Dealt Limited

ABN 66 605 935 153

Annual Report - 30 June 2021

Directors	Tony Pitt - Chair (non-executive) Philip Raff - Managing Director (executive) James Storey - Director (non-executive)
Company secretary	Phillip Young
Other company details	Postal address: GPO Box 145, Brisbane, Qld 4001 Telephone: 1300 887 623 Email address: info@velocitypropertygroup.com.au Website: www.velocitypropertygroup.com.au
Registered office	Level 16, 120 Edward Street, Brisbane, Qld 4000
Share register	Boardroom Pty Limited Grosvenor Place, Level 12, 255 George Street South Sydney, NSW 2000 Telephone enquiries within Australia: 1300 737 760 Email: enquiries@boardroomlimited.com.au
Auditor	Crowe Audit Australia Level 16, 120 Edward Street Brisbane, Qld 4000
Corporate Website	www.velocitypropertygroup.com.au
Platform Website	www.dealt.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Dealt Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were directors of Dealt Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Tony Pitt
Mr Brendon Ansell (resigned 9 July 2020)
Mr Philip Raff
Mr James Storey
Mr Peter Lewis (appointed 2 November 2020) (resigned 2 August 2021)

Philip Raff
Director (executive)

Philip was appointed a founding director of the Company in 2015 and drove the ASX listing in 2016. Between 2013 and 2015 he was instrumental in funding several private developments. This was preceded by a 20 year career in the IT industry implementing large IT deployments and driving associated business transformations for Gateway, IBM, and Lenovo.

Philip has a Bachelor of Business degree from Central Queensland University and worked in a chartered accounting firm for several years before entering the IT industry.

Philip is a licensed Real Estate Agent in Singapore where he lives with his wife and three children. He is also the Treasurer of his daughters' gymnastics club.

Philip is also a member of Dealt's Audit & Risk Management Committee.

James Storey
Director (non-executive)

James has 15 years' experience in real estate funds management with significant experience investing across debt, equity and corporate transactions. James was the Fund Manager of the 360 Capital Office Fund (ASX: TOF) and 360 Capital Industrial Fund (ASX: TIX) with combined gross assets of over $1.1b. Currently, James is the Head of Real Assets and Fund Manager of 360 Capital REIT (ASX: TOT) and a non-executive director with PMG Group, a New Zealand based real estate fund manager.

James has a Bachelor of Business (Property Economics) from the University of Western Sydney and a Graduate Certificate of Applied Finance & Investment. He is also a licenced real estate agent and qualified valuer.

James is also the Chair of Dealt's Audit & Risk Management Committee.

Tony Pitt
Chair (non-executive)

Tony is the founder and Managing Director of 360 Capital Group (ASX:TGP) and has worked in the property and property funds management industries for over 20 years. As Managing Director of 360 Capital Group, Tony is responsible for the Group's investments, strategic direction and overall Group strategy. He has overseen the IPO on the ASX of three AREITs since 2012 as well as the creation of various unlisted funds, undertaken various corporate acquisitions, disposals, mergers and acquisitions along with the ASX listing of 360 Capital Group.

Tony has formerly held numerous senior roles and directorships at Mirvac Group, James Fielding Group and Paladin Australia. He also held positions at Jones Lang LaSalle and CB Richard Ellis. He graduated from Curtin University with a Bachelor of Commerce (Property) and has a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia.

Company secretary
The following person held the position of company secretary of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Phillip Young

Phillip joined the Group in July 2016 as Chief Financial Officer and was appointed Company Secretary in August 2016. Prior to joining the Group, Phillip spent 13 years at Findex, a national mid-tier accounting & business advisory firm. Phillip is a member of the Chartered Accountants of Australia & New Zealand and the Governance Institute of Australia.

Phillip holds a Bachelor of Business in Accounting and Information Systems from Central Queensland University as well as a Graduate Diploma of Chartered Accounting. He is also a current member of the Urban Development Institute of Australia (UDIA) Qld finance and taxation committee.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Independent Board Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Peter Lewis	6	6	6	6	-	-
Philip Raff	7	7	6	6	-	-
James Storey	7	7	-	-	-	-
Tony Pitt	7	7	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Due to the size and composition of the Board during the reporting period, any audit and risk committee matters were handled directly via full board meetings. As such, there were no Audit and Risk Committee meetings during the period.

Principal activities
During the financial year the principal continuing activities of the Group consisted of:
- Sale of property assets (development sites, residential apartments and townhouses)
- Residential property investments

Dealt Group's (formerly Velocity Property Group) focus during the period has been the disposal of its trading stock property assets and preparing its residential investment property portfolio for eventual sale.

On 17 February 2021, the Company received overwhelming approval from shareholders who voted to undertake a restructure and recapitalisation to focus on commercial real estate debt. The Company, however, was unable to meet the minimum subscription under the capital raising it launched under a Replacement Prospectus and Product Disclosure Statement dated 18 March 2021. As a result of the strong interest in the online dealt brokerage platform on its own, the Board propose to recommend to shareholders that the Company proceed with just the acquisition of Digital Software Solutions Pty Ltd trading as dealt.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the Group after providing for income tax and non-controlling interest amounted to $3,857,635 (30 June 2020: $9,727,491).

Operating and Financial Highlights

The key operating and financial highlights for the Group during the reporting period were:

- Net loss after tax of approx. $3.85 million
- This result includes trading stock write downs of $0.85 million and once off costs of approx. $1.06 million regarding the initial repurpose, restructure and recapitalisation to focus on commercial real estate debt and brokerage.
- After removal of once off transactional costs, finance costs and fair value loss on investment property revaluations, underlying operating expenses decreased by approx. $0.65m or 23%
- Refinance of the Group's debt profile resulted in all non-bank residual stock debt facilities repaid during the period, in doing so resulting in the Group's weighted average interest rate decreasing from 6.8% at June 2020 to 4.6% at balance date.
- Selling out at the ONE Palm Beach and Parque on Oxford developments with only 3 apartments remaining to sell at ONE Bulimba Riverfront.
- Positive cash flows from operations of approx. $43.58m used to paydown secured debt facilities, non-controlling interests and the note facility ahead of maturity dates.
- Net tangible assets per share decrease to 51.24 cents (2020: 84.73 cents).
- ONE Bulimba Riverfront being awarded the winner of the best medium density development at the UDIA Queensland Awards for Excellence.

Group Development Portfolio

As at 30 June 2021, the Group's active development portfolio comprised of 1 townhouse and 3 apartments. The activity of the portfolio during the reporting period is as follows:

<u>ONE Palm Beach</u>
The last remaining apartment exchanged during the period. This project was a 50/50 joint venture with the underlying property owner. Their non-controlling interest was paid out following settlement of that last remaining apartment.

<u>Parque on Oxford</u>
Seven townhouses and two apartments were exchanged during the period. Since balance date the final townhouse has settled and this project is now sold out.

<u>ONE Bulimba Riverfront</u>
11 apartments and the final townhouse were exchanged during the period. One apartment is subject to an unconditional contract with settlement expected in the first half of FY22. The Group anticipates the remaining two apartments will also be sold during the first half of FY22.

<u>Two27, Palm Beach</u>
As announced to the market in July 2020, an unconditional contract for the sale of the site for $11.15 million had been exchanged and settlement was successfully achieved in December 2020.

<u>First Avenue, Burleigh Heads</u>
As announced to the market in November 2020, an unconditional contract for the sale of the site for $7.25 million had been exchanged and settlement was successfully achieved in March 2021. Coupled with the sale of the adjoining sites, this sale represented the final property development asset held by the Group.

