

A close-up photograph of a hand placing a puzzle piece into a larger assembly of puzzle pieces. The puzzle pieces are light-colored with a textured surface. The hand is positioned on the left side of the frame, and the puzzle pieces are arranged in a grid pattern. The background is a soft, out-of-focus light blue and white.

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2023

ONE LENDING FUND
ABN 11 390 874 182

**One Lending Fund
Trustee's report
30 June 2023**

The Director of the Trustee, N1 Venture Pty Ltd (ACN: 602 937 851) trading as N1 Asset Management, present the financial report of One Lending Fund (the Fund) for the year ended 30 June 2023.
The Fund was constituted on 3 September 2018 and commenced operation on 1 February 2019.

Directors

The name of the Director of the Trustee in office at any time during or since the end of year is:

- Ren Hor Wong
- Jia Penny He

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

Principal activities

During the financial year the principal continuing activities of the Fund consisted of investing in loans to Australian small to medium enterprises (SMEs) backed by first and second ranked mortgages over real estate located in Australia and investments in other unlisted managed investment schemes in Australia.

Review of results and operations

During the financial year, the Fund was managed in accordance with the investment objective and strategy set out in the Fund's offer document and in accordance with its Deed.

The Fund has achieved impressive metrics during its third financial year. In FY23 the Fund generated revenue of \$2,883,981 (FY22: \$3,134,667), which represents a decrease of 8%. Total interest distribution of \$1,390,741 (FY22: \$1,507,557) was paid to Unit Holders.

The outstanding performance is contributed by multiple factors, including demand uptick in SME financing, consistency in rate of return and increase in capital to enable larger lending capacity.

N1 Venture Pty Ltd (AFS License Number 477879) trading as N1 Asset Management, as the investment manager of One Lending Fund constantly reviews credit policy in adapt to changing market conditions, including acceptable security type, maximum LVR and loan amount, assessment criteria, etc. The critical factor in successful management of the fund lies with the ability to identify, avoid and rectify risks. The fund manager goes beyond the internal framework of risks control by deeper engagement with solicitor or legal representative responsible of drafting loan agreements, registering mortgages as well as loans discharge procedure. Fund also invests in other unlisted managed investment schemes with a similar investment strategy provides greater loan portfolio diversification.

The Fund's robust risk management framework continues to be applied and the fund manager has determined that there has been limited impact of COVID-19 on the carrying value of the Fund's assets and liabilities nor on the going concern ability of the Fund.

Coronavirus (COVID-19) impact

Coronavirus (COVID-19) is an infectious disease caused by a newly discovered coronavirus. The outbreak of the COVID-19 pandemic has caused significant impact on global economies.

Significant Changes in State of Affairs

There have been no significant changes to the state of affairs of the Fund during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

**One Lending Fund
Trustees' report
30 June 2023**

Future Developments

The Fund to continue its current investment objectives and strategy as set out in the Information Memorandum dated 12 June 2023. The manager aims to increase fund size, complementing the fund's ability and scope of diversified loans across security type, security locations, borrower type, loan tenure, leverage ratio, etc.

There are two critical functions to be executed in coming year, capital raising and credit policy control. Both of which serves to improve fund performance and minimize risks associated with general market condition and loans quality. In the current investment environment, investment managers aim to improve alpha and beta, similarly applicable to debt asset investment. Alpha being the overall quality of loans and borrowers, while Beta being general lending environment. The strategy is to capture bigger market share via enhanced distribution capability, to empower the quality of loan pipelines. Being able to be selective of loan approvals have a direct positive impact on quality of the loans, with strict adherence to the credit policy, albeit agile to the changing market conditions.

Environmental Issues

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

This report is made in accordance with a resolution of the Board of Director of N1 Venture Pty Ltd by.



