Financial Services Licence
A-REIT	Australian Real Estate Investment Trust
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the market operated by it as the context requires
ASX Guidelines	The ASX Principles of Good Corporate Governance and Best Practice Guidelines
Board	Board of Directors of the Responsible Entity
CGT	Capital gains tax
Constitution	The constitution of the Fund, as amended
Consolidated entity	360 Capital REIT, the stapled entity comprising 360 Capital Passive REIT and 360 Capital Active REIT
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time
CPI	Consumer price index
Cps	Cents per Security
Director/s	A director of the Responsible Entity
Distribution yield	Rate of return derived by dividing distribution per Unit by the price
Earnings yield	Rate of return derived by dividing earnings per Unit by the price
AFCA	Australian Financial Complaints Authority
Fund Investment Committee	The committee established to oversee the Fund's investments, key recruitment and policies
FY	Financial year (1 July to 30 June)
Gross Proceeds	The aggregate of all moneys (including all rent, licence fees, outgoings and all other amounts) received from tenants and other occupants and users of the real property assets (held directly or indirectly) of the Fund
GST	Goods and services tax (Australia)
HY	Half Year (half year from 1 July to 31 December or 1 January to 30 June)
IFRS	International Financial Reporting Standards
NPI	Net property income
NTA	Net tangible assets as per the balance sheet
NTA per Security	Net tangible assets divided by the number of Securities on issue
Operating earnings	Operating earnings is statutory net profit adjusted for non-cash and significant items
p.a.	Per annum
Responsible Entity	360 Capital FM Limited (ABN 15 090 664 396, AFSL 221474)
YTD	Year to date

**360 Capital REIT**  
**Corporate directory**  
**For the year ended 30 June 2024**

**Parent Entity**

360 Capital Passive REIT  
ARSN 602 304 432

**Directors & Officers**

Non-Executive Directors

David van Aanholt (Deputy Chairman)  
Andrew Graeme Moffat  
Anthony Gregory McGrath

Executive Director

Tony Robert Pitt (Executive Chairman)

Officers

Glenn Butterworth – Chief Financial Officer and Company Secretary

**Responsible Entity**

360 Capital FM Limited  
ACN 090 664 396  
AFSL 221 474  
Suite 3701, Level 37, 1 Macquarie Place, Sydney NSW 2000  
Telephone 02 8405 8860  
Email: [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au)

**Unit Registry**

Boardroom Pty Limited  
ACN 003 209 836  
Level 8 210 George Street Sydney NSW 2000  
Telephone 1300 737 760  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

**Auditor**

Ernst & Young  
200 George Street Sydney NSW 2000

**Website**

[www.360capital.com.au](http://www.360capital.com.au)

360 Capital **Identifying**  
strategic investment  
opportunities



[360capital.com.au](http://360capital.com.au)