Group Investment Property Portfolio

As at 30 June 2021, the Group's investment property portfolio consisted of ten residential apartments currently valued at $5,954,859. As at the date of this report, all bar one of the apartments are currently leased. No fair value movements to the carrying value of investment properties were recorded during the current financial year based on independent third-party valuations carried out in June 2021. No investment properties were sold during the current period.

The Group is currently reviewing its investment property portfolio and coupled with improved market conditions it anticipates that it will begin a sale campaign during FY22 to unlock the available capital and utilising it prudently where superior returns can be generated.

Business Strategies and Future Outlook
As announced to the market on 20 August 2021, the Board intends on recommending to shareholders the acquisition of dealt, meaning the Group would repurpose solely to be an online marketplace/brokerage for commercial real estate (CRE) loans.

The Group expects to sell all remaining trading stock property assets and commence sale of the residential investment property portfolio during FY22. The capital realised from these property sales will be recycled by the Group to scale the dealt platform via execution of dealt's marketing strategy and establishment of an external third-party referral program. dealt recently expanded its brokerage lending offerings and subsequently onboarded suitable and sufficient lenders to enable it to fully cater to the CRE lending market.

It is also proposed that the Company would be delisted and be removed from the Official List.

Likely developments and expected results of operations
The directors continue to be mindful of enhancing shareholder value and as such various alternatives were considered following the minimum subscription not being achieved in relation to the initial commercial real estate debt restructure and recapitalisation proposal during the reporting period.

However, based on the strong interest in the dealt platform on its own along with further analysis and due diligence, as announced to the market on 20 August 2021, the Directors recommend to Shareholders that the Company proceed with just the acquisition of dealt, repurposing solely to be an online marketplace/brokerage for commercial real estate loans.

No additional capital will be required to be raised as the acquisition will be funded in part from current capital resources and in part by the issue of shares in the Company. Various other resolutions in respect of the dealt acquisition will be put before Shareholders for approval at the annual general meeting (AGM) on 23 September 2021.

Significant changes in the state of affairs
As previously mentioned, shareholders previously approved at an Extraordinary General Meeting held on 17 February 2021 to restructure the Group to focus on commercial real estate debt and dispose of its residential property development activities.

Based on feedback received during the initial restructure, repurpose and recapitalisation and as announced to the market on 20 August 2021, the Directors now recommend to Shareholders to proceed just with the acquisition of dealt's online CRE marketplace/brokerage platform and repurposing the Group to focusing solely on this market opportunity from FY22 and beyond.

Matters subsequent to the end of the financial year
On 18 August 2021, the Company announced that it had lodged a formal request with the ASX requesting removal from the Official Listing from Friday, 24 September 2021. The Company will now seek to obtain shareholder approval for the delisting at the upcoming Annual General Meeting on Thursday, 23 September 2021.

On 20 August 2021, the Company announced it had executed a Share Sale Agreement to purchase all the shares in Digital Software Solutions Pty Ltd trading as dealt, an online marketplace/brokerage from commercial real estate loans. Details of the proposed acquisition are also included in the Notice of Meeting for the Company's upcoming Annual General Meeting on Thursday, 23 September 2021.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation
The Group's operations are subject to environmental regulations under both Commonwealth and State legislation in relation to its property development activities. The Directors are not aware of any significant breaches during the reporting period.

Directors Interests
The relevant interests of each Director in the shares of the Group at the date of this report is presented below. The table below also includes the relevant interests of each Director and their related parties.

Director	Ordinary Shares
Philip Raff	1,056,892
Tony Pitt	2,276,766*
James Storey	0
Peter Lewis	0

*Tony Pitt has an indirect interest in the shares via virtue of owning approximately 29.4% of 360 Capital Group.

At balance date, 360 Capital FM Limited as Responsible Entity for 360 Capital REIT had 7,142,857 options at an exercise price of $1.40 per share. With agreement with 360 Capital REIT, these options have now been cancelled.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration framework and arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

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

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to attract and retain executives whilst ensuring reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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

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

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

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

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the General Meeting held on 17 February 2021, where the shareholders approved a maximum annual aggregate remuneration of $400,000. This amount was agreed upon as it allowed the Group the capacity to appoint additional non-executive directors in the future should the Board consider it in the best interests of the shareholders.

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

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

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

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are based on individual performance, the overall performance of the Group and comparable market remunerations.

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

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

Details of remuneration

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

The key management personnel of the Group consisted of the following directors of Dealt Limited:
- Peter Lewis (appointed 2 November 2020) (resigned 2 August 2021)
- Brendon Ansell (resigned 9 July 2020)
- Philip Raff
- Tony Pitt
- James Storey

And the Chief Financial Officer:
- Phillip Young

As announced to the market on 2 August 2021, Peter Lewis resigned as Chair and as a Director of the Company from this date. There were no other changes in key management personnel after the reporting date and the date the financial report was authorised for issue.

2021	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Post-employment benefits: Super-annuation $	Total $
Non-Executive Directors:				
Peter Lewis	59,712	-	5,673	65,385
James Storey	40,000	-	-	40,000
Tony Pitt	43,462	-	-	43,462
Executive Directors:				
Brendon Ansell	297,251	-	10,204	307,455
Philip Raff	218,306	100,000	-	318,306
Other Key Management Personnel:				
Phillip Young	156,000	68,126	21,694	245,820
	814,731	168,126	37,571	1,020,428

Brendon Ansell resigned as Managing Director on 9 July 2020.The total payments of $307,445 reflects all payments made to Brendon Ansell and or related parties during FY21 for salary & wages, leave entitlements and consultancy fees as agreed. No further payments are due to Brendon Ansell after 30 June 2021.

Philip Raff was Commercial Manager from 1 July 2020 to 8 July 2020 and appointed Managing Director on 9 July 2020.

2020	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Post-employment benefits: Super-annuation $	Total $
Non-Executive Directors:				
Michael Pearson	53,365	-	5,070	58,435
Cherie Leatham	42,692	-	4,056	46,748
Tony Pitt	24,038	-	-	24,038
James Storey	20,769	-	-	20,769
Executive Directors:				
Brendon Ansell	208,640	-	19,821	228,461
Philip Raff	150,000	-	-	150,000
Other Key Management Personnel:				
Phillip Young	162,000	1,394	15,522	178,916
	661,504	1,394	44,469	707,367

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

	Fixed remuneration		At risk - STI	
Name	2021	2020	2021	2020
Non-Executive Directors:				
Michael Pearson	-	100%	-	-
Cherie Leatham	-	100%	-	-
Tony Pitt	100%	100%	-	-
James Storey	100%	100%	-	-
Peter Lewis	100%	-	-	-
Executive Directors:				
Brendon Ansell	100%	100%	-	-
Philip Raff	69%	100%	31%	-
Other Key Management Personnel:				
Phillip Young	69%	100%	31%	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements for the year ended 30 June 2021 are as follows:

Name:	Philip Raff
Title:	Managing Director
Agreement commenced:	9 July 2020
Term of agreement:	Consultancy Agreement
Details:	Base fee of $220,000 for a minimum of 47 weeks performance per annum. No fixed end date with 3 months termination notice by either party. Entitlement to short-term incentives is at the discretion of the Board. Re-elected at the 2018 Annual General Meeting held on 27 November 2018.