Ren Hor Wong
Director of N1 Venture Pty Ltd (Trustee)

30 October 2023

Sydney

One Lending Fund
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30 June 2023

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One Lending Fund
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	2	2,777,825	3,134,667
Other revenue		106,156	-
Other income		20,540	256
Expenses			
Advertising		-	(7,500)
Bank fees		(120)	(120)
Fund raising cost		(296,509)	(344,519)
Interest distribution	3	(1,390,741)	(1,507,557)
Processing fees		-	(49,400)
Professional fees		(20,000)	(14,000)
Referral fee		-	(17,737)
Profit before Performance fee		1,197,151	1,194,090
Performance fee – N1 Venture	3	(1,197,151)	(1,194,090)
Net Profit/(Loss) for the year		-	-
Other comprehensive income		-	-
Total Comprehensive Income/(Loss) for the Year Attributable to Unit Holders		-	-

The Statement of Profit or Loss and Other Comprehensive Income above should be read in conjunction with the accompanying notes.

**One Lending Fund
Statement of Financial Position
As at 30 June 2023**

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	373,044	6,667,976
Financial assets - Loans receivable	5	19,878,800	15,625,000
Other assets	6	36,442	89,412
Trade and other receivables	7	1,412,746	580,447
Total current assets		<u>21,701,032</u>	<u>22,962,835</u>
Non-Current assets			
Other assets	6	<u>9,628</u>	<u>209</u>
Total non-current assets		<u>9,628</u>	<u>209</u>
Total assets		<u>21,710,660</u>	<u>22,963,044</u>
Liabilities			
Current liabilities			
Trade and other payables	8	1,384,583	969,181
Interest advanced from borrower	9	201,077	48,863
Temperate contribution from Fund Manager		120,000	-
Total current liabilities		<u>1,705,660</u>	<u>1,018,044</u>
Total liabilities		<u>1,705,660</u>	<u>1,018,044</u>
Net assets		<u>20,005,000</u>	<u>21,945,000</u>
Equity			
Issued Units	10	20,005,000	21,945,000
Retained profits		<u>-</u>	<u>-</u>
Total equity		<u>20,005,000</u>	<u>21,945,000</u>

The Statement of Financial Position above should be read in conjunction with the accompanying notes.

One Lending Fund
Statement of Changes in Equity
For the year ended 30 June 2023

	Issued Units \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	23,480,000	-	23,480,000
Issued Units	20,495,000	-	20,495,000
Redeemed Units	(22,030,000)	-	(22,030,000)
Profit after income tax expense for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
	-	-	-
Total comprehensive income for the year			
Balance at 30 June 2022	<u>21,945,000</u>	-	<u>21,945,000</u>
Balance at 1 July 2022	21,945,000	-	21,945,000
Issued Units	20,205,000	-	20,205,000
Redeemed Units	(22,145,000)	-	(22,145,000)
Profit after income tax expense for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
	-	-	-
Total comprehensive income for the year			
Balance at 30 June 2023	<u>20,005,000</u>	-	<u>20,205,000</u>

The Statement of Changes in Equity above should be read in conjunction with the accompanying notes

One Lending Fund
Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from borrowers		2,290,634	2,270,641
Payments to suppliers and employees		(2,532,306)	(2,250,615)
Temperate contribution from/(to) Fund Manager		120,000	-
Net loans from/(to) borrowers		(4,253,800)	6,980,382
Interest received		<u>20,540</u>	<u>256</u>
Net cash inflow/(outflow) from operating activities		<u>(4,354,932)</u>	<u>7,000,664</u>
Cash flows from financing activities			
Payments to Unit Holders		(22,145,000)	(22,030,000)
Proceeds from applications by Unit Holders		<u>20,205,000</u>	<u>20,495,000</u>
Net cash inflow/(outflow) from financing activities		<u>(1,940,000)</u>	<u>(1,535,000)</u>
Net increase/(decrease) in cash and cash equivalents		(6,294,932)	5,465,664
Cash and cash equivalents at the beginning of the financial year		<u>6,667,976</u>	<u>1,202,312</u>
Cash and cash equivalents at the end of the financial year	4	<u>373,044</u>	<u>6,667,976</u>

The Statement of Cash Flows above should be read in conjunction with the accompanying notes

One Lending Fund
Notes to the Financial Statements
30 June 2023

Note 1. Significant accounting policies

General information

These financial statements cover the One Lending Fund (the Fund) as an individual entity. The Fund was constituted on 3 September 2018 and commenced operation on 1 February 2019.

