



# **Sydney Wyde Mortgage Fund**

ARSN 108 342 123

Interim Financial Report  
Half-year ended 31 December 2019

**SYDNEY WYDE MORTGAGE FUND  
DIRECTORS' REPORT  
31 DECEMBER 2019**

The directors of Sydney Wyde Mortgage Management Limited, the Responsible Entity of the Sydney Wyde Mortgage Fund ("the Fund") present their report, together with the financial statements, on the Fund for the half-year ended 31 December 2019.

**Directors**

The following persons were directors of Sydney Wyde Mortgage Management Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Tim Stoyles  
Michael Bray  
Derek Martin

**Principal activities**

During the financial period the principal continuing activity of the Sydney Wyde Mortgage Fund was the operation of a registered mortgage scheme.

**Review of operations**

The operating profit of the Fund for the period after provision for income tax was (31 Dec 2018: \$Nil). All amounts were distributed to members.

The directors consider that the Fund operated satisfactorily during the half-year ended 31 December 2019 in accordance with its obligations.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Fund during the financial half-year.

**Auditor's Independence Declaration**

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

This report is made in accordance with a resolution of directors of the responsible entity, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Tim Stoyles  
Director

Sydney, 26 February 2020

**DECLARATION OF INDEPENDENCE BY KIERAN GOULD TO THE DIRECTORS OF SYDNEY WYDE  
MORTGAGE MANAGEMENT LIMITED**

As lead auditor for the review of Sydney Wyde Mortgage Fund for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Kieran Gould  
Partner

**BDO East Coast Partnership**

Sydney, 26 February 2020

**SYDNEY WYDE MORTGAGE FUND  
FINANCIAL REPORT  
31 DECEMBER 2019**

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**General information**

The financial report covers Sydney Wyde Mortgage Fund as an individual entity. The financial report is presented in Australian dollars, which is Sydney Wyde Mortgage Fund's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the a declaration by the directors of the Responsible Entity.

Sydney Wyde Mortgage Fund is a registered scheme under the *Corporations Act 2001*. The registered office and principal place of business of the responsible entity is:

Suite 506  
Level 5  
35 Spring Street  
Bondi Junction NSW 2022

A description of the nature of the Fund's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors of the responsible entity, on 26 February 2020.

**SYDNEY WYDE MORTGAGE FUND  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	31 Dec 2019 \$	31 Dec 2018 \$
<b>Investment income</b>	2	11,506,628	10,250,957
<b>Expenses</b>			
<i>Responsible entity fees</i>			
Management fees		1,138,123	981,904
Application fees paid		777,292	1,084,875
Total operating expenses		1,915,415	2,066,779
<b>Operating profit</b>		9,591,213	8,184,178
<b>Finance costs attributable to members</b>			
Distribution to members		(9,591,213)	(8,184,178)
<b>Profit for the year</b>		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		-	-

The above statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes

**SYDNEY WYDE MORTGAGE FUND  
STATEMENT OF FINANCIAL POSITION  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	31 Dec 2019 \$	30 Jun 2019 \$
<b>Assets</b>			
Cash and cash equivalents		4,883,173	5,208,318
Trade and other receivables		1,697,763	1,720,800
Prepayments		2,511,697	3,061,440
Financial assets	3	197,903,303	202,702,560
<b>Total assets</b>		206,995,936	212,693,118
<b>Liabilities</b>			
Trade and other payables		2,726,407	1,934,586
<b>Total liabilities</b>		2,726,407	1,934,586
<b>Net assets attributable to unitholders - liabilities</b>	4	204,269,529	210,758,532

The above statement of financial position is to be read in conjunction with the attached notes

**SYDNEY WYDE MORTGAGE FUND  
STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	<b>Total</b>
	<b>\$</b>
Balance at 1 July 2018	-
Total comprehensive income for the half-year	-
<b>Balance at 31 December 2018</b>	<b>-</b>
Balance at 1 July 2019	-
Total comprehensive income for the half-year	-
<b>Balance at 31 December 2019</b>	<b>-</b>

Investor funds are classified as a liability and accordingly the Fund has no equity for financial statement preparation purposes.