Name:	Peter Lewis (appointed 2 November 2020) (resigned 2 August 2021)
Title:	Independent Non-Executive Chair
Agreement commenced:	2 November 2020
Term of agreement:	Letter of Appointment
Details:	Annual fees of $100,000 including superannuation.

Name:	Tony Pitt
Title:	Non-Executive Director
Agreement commenced:	23 December 2019
Term of agreement:	Letter of Appointment
Details:	Annual fees of $50,000, decreasing to $40,000 once Peter Lewis was appointed Chair on 2 November 2020. Re-elected at 2020 Annual General Meeting held on 26 October 2020.

Name:	James Storey
Title:	Non-Executive Director
Agreement commenced:	23 December 2019
Term of agreement:	Letter of Appointment
Details:	Annual fees of $40,000. Re-elected at 2020 Annual General Meeting held on 26 October 2020.

Name:	Phillip Young
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	1 July 2020
Term of agreement:	Employment Agreement
Details:	Base salary of $156,000 plus superannuation. Entitlement to short-term incentives is at the discretion of the Board. No fixed end date with 3 month termination notice by either party.

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Brendon Ansell (resigned 9 July 2020)	1,227,909	-	-	(606,455)	621,454
Philip Raff	1,056,892	-	-	-	1,056,892
Tony Pitt*	2,276,766	-	-	-	2,276,766
	4,561,567	-	-	(606,455)	3,955,112

*Tony Pitt has an indirect interest in these shares via virtue of owning approximately 29.4% of 360 Capital Group.

This concludes the remuneration report, which has been audited.

Corporate Governance Statement
The Group is committed to ensuring that its systems, procedures and practices reflect a high standard of corporate governance. The Directors believe that the Group's corporate governance framework is critical in maintaining high standards of corporate governance and fostering a culture that values ethical behaviour, integrity and respect, to protect shareholders' and other stakeholders' interest at all times.

During the year ended 30 June 2021, the Group's corporate governance framework was consistent with the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council. The Group's corporate governance statement and associated policies for the year ended 30 June 2021 can be found at the Group's website at: **www.velocitypropertygroup.com.au/corporate-governance**

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

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The directors and officers liability insurance taken out to protect their interests' is in line with what would commonly be expected for the nature of the Group's business.

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

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

Proceedings on behalf of the Group
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

ASIC class order 2016/191 rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. Amounts in the financial statements have been rounded to 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

Philip Raff	Tony Pitt
Managing Director	Chair

24 August 2021

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Auditor's Independence Declaration

As auditor of Dealt Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dealt Limited and the entities it controlled during the year.

Crowe Audit Australia

Crowe Audit Australia

John Zabala FCA
Partner

24 August 2021
Brisbane

Dealt Limited
Statement of comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue			
Revenue from sale of properties		53,955,599	49,068,734
Other revenue from operations	5	680,117	678,834
Total revenue		54,635,716	49,747,568
Expenses			
Cost of property development and construction	7	(54,266,377)	(53,516,852)
Employee benefits expense		(1,119,141)	(1,504,506)
Depreciation and amortisation expense		(23,640)	(44,603)
Administration and other expenses	8	(3,077,587)	(4,014,254)
Total expenses		(58,486,745)	(59,080,215)
Loss before income tax (expense)/benefit		(3,851,029)	(9,332,647)
Income tax (expense)/benefit	9	(39,061)	14,219
Loss after income tax (expense)/benefit for the year		(3,890,090)	(9,318,428)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(3,890,090)	(9,318,428)
Loss for the year is attributable to:			
Non-controlling interest		(32,455)	409,063
Shareholders of Dealt Limited		(3,857,635)	(9,727,491)
		(3,890,090)	(9,318,428)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(32,455)	409,063
Shareholders of Dealt Limited		(3,857,635)	(9,727,491)
		(3,890,090)	(9,318,428)
		Cents	**Cents**
Basic earnings per share	10	(33.87)	(89.34)
Diluted earnings per share	10	(33.87)	(89.34)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Dealt Limited
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	11	3,415,355	2,614,647
Trade and other receivables		106,640	114,784
Inventories	13	5,858,824	56,415,863
Other	14	147,561	170,554
Total current assets		9,528,380	59,315,848
Non-current assets			
Investment properties	15	5,954,659	5,954,659
Property, plant and equipment	16	4,668	1,058,159
Intangibles		-	42,043
Total non-current assets		5,959,327	7,054,861
Total assets		15,487,707	66,370,709
Liabilities			
Current liabilities			
Trade and other payables	17	166,484	1,126,466
Borrowings	18	5,680,107	36,094,281
Income tax	9	-	1,111,803
Employee benefits		48,005	120,010
Redeemable preference shares	19	-	922,450
Total current liabilities		5,894,596	39,375,010
Non-current liabilities			
Borrowings	20	3,760,290	15,309,529
Deferred tax	9	-	26,056
Total non-current liabilities		3,760,290	15,335,585
Total liabilities		9,654,886	54,710,595
Net assets		5,832,821	11,660,114
Equity			
Issued capital	22	15,950,748	15,950,748
Reserves	23	472,862	472,862
Accumulated losses		(10,590,789)	(6,733,155)
Equity attributable to the shareholders of Dealt Limited		5,832,821	9,690,455
Non-controlling interest		-	1,969,659
Total equity		5,832,821	11,660,114

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

Consolidated	Issued capital $	Reserves - predecessor accounting $	Retained profits $	Non-controlling interest $	Total equity $
Balance at 1 July 2019	15,216,548	472,862	2,994,336	1,560,596	20,244,342
Profit/(loss) after income tax benefit for the year	-	-	(9,727,491)	409,063	(9,318,428)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(9,727,491)	409,063	(9,318,428)
Transactions with shareholders in their capacity as shareholders:					
Contributions of equity, net of transaction costs (note 22)	734,200	-	-	-	734,200
Balance at 30 June 2020	15,950,748	472,862	(6,733,155)	1,969,659	11,660,114

Consolidated	Issued capital $	Reserves - predecessor accounting $	Retained profits $	Non-controlling interest $	Total equity $
Balance at 1 July 2020	15,950,748	472,862	(6,733,155)	1,969,659	11,660,114
Loss after income tax expense for the year	-	-	(3,857,635)	(32,455)	(3,890,090)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(3,857,635)	(32,455)	(3,890,090)
Transactions with shareholders in their capacity as shareholders:					
Rounding	-	-	1	-	1
Non-controlling interest payments	-	-	-	(1,937,204)	(1,937,204)
Balance at 30 June 2021	15,950,748	472,862	(10,590,789)	-	5,832,821

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		57,924,001	53,040,782
Payments to suppliers and employees (inclusive of GST)		(12,226,974)	(32,545,262)
		45,697,027	20,495,520
Interest received		13,372	47,734
Interest and other finance costs paid		(951,663)	(869,689)
Income taxes paid		(1,176,920)	(300,000)
Net cash from operating activities	12	43,581,816	19,373,565
Cash flows from investing activities			
Payments for property, plant and equipment		(5,492)	(16,200)
Payments for intangibles		-	(25,950)
Proceeds from disposal of property, plant and equipment		1,125,000	6,519
Net cash from/(used in) investing activities		1,119,508	(35,631)
Cash flows from financing activities			
Proceeds from issue of shares	22	-	734,200
Proceeds from borrowings		9,795,899	57,911,608
Repayment of borrowings		(51,759,312)	(77,208,498)
Movement in equity - non-controlling interest payments		(1,937,203)	-
Net cash used in financing activities		(43,900,616)	(18,562,690)
Net increase in cash and cash equivalents		800,708	775,244
Cash and cash equivalents at the beginning of the financial year		2,614,647	1,839,403
Cash and cash equivalents at the end of the financial year	11	3,415,355	2,614,647

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

Note 1. General information

The financial statements cover Dealt Limited as a Group consisting of Dealt Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Dealt Limited's functional and presentation currency.