The Fund is an unregistered Australian managed investment scheme structured as a unit trust. It offers units in four Classes, being Class A, Class B, Class C and Class F. When full term of investment in each Class is reached, the Units will be automatically invested into Class F, unless a redemption request is received at least 3 months prior to the end of the fixed investment term or an extension request where permitted is received at least 5 working days prior to the end of the fixed investment term. Each Class of investments is pooled together with gains, losses, assets and liabilities from one Class shared with other Class. Class D, Class E, Class G, Class H, Class I and Class J are closed to new investments.

The target return for Class A is 8.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 12 months.

The target return for Class B is 10.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 24 months.

The target return for Class C is 6.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 6 months.

The target return for Class D (closed to new investments) is 7.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 12 months.

The target return for Class E (closed to new investments) is 8.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 24 months.

The target return for Class F is 4.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. There is no minimum term in Class F.

The target return for Class G (closed to new investments) is 5.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 6 months.

The target return for Class H (closed to new investments) is 6.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 12 months.

The target return for Class I (closed to new investments) is 7.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. Investors are required to invest for a minimum term of 24 months.

The target return for Class J (closed to new investments) is 3.00% per annum (after fees and expenses and before tax), paid quarterly in arrears. There is no minimum term in Class J.

The Fund aims to provide Unit Holders with reasonably stable and predictable income based on target fixed rates of return over a set period on a quarterly basis. The target return is subject to cash availability and future cash flow requirements.

The Fund invests in loans to Australian small to medium enterprises (SMEs) backed by first and second ranked mortgages over real estate located in Australia. The Fund will only provide loans which are not regulated under the National Consumer Credit Protection Act 2009.

The Fund's offer is only open to investors who are Wholesale Clients.

The Trustee, N1 Venture Pty Ltd trading as N1 Asset Management is also the Investment Committee of the Fund (N1 or Manager). The Manager holds an Australian financial service license (AFSL No. 477879).

Unit Holders do not have a right to redeem their Units during the fixed investment term. The Manager may, in its absolute discretion, upon receipt of a request from a Unit Holder, allow early redemption of Units during the fixed term subject to an early redemption fee which equals to 3 months interest of the early redemption amount. A minimum of three months' redemption notice period is required. When full term of investment for each Class is reached, the Units will be automatically invested into Class F, unless a redemption request is received at least 3 months prior to the end of the fixed investment

Note 1. Significant accounting policies (continued)

term or an extension request where permitted is received at least 5 working days prior to the end of the fixed investment term.

Basis of preparation

In the Trustee's opinion, the Fund is not a reporting entity because there are no users dependent on general purpose financial statements. These are special purpose financial statements prepared for the unitholders to fulfil the Trustee's financial reporting requirements under the Trust Deed.

The financial statements have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. It contains only those disclosures considered necessary by the Trustee to meet the needs of the unitholders. The trustee has determined that the accounting policies adopted are appropriate to meet their needs.

The financial statements have been prepared under the historical cost convention and do not take into account changing monetary values. The accrual and going concern basis have been adopted.

The financial statements are presented in Australian dollars (\$).

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

(a) Financial instruments

(i) Classification

The Fund's investments are classified as amortised cost and disclosed as loans receivable.

Under AASB 9 there are two main considerations in the classification of an asset, as determined by the entity's key management personnel for the respective portfolio:

1. the entity's business model for managing the financial assets (the business model test)
2. the contractual cash flow characteristics of the financial asset (the Solely Payments of Principal and Interest "SPPI" test)

The Fund's financial assets (loans receivable) are measured at amortised cost since both of the following conditions are met:

1. the asset is held within a portfolio with a business model whose objective is to hold assets in order to collect the contractual cash flows; and
2. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of interest on the principal amount outstanding.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date). At each balance date the recoverable amount of the financial asset is calculated, and if there is evidence of impairment an impairment loss (i.e. the difference between the carrying amount and the recoverable amount) is recognised.