The above statement of changes in equity is to be read in conjunction with the attached notes

**SYDNEY WYDE MORTGAGE FUND  
STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	31 Dec 2019 \$	31 Dec 2019 \$
<b>Cash flows from operating activities</b>		
Receipts	138,856,768	178,699,310
Payments to suppliers	<u>(139,181,913)</u>	<u>(178,253,812)</u>
Net cash from (used in) operating activities	<u>(325,145)</u>	<u>445,498</u>
<b>Cash flows from investing activities</b>		
Net cash used in investing activities	<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(325,145)	445,498
Cash and cash equivalents at the beginning of the financial year	<u>5,208,318</u>	<u>4,113,435</u>
Cash and cash equivalents at the end of the financial year	<u><u>4,883,173</u></u>	<u><u>4,558,933</u></u>

The above statement of cash flows is to be read in conjunction with the attached notes



**SYDNEY WYDE MORTGAGE FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Act 2001*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**New, revised or amending Accounting Standards and Interpretations adopted**

The Fund has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Fund has considered the implications of new or amended Accounting Standards and determined that their application to the financial statements is either not relevant or not material.

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

**2. INVESTMENT INCOME**

*Financial assets at amortised cost:*

	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	\$	\$
Mortgage interest	10,721,635	9,140,330
Mortgage interest - application fees	777,292	1,084,875
Bank interest	7,701	25,752
	<u>11,506,628</u>	<u>10,250,957</u>

**3. FINANCIAL ASSETS**

*Financial assets at amortised cost*

	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	\$	\$
Mortgage Investments	197,903,303	202,702,560
Less allowance for expected credit loss	-	-
	<u>197,903,303</u>	<u>202,702,560</u>

**Reconciliation of loan principal to carrying amount**

Loan principal	200,415,000	205,764,000
Less prepaid application fees	(1,041,299)	(957,726)
Less interest received in advance	(1,470,398)	(2,103,714)
Carrying value	<u>197,903,303</u>	<u>202,702,560</u>

**SYDNEY WYDE MORTGAGE FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$</b>	<b>\$</b>
<b>4. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		
Investors' funds	204,269,529	210,758,532
	<u>204,269,529</u>	<u>210,758,532</u>
<b>Movements in investors' funds</b>		
Interests in the Fund at the beginning of the period	210,758,532	198,445,539
Interests issued during the period	52,845,720	95,886,000
Withdrawals from the Fund during the period	(59,334,723)	(83,573,007)
Interests in the Fund at the end of the period	<u>204,269,529</u>	<u>210,758,532</u>

Investors' funds are classified as a liability and consequently the Fund has no equity for financial statement preparation purposes. Investment funds held within the Fund by individual investors are applied to separate syndicate mortgages. Each syndicate mortgage is independent for accounting and security purposes.

**5. FAIR VALUES OF FINANCIAL INSTRUMENTS**

The Fund has a number of financial instruments which are not measured at fair value in the statement of financial position, including cash, trade and other receivables, mortgage investments, and trade and other payables. The fair value of these financial assets and financial liabilities approximates their carrying amount.

**6. CONTINGENT LIABILITIES**

The directors of the Responsible Entity of Sydney Wyde Mortgage Fund are not aware of any contingent liabilities relating to the Fund.

**7. OPERATING SEGMENTS**

The Fund operates in one segment being operation of a registered mortgage scheme.

**8. EVENTS SUBSEQUENT TO REPORTING DATE**

No matter or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in a future financial period.

**SYDNEY WYDE MORTGAGE FUND  
DIRECTORS' DECLARATION  
31 DECEMBER 2019**

In the opinion of the directors of Sydney Wyde Mortgage Management Limited, Responsible Entity of Sydney Wyde Mortgage Fund ("the Fund"):

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors of Sydney Wyde Mortgage Management Limited

  
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Tim Stoyles  
Director

Sydney, 26 February 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sydney Wyde Mortgage Fund

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Sydney Wyde Mortgage Fund (the Fund), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### Directors' responsibility for the Half-Year Financial Report

The directors of the Responsible Entity (the directors) are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's review report.

### BDO East Coast Partnership

BDO

A handwritten signature in blue ink, appearing to read 'Kieran Gould', is written over the printed name.

**Kieran Gould**  
**Partner**

Sydney, 26 February 2020