Dealt Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Dealt Limited
Level 16, 120 Edward Street
Brisbane, Qld, 4000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2021. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

Basis of preparation

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

The notes include information which is required to understand the financial statements and is material and relevant to the operations, the financial position and performance of the Group. Information is considered relevant and material if:

- it is significant in size or nature;
- it is important in understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; or
- it is important to the Group's future performance.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of assets and liabilities at fair value through profit or loss.

Rounding
The financial statements have been prepared on a consistent basis, however in some instances, prior year numbers might appear different due to the rounding off of numbers.

Note 3. Critical accounting judgements, estimates and assumptions

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

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

Note 4. Revenue

Revenue recognition accounting policy
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for transferring goods or services to a customer.

Revenues are recognised net of the amount of the associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the revenue.

Revenue is recognised for the major business activities as follows:

Sale of properties
For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

This recognition is considered to be at settlement for the sale of the properties. There was no sale of properties on accrued revenue in the current reporting period (2020: $0).

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

Rental income
Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Net fair value gain/(loss) on investment properties
Gains made on adjustments to the fair value of investment properties are included in Other revenue from operations in the Statement of Comprehensive Income. Fair value is determined in accordance with the accounting policy in note 32.

Note 5. Other revenue from operations

	Consolidated 2021 $	Consolidated 2020 $
Rental income	449,203	538,195
Interest received	13,372	47,734
Gain/(loss) on sale of assets	8,842	(37,186)
Other	208,700	130,091
	680,117	678,834

Note 6. Expenses

Expenses are recognised net of the amount of the associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the expense.

Note 7. Cost of property development and construction

	Consolidated 2021 $	Consolidated 2020 $
Cost of goods sold	45,794,767	42,865,861
Finance costs	7,047,141	5,515,250
Write-down of inventories to net realisable value	854,686	4,659,049
Sales employees benefits expense	569,783	476,692
	54,266,377	53,516,852

Accounting Costs of goods sold policy
Development costs include land, consultants, construction costs, statutory charges and finance costs required to deliver the project. These costs are initially capitalised as trading stock for accounting purposes and the carrying amount of those trading stock are recognised as an expense in the period in which revenue is generated through the settlement of a project.

Marketing and advertising costs are expensed for accounting purposes when incurred, ahead of recognising revenue from a project. This can distort the reported returns on projects, especially when projects are delivered in different reporting periods to the marketing and advertising costs being incurred.

Decreases to net realisable value for certain trading stock are included in cost of property development and construction in the Statement of Comprehensive Income. Net realisable value is determined in accordance with the accounting policy in note 13. Decreases to net realisable value for certain trading stock in the current period amount to $854,686 (2020: $4,659,049).

Note 8. Administration and other expenses

	Consolidated 2021 $	Consolidated 2020 $
Legal costs	46,501	93,852
Finance costs	951,663	869,689
Rental property expenses	298,961	286,973
Other administration expenses	1,780,462	1,570,512
Realised foreign exchange loss	-	129,457
Net fair value (gain)/loss on investment properties	-	1,063,771
	3,077,587	4,014,254

Note 8. Administration and other expenses (continued)

Other administration expenses include once-off costs of approximately $1.06 million incurred regarding the initial repurpose, restructure and recapitalisation of the Group to focus on commercial real estate debt and brokerage. (2020: once-off costs of approximately $0.55 million to consultants in relation to the debt and equity capital restructure with 360 Capital that was announced to the market in December 2019. Legal costs of $0.07 million were also incurred in relation to this restructure).

Net fair value (gain)/loss on investment properties
Losses made on adjustments to the fair value of investment properties are recorded within the other expenses in the Statement of comprehensive income. Fair value is determined in accordance with the accounting policy in note 32.

Note 9. Income tax

	Consolidated	
	2021	2020
	$	$
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit	(3,851,029)	(9,332,647)
Tax at the statutory tax rate of 30% (2020: 27.5%)	(1,155,309)	(2,566,478)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Prior year adjustments	118,860	17,917
Sundry	1,136	5,430
Derecognition of losses	856,659	2,528,912
	(178,654)	(14,219)
Adjustment to deferred tax balances as a result of change in statutory tax rate	217,715	-
Income tax expense/(benefit)	39,061	(14,219)

Note 9. Income tax (continued)

	Consolidated 2021 $	Consolidated 2020 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Revenue tax losses available to offset against future income	-	2,239,455
Employee benefits not immediately deductible for tax	14,402	33,003
Superannuation expense not immediately deductible for tax	1,442	1,865
Trading stock market substitution value uplift	386,590	-
Initial public offer expenses not immediately deductible for tax	320,522	45,762
Deferred tax asset	722,956	2,320,085
Movements:		
Opening balance	2,320,085	2,473,754
Superannuation payable	(592)	1,383
Employee provisions	(21,602)	12,104
Revenue tax losses	1,676,516	2,407,518
Initial public offer expenses	270,600	(45,762)
Opening balance adjustments	457,287	-
Tax losses derecognised	(856,659)	(2,528,912)
Trading stock	(3,122,679)	-
Closing balance	722,956	2,320,085

	Consolidated 2021 $	Consolidated 2020 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	(13,695)	(3,728)
Development costs deductible for tax but capitalised for accounting	(251,914)	(1,925,300)
Investment property revaluations not currently assessable for tax	(329,893)	(302,402)
Investment properties accumulated capital works deductions	(127,454)	(88,655)
Borrowing costs not immediately deductible for tax	-	(26,056)
Deferred tax liability	(722,956)	(2,346,141)
Movements:		
Opening balance	(2,346,141)	(2,875,791)
Development costs	1,866,233	270,815
Investment property revaluations	-	292,537
Unrealised foreign exchange movement	-	(149,824)
Investment properties accumulated capital works	(30,739)	(28,255)
Property, plant & equipment accumulated depreciation	(1,161)	3,381
Borrowing costs	28,425	140,996
Opening balance adjustments	(239,573)	-
Closing balance	(722,956)	(2,346,141)

Note 9. Income tax (continued)

Deferred tax asset and deferred tax liability balances are not shown separately, instead offsetting each other and disclosed as a singular line item on the statement of financial position. The net deferred tax balance at reporting date was a liability of $0 (2020: liability of $26,056).

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

Post the preparation of the 2020 Annual Report, a decision was made to value trading stock at market value for tax purposes which gave rise to a deferred tax asset for trading stock with an offsetting reduction in the deferred tax asset for revenue losses. The net deferred tax asset position however remained unchanged.

	Consolidated	
	2021	2020
	$	$
Provision for income tax		
Provision for income tax	-	1,111,803

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Tax consolidation
The Company and its 100% owned Australian resident subsidiaries formed an income tax consolidated group with effect from 7 July 2015.

Tax effect accounting by members of the tax consolidated group
Members of the tax consolidated group have entered into a tax funding agreement. Current and deferred taxes are allocated to members of the tax consolidated group in accordance with principles of *AASB 112 Income Taxes*. The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries inter-company accounts with the parent entity.