Investments are derecognised when the right to receive cash flows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Loans receivable

Loans receivable are measured at amortised cost. Amortised cost is a method of recognising the gross difference between the amount initially recognized, and the sum of all expected cash flows while the instrument is held (including on maturity) using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Note 1. Significant accounting policies (continued)

(b) Unit Holders funds

The Units price of Units to be issued will be \$1.00 per unit as set out in the Trust Deed unless otherwise determined by the Trustee, and the units will be issued once the application has been accepted by the trustee. The Fund will rely on repayment of loans and unallocated cash held by the Fund to repay Unit Holders in the Fund. Units will have a minimum investment term of 6, 12 or 24 months from the date of issuance of unit certificate. Class F has no minimum term but is subjected to 3 months 'redemption notice period.

(b) Unit Holders funds (continued)

The Unit Holders can redeem the units once they have served their minimum investment term or a subsequent investment term and elected to withdraw from the Fund if they have provided a minimum of three months' notice. Generally, there is no entitlement of any Unit Holder to redeem their investment in the Fund if a redemption notification is received less than three months prior to the end of the fixed investment term. However, the Trustee may, in its absolute discretion, upon receipt of a request from a Unit Holder, allow redemption of Units.

The redemption price is determined by the Trustee in accordance with the Trust Deed and will generally equal the net asset value of the Class divided by total number of units in the Class. On termination of the Class, a separate distribution of income may also be made.

Unit holders are entitled to capital distribution from the fund based on the number of units held by the unitholder and net proceeds on realization of assets in the event of a termination and winding up of fund are distributed to unitholders based on the actual number of units held by them at the date of termination.

(c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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 change in value.

(d) Investment income

(i) Commercial lending fees

Commercial lending fees are recognised in revenue when the obligation of establishing the loan for customer is completed.

(ii) Commercial lending interest

Interest income generated from commercial lending is recognised in profit or loss using the effective interest method.

(e) Expenses

All expenses are recognised in profit or loss on an accrual basis.

(f) Income tax

Under current legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

(g) Distributions

Distributions are determined and provided by the Trustee on a quarterly basis. Distributions approved the Trustee but not yet paid are recognised as a provision.

(h) Receivables

Receivables may include amounts for interest. Amounts are generally received within 30 days of being recorded as

One Lending Fund
Notes to the Financial Statements
30 June 2023

Note 1. Significant accounting policies (continued)

receivables.

(i) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at balance date.

(j) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

Note 2. Revenue

	2023 \$	2022 \$
<i>Revenue</i>		
Commercial lending interest	<u>2,777,825</u>	<u>3,134,667</u>
	<u>2,777,825</u>	<u>3,134,667</u>
Revenue	<u><u>2,777,825</u></u>	<u><u>3,134,667</u></u>

The Fund enters into contracts to lend the privately raised fund to commercial borrowers. Under these contracts, the Fund provides loan services and earns commercial lending fee and interest from those lending activities. Commercial lending fee is recognised in revenue upon the obligation of establishing the loan for customer is completed. Interest income generated from the commercial lending is recognised in profit or loss using the effective interest method.

One Lending Fund
Notes to the financial statements
30 June 2019

Note 3. Expenses

	2023	2022
	\$	\$
Interest distribution	<u>1,390,741</u>	<u>1,507,557</u>
Total Interest distribution	<u><u>1,390,741</u></u>	<u><u>1,507,557</u></u>
Distributions to Unit Holders of net income (if any) is intended to be paid quarterly subject to the Fund' short-term cash flow requirements, pro rata to Unit Holders' unitholding in relevant Class.		
Performance fee – N1 Venture	<u>1,197,151</u>	<u>1,194,090</u>
Total Performance fee – N1 Venture	<u><u>1,197,151</u></u>	<u><u>1,194,090</u></u>

The Manager of the Fund is entitled to a performance fee of the whole amount by which the return of both Classes of Units exceeds their target returns after other fees and expenses and exclusive of any GST. The Manager only receives a performance fee after the Unit Holder receives the target return.

