# buyMyplace.com.au Limited

**ABN 68 132 204 561**

# Annual Report - 30 June 2019

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| Directors | Matthew Driscoll (Non-Executive Director)<br>Gavan Flower (Non-Executive Director)<br>David Niall (Non-Executive Chairman) |
| Company secretary | Melanie Leydin |
| Registered office | Level 4<br>100 Albert Road<br>South Melbourne<br>VIC 3205<br>+61 3 9692 7222 |
| Principal place of business | Level 4<br>100 Albert Road<br>South Melbourne<br>VIC 3205<br>+61 3 9692 7222 |
| Share register | Boardroom Pty Limited<br>GPO Box 3993<br>Sydney NSW 2001<br>Phone: 1300 737 760 |
| Auditor | Grant Thornton<br>Collins Square, Tower 5<br>727 Collins Street<br>Melbourne VIC 3008 |
| Stock exchange listing | BuyMyPlace.com.au Limited shares are listed on the Australian Securities Exchange (ASX code: BMP) |
| Website | www.bmpcorp.com.au |

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of buyMyplace.com.au 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 2019.

## Directors

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

Matthew Driscoll (Non-Executive Director)
Gavan Flower (Non-Executive Director) (appointed on 15 February 2019)
David Niall (Non-Executive Chairman) (appointed on 15 February 2019)
Cameron Fisher (Non-Executive Director) (resigned on 15 February 2019)
Paul Spottiswood (Non-Executive Director) (resigned on 15 February 2019)
Stephen Moulton (Non-Executive Director) (resigned on 15 February 2019)

## Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Provision of online property services, offering its customers the ability to sell their property through a process similar to a traditional real estate agency business without paying a commission on property sale.

## Dividends

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

## Review of operations

The profit for the consolidated entity after providing for income tax amounted to $2,841,385 (Loss 30 June 2018: $5,512,282).

Total operating revenue from continuing operations was down 33.8% to $0.2 million, compared to $0.3 million in the prior corresponding period, primarily driven by the sale of BMH subsidiaries.

Total costs decreased by 85.6% to $0.6 million. The decrease is as result of the sale of BMH entities and the reduction in operations in MPC during the year.

At the end of 2019, the Company held cash reserves of $115K. Net cash outflows from operating activities during the year were $2.6 million.

## Significant changes in the state of affairs

On 31 August 2018, the Company announced its intention to acquire online property management platform company Pleased. Property subject to the required due diligence and the Company raising sufficient capital. On 13 November 2018 it was announced this acquisition would not proceed.

On 24 September 2018, the Company announced voluntary suspension to the trading of the Company's ordinary shares on the Australian Securities Exchange.

On 5 October 2018, the Company announced the extension of the KM Custodians Financing Facility by $500,000. The lender will be entitled to receive an additional facility fee of $25,000 being 5% of the increase in the facility amount. The repayment date will be the earlier of 30 June 2020, the occurrence of a liquidity event, or the occurrence of a continuing default. The lender can elect to receive payment in part or in full in cash or ordinary shares of the Company.

On 13 November 2018, the Company announced the execution of a binding term sheet with KM Custodians for the sale of key 'BMH subsidiaries' (consisting of BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd, and BuyMyPlace Finance Pty Ltd) to KM Custodians, the holder of the Financing Facility.

Conditions precedent to this transaction include the forgiveness of this Financing Facility, which were also announced to have an additional extension of $500,000 on this date (amounting to a total of $4 million to be forgiven; this does not include the $1 million share premium which has been deemed to only be payable upon repayment of the debt facility, not on the forgiveness and thus has not been recognised) as well as the payment of $100,000 as cash consideration for acquisition of the above named BMH subsidiaries, and pending shareholder approval.
The Company will still retain ownership of the buyMyplace.com.au listed company and the MyPlace Conveyancing Pty Ltd operating subsidiary subsequent to this transaction.

On 5 December 2018, the Company announced the resignation of the Chief Executive Officer, Mr Colin Keating.

On 21 December 2018, the Company announced the finalisation of the sale of key BMH subsidiaries to KM Custodians, having received shareholder approval.

Also on 21 December 2018, the Company changed its registered office and principal place of business to Level 4, 100 Albert Road, South Melbourne, VIC 3205.

On 15 February 2019, the Company announced that it had entered into a Convertible Note Facility Deed with Misquitta Securities Pty Ltd, for a facility limit of $200,000.
The key terms of the facility include:

- Facility limit of $200,000;
- Immediate drawdown of $40,000;
- Repayment date of 30 June 2020;
- Interest rate at 15% per annum, payable in cash or to be capitalised to the loan; and
- The lender at its own discretion has the option on the repayment date to require the Company to pay some or all of the Outstanding Monies by issuing ordinary shares in the Company to the Lender (subject to any regulatory approvals required).