Note 10. Earnings per share

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax	(3,890,090)	(9,318,428)
Non-controlling interest	32,455	(409,063)
Loss after income tax attributable to the shareholders of Dealt Limited	(3,857,635)	(9,727,491)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	11,389,937	10,888,212
Weighted average number of ordinary shares used in calculating diluted earnings per share	11,389,937	10,888,212
	Cents	**Cents**
Basic earnings per share	(33.87)	(89.34)
Diluted earnings per share	(33.87)	(89.34)

Note 22 contains more information on the Company's issued capital.

Accounting policy for earnings per share

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

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

There were no dilutive interests in the current or comparative periods.

Note 11. Current assets - cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Cash at bank	3,415,355	2,614,647

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes 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 change in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Cash at bank earns interest at fixed or variable rates based on the bank deposit rates.

Note 11. Current assets - cash and cash equivalents (continued)

Outflow from operations
In the consolidated statement of cash flows, cash outflows include payments to suppliers and employees totalling $12,226,974 (2020: $32,545,262). These payments include costs associated with the initial repurpose, restructure and recapitalisation of approximately $1.06m (2020: $0) .

It also includes the committed acquisition of new projects totalling $0 (2020: $325,038) where possession will transfer to the Group in a future period. It also includes payments to suppliers in the course of project development which may be funded ahead of recognising any project revenues. These costs amount to approximately $0 (2020: $2,889,152). These payments which total $0 (2020: $3,214,189) are partially funded by the project finance facilities provided by the Group's financiers. Financing arrangements are detailed at note 20.

Note 12. Reconciliation of loss after income tax to net cash from operating activities

	Consolidated	
	2021 $	2020 $
Loss after income tax (expense)/benefit for the year	(3,890,090)	(9,318,428)
Adjustments for:		
Depreciation and amortisation	23,640	44,603
Write off of property, plant and equipment	4,718	37,186
Write-down of inventories to net realisable value	854,686	4,658,799
Impairment of investment properties	-	1,063,771
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	8,144	(64,932)
Decrease in inventories	49,702,353	25,059,557
Decrease/(increase) in prepayments	(19,535)	417,638
Decrease/(increase) in other operating assets	(9,803)	43,891
Decrease in trade and other payables	(959,982)	(2,298,313)
Increase/(decrease) in provision for income tax	(1,111,803)	61,761
Decrease in deferred tax liabilities	(26,057)	(375,980)
Increase/(decrease) in employee benefits	(72,005)	44,012
Decrease in other operating liabilities	(922,450)	-
Net cash from operating activities	43,581,816	19,373,565

Note 13. Current assets - inventories

	Consolidated	
	2021 $	2020 $
Trading stock expected to be realised within 12 months	5,858,824	46,652,326
Trading stock expected to be realised after 12 months	-	9,763,537
	5,858,824	56,415,863

During the year, trading stock transferred to cost of goods sold on the statement of comprehensive income was $52,453,546 (2020: $50,992,201).

During the year, borrowing costs relating to the establishment and registration of new borrowing facilities totalled $70,000 (2020: $214,927) were capitalised into trading stock. At balance date, trading stock includes capitalised interest of $779,416 (2020: $5,669,971).

Note 13. Current assets - inventories (continued)

Inventories accounting policy
Trading stock is measured at the lower of cost or net realisable value. Development costs include land, the costs of acquiring the land, consultants, holding and finance costs incurred from when the land is acquired until the project is fully developed and sold.

Deposits paid for the committed acquisition of trading stock are classified as trading stock.

Projects that are completed or expected to be completed and settlements achieved within 12 months of the end of the reporting date, the trading stock costs relating to those projects are classified above as 'expected to be realised within 12 months'. Trading stock costs incurred on all other projects are classified as 'expected to be realised after 12 months'.

Net realisable value of trading stock
Net realisable value is based on the estimated selling price in the ordinary course of business (net of selling costs and GST). This assessment reflects current market assessments and previous experience. It is also based on management's intentions in the planned manner of the disposal of the asset, either through development and sale or disposal as is.

The Group periodically assesses whether trading stock is held at the lower of cost or net realisable value with an estimate made at least at each reporting date. Independent third party valuation reports will be obtained where appropriate (to assist with making the net realisable value estimate). Where the carrying amount of trading stock exceeds the net realisable value, a write-down to reduce its value to net realisable value is recorded.

Decreases to net realisable value for certain trading stock in the current period amount to $854,686 (2020: $4,659,049).

Note 14. Current assets - other

	Consolidated	
	2021 $	2020 $
Prepayments	126,131	106,595
Development site deposits & other deposits	21,430	63,959
	147,561	170,554

Note 15. Non-current assets - investment properties

	Consolidated	
	2021 $	2020 $
Acquisition and development costs	5,050,586	5,050,586
Revaluation increments	904,073	904,073
	5,954,659	5,954,659

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2021 $	2020 $
Opening fair value	5,954,659	7,018,430
Revaluation decrements	-	(1,063,771)
Closing fair value	5,954,659	5,954,659

The Group did not dispose of any investment properties during the period.

Note 15. Non-current assets - investment properties (continued)

Valuations of investment properties
The basis of the valuation of investment properties is fair value (less selling costs and any GST if applicable). Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration rental yields or returns on investment.

During the period, a third-party valuation by an independent valuer who holds a recognised and relevant professional qualification and has experience in the location and category of the investment properties being valued, was carried out across 90% of the Group's residential investment property portfolio. This valuation was accepted and the Directors have adopted a fair value of $5,954,659 representing a nil ($0) increase/decrease to the fair value of the portfolio (2020: decrease of $1,063,771).

At balance date, the fair market value of the entire investment property portfolio was ascribed as $5,954,859 (2020: $5,954,859)

Refer to note 32 for further information on fair value measurement.

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Group. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Investment properties also include properties under construction for future use as investment properties. When an investment property is developed, costs include the cost of construction incurred up to the point where the asset is complete, which is the point at which it is capable of being operated as intended. Until completion, these are carried at the lower of fair value or cost.

Transfers are made to investment properties when and only when there is a change in use, evidenced by ending of owner occupation or a change of intention to hold the property for long-term rental and capital appreciation which is usually accompanied with an operating lease to another party.

Transfers are made from investment properties when, and only when there is a change in use evidenced by commencement of owner-occupation or commencement of development with a view to sale.

Note 16. Non-current assets - property, plant and equipment

	Consolidated	
	2021	2020
	$	$
Land and buildings - at cost	-	1,045,727
Less: Accumulated depreciation	-	(39,951)
	-	1,005,776
Plant and equipment - at cost	-	40,743
Less: Accumulated depreciation	-	(2,350)
	-	38,393
Office equipment - at cost	8,416	32,179
Less: Accumulated depreciation	(3,748)	(18,189)
	4,668	13,990
	4,668	1,058,159

Note 16. Non-current assets - property, plant and equipment (continued)

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

Consolidated	Land and buildings $	Plant and equipment $	Office equipment $	Total $
Balance at 1 July 2019	1,019,087	66,332	33,983	1,119,402
Additions	9,440	2,246	4,514	16,200
Disposals	-	(6,519)	-	(6,519)
Write off of assets	(5,847)	(20,790)	(10,549)	(37,186)
Depreciation expense	(16,904)	(2,876)	(13,958)	(33,738)
Balance at 30 June 2020	1,005,776	38,393	13,990	1,058,159
Additions	-	-	5,492	5,492
Disposals	(1,000,944)	(38,291)	(917)	(1,040,152)
Write off of assets	-	-	(4,718)	(4,718)
Depreciation expense	(4,832)	(102)	(9,179)	(14,113)
Balance at 30 June 2021	-	-	4,668	4,668

During the period, the Group disposed of land and buildings it occupied with gross sale proceeds totalling approx. $1.12 million.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant and equipment	3-15 years
Office equipment	1-10 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 17. Current liabilities - Trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	118,050	1,072,366
Other payables	48,434	54,100
	166,484	1,126,466

Refer to note 26 for further information on financial instruments and risk management.