Note 4. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	<u>373,044</u>	<u>6,667,976</u>
	<u><u>373,044</u></u>	<u><u>6,667,976</u></u>

Note 5. Financial assets - Loans receivable

	2023	2022
	\$	\$
Loans receivable	<u>19,878,800</u>	<u>15,625,000</u>
	<u><u>19,878,800</u></u>	<u><u>15,625,000</u></u>

The Fund raised funds to lend money to commercial entities on a short-term basis and earns the interest as income. The short-term loan balance represented the outstanding amounts owed from commercial borrowing customers.

One Lending Fund
Notes to the Financial Statements
30 June 2020

Note 6. Other assets

	2023	2022
	\$	\$
Current		
Fund raising cost	<u>36,442</u>	<u>89,412</u>
Total current other assets	<u>36,442</u>	<u>89,412</u>
Non-current		
Fund raising cost	<u>9,628</u>	<u>209</u>

Note 7. Trade and other receivables

	2023	2022
	\$	\$
Interest receivable	1,295,879	491,389
Other receivable	<u>116,867</u>	<u>89,058</u>
Trade and other receivables	<u>1,412,746</u>	<u>580,447</u>

Note 8. Trade and other payables

	2023	2022
	\$	\$
Non-resident tax withholding payable	19,256	15,808
Trade payable	<u>1,365,327</u>	<u>953,373</u>
Trade and other payables	<u>1,384,583</u>	<u>969,181</u>

Note 9. Interest advanced from borrower

	2023	2022
	\$	\$
Interest advanced from borrower	<u>201,077</u>	<u>48,863</u>

Note 10. Equity - issued units

	2023	2022	2023	2022
	Units	Units	\$	\$
Units at beginning of period	21,945,000	23,480,000	21,945,000	23,480,000
Units Issued	20,205,000	20,495,000	20,205,000	20,495,000
Units Redeemed	(22,145,000)	(22,030,000)	(22,145,000)	(22,030,000)
Units at end of period	<u>20,005,000</u>	<u>21,945,000</u>	<u>20,005,000</u>	<u>21,945,000</u>

Note 24. Parent entities (continued)

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

**One Lending Fund
Trustee's Declaration
30 June 2023**

The Directors of the Trustee have determined that the Fund is not a reporting entity and that these special purpose Financial Statements should be prepared in accordance with the accounting policies described in Note 1 to the Financial Statements.

The Director of the Trustee declares that:

- (a) The Financial Statements comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying notes, present fairly the Fund's financial position as at 30 June 2023 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the Financial Statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Director of N1 Venture Pty Ltd and is signed for and on behalf of the Directors by:



Mr Ren Hor Wong
Director of N1 Venture Pty Ltd (Trustee)

30 October 2023
Sydney

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONE LENDING FUND

Opinion

We have audited the financial report of One Lending Fund (the Fund), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the trustee's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Fund as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1.

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 Fund in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional & 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the unitholders to fulfil the Trustee's financial reporting requirements under the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors of the trustee company, N1 Venture Pty Ltd are responsible for the other information. The other information comprises the information included in the Fund's annual report for the year ended 30 June 2023, 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.

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.

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Responsibilities of the Directors of the Trustee Company for the Financial Report

The directors of the trustee company, N1 Venture Pty Ltd are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Note 1 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund 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 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 judgement 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 Fund'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 Fund'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 Fund 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.

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.



SW Audit (formerly ShineWing Australia)
Chartered Accountants



Yang (Bessie) Zhang
Partner

Sydney, 30 October 2023