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

Note 18. Current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Bank loans	2,480,107	10,769,474
Non-bank loans	3,200,000	25,324,807
	5,680,107	36,094,281

Refer to note 20 for further information on assets pledged as security and financing arrangements.

Refer to note 26 for further information on financial instruments and risk management.

Note 19. Current liabilities - Redeemable preference shares

	Consolidated 2021 $	Consolidated 2020 $
Redeemable preference shares	-	922,450

The redeemable preference shares represent the remaining value of the original contribution of the ONE Palm Beach land site by the former owner, net of proceeds received when the site was acquired by the Group. This contribution was ultimately repaid from the final net proceeds on the sale of the last remaining apartment after all secured project debt was repaid.

Further details on the ONE Palm Beach project entity is outlined in note 25.

Note 20. Non-current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Bank loans	3,760,290	5,309,529
Non-bank loans	-	10,000,000
	3,760,290	15,309,529

Note 20. Non-current liabilities - borrowings (continued)

Refer to note 26 for further information on financial instruments and risk management.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2021 $	Consolidated 2020 $
Bank loans	6,240,397	16,079,003
Non-bank loans	3,200,000	35,324,807
	9,440,397	51,403,810

Assets pledged as security
The bank loans are secured by first mortgages over the Group's development properties, investment properties and land and buildings. Furthermore, guarantees and/or general security agreements over the existing and future assets and undertakings of controlled entities are provided by the Company.

Non-bank loans (secured) are bound by either loan agreements or a deed of security agreement. Where loan agreements are in place, first and/or second ranking mortgages are provided when required to secure the borrowings.

The terms of the deed of security agreement are generally that the Company grants a security interest in the Company's present and after-acquired property, interests, rights and proceeds of which the Company has at any time sufficient rights to grant a security interest in the assets, undertakings and goodwill of the business of the Company.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Consolidated 2021 $	Consolidated 2020 $
Trading stock	5,858,824	56,415,863
Investment properties	5,954,659	5,954,659
Land and buildings	-	1,005,776
	11,813,483	63,376,298

Note 20. Non-current liabilities - borrowings (continued)

Financing arrangements
The Group had access to borrowing facilities at the end of the reporting period and these facilities have been split up into "working capital" facilities and "project specific" facilities. The working capital facilities are available to the Group on a come and go basis.

The undrawn amount of project specific facilities are available progressively for the purposes of delivering the specific projects they are funding.

During the prior period, the Group repaid or refinanced all of its international borrowing facilities. As such all borrowing facilities in existence at balance date are in Australian currency.

A summary of the facilities are below:

	Consolidated	
	2021 $	2020 $
Total facilities		
Bank facilities	6,250,775	16,084,739
Non-bank facilities	3,200,000	36,836,712
	9,450,775	52,921,451
Used at the reporting date		
Bank facilities	6,240,397	16,079,003
Non-bank facilities	3,200,000	35,324,807
	9,440,397	51,403,810
Unused at the reporting date		
Bank facilities	10,378	5,736
Non-bank facilities	-	1,511,905
	10,378	1,517,641

At the reporting date, the Group had working capital facilities of $4,280,000 (2020: $5,028,000) and undrawn balances on these facilities totalling $10,378 (2020: $9,497).

Accounting policy for 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. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current. Where borrowings are required to be repaid out of specific property settlements, which are not available for redraw, the borrowings are classified as current to the extent settlements are projected to occur within 12 months from reporting date.

Accounting policy for borrowing costs
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Trading stock is a qualifying asset and all borrowings are attributable to qualifying assets.

Note 21. Commitments

Controlled entities within the Group have entered into land acquisition contracts for project development with contract values totalling $0 (2020: $3,858,000) in the normal course of business which will settle subsequent to year end with deposits paid of $0 (2020: $325,038) recorded in trading stock.

The Group has lease commitments of $4,200 for offices over a 1 month period (2020: $51,873 for offices over a 6 month period).

Note 22. Equity - issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	11,389,937	11,389,937	15,950,748	15,950,748

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back
There is no current on-market share buy-back.

Options
At 30 June 2021, no options (2020: nil) were outstanding over un-issued ordinary shares of the Company.

At 30 June 2021, 360 Capital FM Limited as Responsible Entity for 360 Capital REIT has 7,142,857 options (2020: 7,142,857 options) at an exercise price of $1.40 per share. With agreement with 360 Capital REIT, these options have now been cancelled.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a project, business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Group's financing arrangements are subject to certain covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Accounting policy for issued capital
Ordinary shares are classified as equity.

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

Note 23. Equity - reserves

	Consolidated	
	2021 $	2020 $
Predecessor Accounting Reserves	472,862	472,862

Predecessor accounting reserves
The predecessor accounting reserve was created as a result of a corporate restructure undertaken in 2015. As this was a common control transaction whereby all parties to the restructure were ultimately controlled by the same party, no fair value adjustments were recorded on the acquisition and the difference between the net assets acquired and the consideration paid was recognised in the predecessor accounting reserve. This reserve is expected to stay in place for the foreseeable future.

Note 24. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Ownership interest 2021 %	Ownership interest 2020 %
Dealt Mortgage Management Pty Ltd	100.00%	100.00%
Velocity Property Hawthorne Pty Ltd	100.00%	100.00%
46 Cadell Pty Ltd	-	100.00%
Fusion 462 Pty Ltd	100.00%	100.00%
39 Ellerslie Pty Ltd	100.00%	100.00%
48 Orchard Street Pty Ltd	-	100.00%
Vue at Red Hill Pty Ltd	-	100.00%
Velocity Property Red Hill Pty Ltd	100.00%	100.00%
1 Nathan Street Pty Ltd	-	100.00%
Velocity Holdings No 1 Pty Ltd	-	100.00%
Velocity Holdings No 2 Pty Ltd	100.00%	100.00%
Byron Riverfront Pty Ltd	100.00%	100.00%
Velocity Property No 5 Pty Ltd	100.00%	100.00%
372 The Esplanade Pty Ltd	50.00%	50.00%
Two Twenty-Seven Pty Ltd	100.00%	100.00%

All subsidiaries listed above were incorporated and have their principal place of business in Australia.

During the period, Dealt Mortgage Management Pty Ltd changed its name from Velocity Project Marketing Pty Ltd.

On 29 June 2021, members voluntary liquidations for 46 Cadell Pty Ltd, 48 Orchard Street Pty Ltd, Vue at Red Hill Pty Ltd, 1 Nathan Street Pty Ltd and Velocity Holdings No 1 Pty Ltd were finalised. ASIC will proceed to deregister these entities within 3 months.

Furthermore, Fusion 462 Pty Ltd, Two Twenty-Seven Pty Ltd, Velocity Holdings No 2 Pty Ltd and Velocity Property No 5 Pty Ltd commenced members voluntary liquidations with resolutions to wind up these companies lodged with ASIC on 29 June 2021.

ONE Palm Beach project
In 2016, the Group and the previous owner of the ONE Palm Beach site ("land owner") formed a 50/50 partnership for the purpose of undertaking the development and construction of the project. The arrangement between the parties is governed by the constitution and shareholders' agreement of 372 The Esplanade Pty Ltd ("372"), the special purpose vehicle for the project. The Group holds 50% of the ordinary shares of 372 and all of the B class voting shares, which provides the Group control of the project company. Under the agreement, the Group provided funding for the project and managed the development.

Principles of consolidation
The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting year. Subsidiaries are all those entities over which the Group has control. Control is achieved when the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Note 25. Interests in subsidiaries (continued)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of the other comprehensive income are attributed to the equity holders of the parent of the Group and to holders of the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to the transactions between members of the Group are eliminated in full on consolidation.

Note 26. Financial instruments and risk management

Financial risk management objectives

The Group's principal financial instruments comprise cash, payables, loans and borrowings.

The Group manages its exposure to key financial risks, including interest rate, liquidity and credit risk in accordance with the Group's financial risk management framework. The Board has overall responsibility for the establishment and oversight of the risk management policy. The objective of the policy is to support delivery of the Group's financial targets whilst protecting future financial security.

Risk management policies are established and include the identification and analysis of the risk exposure of the Group, to set appropriate limits and controls and to monitor risks and adherence to limits.

The Group's audit and risk management committee oversees how management monitors compliance with the Group's risk management framework and reviews the adequacy of the framework in relation to the risks faced by the Group. Management undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels or exposure to interest rates and assessments of market forecasts for these rates. Liquidity risk is monitored through the development of future rolling forecasts. Credit risk is managed through thorough due diligence of counter-parties and ensuring there is no significant concentration of credit risk.

Note 26. Financial instruments and risk management (continued)

Market risk

Interest rate risk
Interest rate risk is the risk that the fair value of a financial instrument or future cash flows associated with it will fluctuate because of changes in market interest rates. The exposure to market interest rates primarily relates to interest bearing loans and borrowings issued at variable rates.

In assessing interest rate risk, the Group considers its loan maturity and cash flow profile and the outlook for interest rates over the medium term. To manage this, the Group may enter into hedging strategies that combine interest rate caps and floors, as well as floating to fixed interest rate swap contracts. However, the forecast cash position together with the forecast for low interest rates for the medium term has resulted in the Group retaining all of its Australian bank debt at a floating rate of interest. All non-bank debt is at fixed interest rates as this is the common practice for this sector of the lending industry.

The Group analyses its interest rate exposure on an on-going basis. Within this analysis, consideration is given to potential renewals of existing positions, alternative financing, and the mix of fixed and variable interest rates.

As at the reporting date, the Group had the following variable rate cash and borrowings:

	2021		2020	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Cash at bank	0.05%	3,415,355	0.40%	2,614,647
Bank & non-bank borrowing facilities	(2.63%)	(6,240,397)	(5.20%)	(22,515,242)
Net exposure to cash flow interest rate risk		(2,825,042)		(19,900,595)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages its liquidity by monitoring forecast cash flows on a monthly basis and matching the maturity profiles of financial assets and liabilities. These are reviewed by the Chief Financial Officer and presented to the Board as appropriate. The objective is to maintain a balance between the continuity of funding and flexibility through the use of borrowings for specific business/project developments. Any business/project specific facilities will operate in line with the development of each project.

The maturity profile of all debt facilities is monitored on a regular basis by the Chief Financial Officer and ongoing financial plans are presented to the Board for approval well in advance of maturity.

Remaining contractual maturity analysis
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The amounts disclosed in the tables are the contractual undiscounted cash flows. Where the impact of the discounting is not significant on balances due within 12 months, the amounts disclosed equal their carrying balances.

Note 26. Financial instruments and risk management (continued)

Consolidated - 2021	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	114,269	-	-	-	114,269
Other payables	48,434	-	-	-	48,434
Interest-bearing - variable					
Bank loans	508,793	5,731,604	-	-	6,240,397
Interest-bearing - fixed rate					
Other loans	3,200,000	-	-	-	3,200,000
Total non-derivatives	3,871,496	5,731,604	-	-	9,603,100

Consolidated - 2020	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	1,072,366	-	-	-	1,072,366
Other payables	54,100	-	-	-	54,100
Redeemable preference shares	922,450	-	-	-	922,450
Interest-bearing - variable					
Bank loans	10,769,474	1,048,290	4,261,239	-	16,079,003
Other loans	6,369,185	-	-	-	6,369,185
Interest-bearing - fixed rate					
Other loans	18,955,623	10,000,000	-	-	28,955,623
Total non-derivatives	38,143,198	11,048,290	4,261,239	-	53,452,727

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 27. Key management personnel disclosures

Directors
The following persons were directors of Dealt Limited during the financial year:

Brendon Ansell (resigned 9 July 2020)
Philip Raff
Peter Lewis (appointed 2 November 2020) (resigned 2 August 2021)
Tony Pitt
James Storey

Note 27. Key management personnel disclosures (continued)

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Phillip Young, Chief Financial Officer

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

	Consolidated	
	2021 $	2020 $
Short-term employee benefits	982,857	662,898
Post-employment benefits	37,571	44,469
	1,020,428	707,367

Detailed remuneration disclosures are provided in the remuneration report.

Note 28. Related party transactions

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2021 $	2020 $
Payment for other expenses:		
Interest paid to director related party	1,160,476	1,767,075

Any transaction with directors, director related entities, close family members and other key management personnel and their related entities, are carried out in the ordinary course of business and on commercial terms which it is reasonable to expect the Group would have adopted in an arm's length transaction.

The interest payments during the current year of $569,580 (2020: $1,401,564) that related to development projects were initially recorded in trading stock and payments of $590,896 (2020: $365,511) relating to working capital were expensed directly to profit or loss. Interest costs incurred on borrowings in relation to project developments or the refinance of project development facilities are capitalised during the period of time that it is required to complete and prepare the asset for its intended use or sale. These interest costs are then recognised proportionally in Cost of Goods Sold as revenue is recognised by the Group.

Further information on this director related entity loan and interest payments are disclosed further below in this note.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 28. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2021 $	2020 $
Current borrowings:		
Loan from director related party	3,200,000	-
Non-current borrowings:		
Loan from director related party	-	27,877,207

Related party loan terms and conditions
In FY18, the Group entered into a loan agreement with Byron Street Pte Ltd, a related party entity incorporated in Singapore and controlled by Philip Raff, who is an executive director of the Group. The commercial terms and the loan agreement itself reflect a transaction that was negotiated on an arm's length basis (or better) for the Group. The terms of the loan agreement are:

- The sole purpose of the SGD $5,000,000 loan was to partly fund the acquisition of 39-45 Byron Street, Bulimba.
- Fixed interest rate of 8.8% per annum with interest payments every 6 months.
- Loan repayment date is 24 August 2020.

During the prior period, the related party loan with Byron Street Pte Ltd was repaid ahead of schedule in December 2019.

In the prior period, the Group entered into two loans (a $10,000,000 loan note facility and $23,663,882 residual stock facility) with 360 Capital Group entities, a related party shareholder owning 19.99% of the issued capital in the Group and where Mr Tony Pitt is the Managing Director and substantial security holder of the Group. The commercial terms and the agreements itself reflected a transaction that was negotiated on an arm's length basis for the Group.

The key material terms of the loan note facility are:

- Fixed interest rate of 7% per annum with interest payments every 3 months.
- Loan repayment date is 23 December 2021, unless agreed earlier.

Part of the proceeds from the loan note facility were used to repay the Byron Street Pte Ltd facility in full.

The key material terms of the residual stock facility agreement are:

- Fixed interest rate of 8.5% per annum with interest capitalised monthly.
- Loan repayment date is June 2021.
- First ranking security over the completed stock at ONE Bulimba Riverfront.

The residual stock facility was repaid in December 2020 via a refinance with traditional bank facility.

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe Audit Australia, the auditor of the Company:

	Consolidated	
	2021	2020
	$	$
Audit services - Crowe Audit Australia		
Audit or review of the financial statements	67,500	92,744
Other services - Crowe Audit Australia		
Tax compliance	25,805	14,929
Software subscriptions	5,194	3,868
	30,999	18,797
	98,499	111,541

In FY20, audit services for the audit or review of the financial statements includes $28,359 incurred for the audit of the FY19 financial year.

Note 30. Operating segments

Operating segments accounting policy
The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision makers in assessing performance and determining the allocation of resources.

The Group will also consider other factors such as the level of segment information used by the board of directors in assessing the performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the board which is at the consolidated entity level.

Management currently identifies the consolidated entity as having only one operating segment, being the acquisition of prime sites for development into quality residential, commercial and mixed-use apartments. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segments are equivalent to the financial statements of the Group.

Note 31. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	Parent	
	2021	2020
	$	$
Loss after income tax	(4,942,279)	(5,104,515)
Total comprehensive loss	(4,942,279)	(5,104,515)

Note 31. Parent entity information (continued)

Statement of financial position

	Parent 2021 $	Parent 2020 $
Total current assets	4,815,550	16,038,522
Total assets	4,820,218	16,132,948
Total current liabilities	3,378,226	273,677
Total liabilities	3,378,225	10,273,677
Equity		
Issued capital	15,950,748	15,950,748
Predecessor Accounting Reserves	322,862	(202,139)
Accumulated losses	(14,831,616)	(9,889,338)
Total equity	1,441,994	5,859,271

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has provided guarantees over its assets in relation to the borrowings of its subsidiaries as described in note 20.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Note 32. Fair value measurement

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

Consolidated - 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment properties	-	5,324,169	630,500	5,954,669
Total assets	-	5,324,169	630,500	5,954,669

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment properties	-	5,954,659	-	5,954,659
Total assets	-	5,954,659	-	5,954,659

Note 32. Fair value measurement (continued)

A transfer to Level 2 from Level 3 occurred during the period.

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually by the Director's and periodically this valuation will be based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

In the above table, valuations obtained from independent assessments are treated as Level 2. Directors only assessments are treated as Level 3.

Accounting policy for 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described above, based on the lowest input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisations at the end of the reporting period. As mentioned above, transfers occurred between levels during the current reporting period.

The fair value of cash, trade and other payables and trade and other receivables approximate their carrying values, largely due to the short-term maturities of these instruments.

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.

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

Philip Raff	Tony Pitt
Managing Director	Chair

24 August 2021

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Independent Auditor's Report

To the Members of Dealt Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dealt Limited (the Company and its subsidiaries (the Group)), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended.

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

Key Audit Matter	How We Addressed the Key Audit Matter
Valuation of inventories – *Note 13*	
The Group holds a portfolio of property projects, that have been developed and are ready for sale. The portfolio of property projects is classified as inventory. The carrying amount is a significant component of the Group's total assets being $5,858,824 at 30 June 2021. Inventories are valued at the lower of cost and net realisable value in accordance with the relevant accounting standards. Significant judgements were made by the directors in determining the carrying value of inventory, which include: • Determining when and how development expenditure is capitalised for each property project; and • Assessing the net realisable value of property projects. Based on the significance of the inventory balance to the Group's total assets and the judgement required by the directors in determining the valuation of inventory, we have determined this matter to be a key audit matter.	Our procedures included, but were not limited to: • Obtaining the Group's policies for the recognition and measurement of capitalisation of development costs and assessing the policies for compliance with relevant accounting standards. • Evaluating the design effectiveness of key controls in relation to the recognition and measurement of inventory. • Testing a sample of acquisition and development expenses to ensure capitalisation is in accordance with relevant accounting standards. • Assessing of the recoverability of completed projects through review of subsequent sales contracts, and independent third-party valuations, to determine if inventory is recorded at the lower of cost and net realisable value. • Scrutinising the valuation reports prepared by management's expert, including the methodologies employed and key assumptions and estimates used. • Evaluating whether the expert had the necessary competence, capabilities and objectivity to undertake the valuations. • Challenging the various assumptions used in the valuation. In particular, comparing the valuation assumptions used by the valuers to market evidence and current market conditions.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2021 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.

Responsibilities of the Directors for the Financial Report

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

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

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 the 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 with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters.

We describe these matters in the 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 the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 7 to 11 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Dealt Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Crowe Audit Australia

Crowe Audit Australia

John Zabala FCA
Partner

24 August 2021
Brisbane

The shareholder information set out below was applicable as at 9 July 2021

Distribution of equitable securities

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

	Ordinary shares Number of holders	Ordinary shares % of total shares issued	Options over ordinary shares Number of holders	Options over ordinary shares % of total shares issued	Number of holders of ordinary shares	Number of ordinary shares
1 to 1,000	-	-	-	-	155	58,413.00
1,001 to 5,000	-	-	-	-	566	1,561,480.00
5,001 to 10,000	-	-	-	-	173	1,207,922.00
10,001 to 100,000	-	-	-	-	138	2,601,208.00
100,001 and over	-	-	-	-	12	5,960,914.00
	-	-	-	-	1,044	11,389,937.00
Holding less than a marketable parcel	-	-	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares Number held	Ordinary shares % of total shares issued
TGP TOT JV PTY LIMITED	2,276,766	19.99
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	1,165,356	10.23
AMANDA ANNIKKI HIRVI	606,455	5.32
8I HOLDINGS LIMITED	380,849	3.34
EVERGREEN STREET PTY LTD	312,443	2.74
BRENDON CRAIG ANSELL	294,011	2.58
REGAN LEE BAKER	201,177	1.77
CITICORP NOMINEES PTY LIMITED	196,333	1.72
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	171,289	1.50
SOON PIANG LINCOLN TEO	144,585	1.27
ENG SENG LAU	109,609	0.96
VIVEK VERMA	102,041	0.90
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	98,670	0.87
THIM FATT CHAN	61,225	0.54
CHOON SENG NEO	57,143	0.50
YAN FENG ONG	52,363	0.46
DAI WEI YEO	43,860	0.39
BNP PARIBAS NOMS PTY LTD (DRP)	43,402	0.38
HOLLOW SWORD BLADE COMPANY PTY LTD	43,281	0.38
KIN HWA TAN	42,432	0.37
	6,403,290	56.21

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
TGP TOT JV PTY LIMITED	2,276,766	19.99
PHILIP JOHN RAFF	1,051,177	9.23
BRENDON ANSELL	621,454	5.46
AMANDA ANNIKKI HIRVI	606,455	5.32

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

The voting rights attaching to the ordinary shares are set out in the Company's constitution at clause 16.14 and 16.15. The constitution states that:

- at a meeting of members, each member entitled to vote may vote in person, or by proxy or attorney; and
- on a show of hands each member present has one vote, and on a poll each member present has one vote for each fully paid share held.

There are no other classes of equity securities.