## Matters subsequent to the end of the financial year
No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Likely developments and expected results of operations
The core service offering of the Company is the provision of online conveyancing services. The company will focus on growing its online conveyancing presence through strategic marketing, additional referral arrangements and retaining repeat-customers. The Company has initiated discussions with a number of strategic and synergistic partners to build scale in property services and products. Potential partnerships will further add to the customer database and revenue stream of the Company's continuing core business operation, online conveyancing, as these businesses provide complementary services to the Existing Business.

The Company has reviewed its online presence and initiated plans to upgrade its website and online marketing strategy. It has identified an online marketing agency to assist it to build its online advertising capability and improve its lead management. Further investment in marketing resources within the company are envisaged in the 2020 Financial Year.

As part of the Company's growth strategy, the acquisition of sub-scale conveyancing businesses to increase scale of the Existing Business in the online real estate industry will be considered. The conveyancing industry within Australia is disaggregated and there are a large number of small, sub-scale operators. Consolidation of this industry is likely, as further investment in technology platforms to service the industry leads to increasing scale benefits to industry participants. The Company has invested in its technology platform and has the capability to add additional transactions and realise scale benefits from further acquisitions.

## Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

| | |
|---|---|
| Name: | Matthew Driscoll |
| Title: | Non-Executive Director |
| Qualifications: | B.A,Grad.Dip Edu., Grad Dip App Fin., SF FIN, GAICD, MSAA |
| Experience and expertise: | Mr Driscoll has a Bachelor of Arts Degree, a Graduate Diploma in Education and a Graduate Diploma of Applied Finance. In addition, Matthew is a Master of the Stockbrokers Association of Australia, a Graduate member of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia. Matthew has strong networks and significant experience across several industries, including online technologies, financial services, fintech, property and resources. With over 30 years' experience in the financial services industry, Matthew's expertise lies in investment and capital markets including analysis and evaluation of investment opportunities, transaction analysis, financial modelling, debt structuring, asset and equity valuation and due diligence. Matthew has worked with numerous companies nurturing them from small enterprises to successful listed businesses. |
| Other current directorships: | Energy Technologies Limited, Smoke Alarms Holdings Limited, Powerwrap Limited. |
| Former directorships (last 3 years): | Nil |
| Special responsibilities: | Mr M. Driscoll is a member of the Audit & Risk Committee and Chair of the Remuneration and Nomination Committee. |
| Interests in shares: | 2,385,353 fully paid ordinary shares |
| Interests in options: | 1,875,000 options (various terms detailed in the remuneration report) |
| Interests in rights: | Nil |

| | |
|---|---|
| Name: | David Niall |
| Title: | Non-Executive Director |
| Qualifications: | BSc (Hons), MBA from Harvard Business School |
| Experience and expertise: | David has extensive experience driving implementation of complex strategic programs across telecommunications, technology and management consulting industries. David was an executive at Telstra and has deep knowledge of the mobiles industry with extensive experience in developing and launching innovative products. David has a BSc (Hons) from Melbourne University and holds a Master of Business Administration from Harvard Business School. |
| Other current directorships: | Rewardle Holdings Limited |
| Former directorships (last 3 years): | Nil |
| Special responsibilities: | Chairman |
| Interests in shares: | Nil |
| Interests in options: | Nil |
| Interests in rights: | Nil |

| | |
|---|---|
| Name: | Gavan Flower |
| Title: | Non-Executive Director |
| Qualifications: | Chartered Accountant, BCom |
| Experience and expertise: | Gavan is a Chartered Accountant and has a Bachelor of Commerce Degree from the University of Melbourne. He has 20 years' experience in Senior Executive roles at several ASX listed entities including Spotless Group and iSelect Limited and several unlisted entities including Metro Trains Melbourne, Atlantic Group and AHS Hospitality. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Nil |
| Interests in shares: | Nil |
| Interests in options: | Nil |
| Interests in rights: | Nil |

| | |
|---|---|
| Name: | Cameron Fisher (resigned 15 February 2019) |
| Title: | Non-Executive Director |
| Qualifications: | AVLE(VAL), AREI |
| Experience and expertise: | Mr Fisher was previously the managing director of BuyMyHome Pty Ltd and is highly qualified in his profession. |
| Other current directorships: | Managing Director of Changing Places Real Estate Consultants Pty Ltd |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 7,283,703 fully paid ordinary shares |
| Interests in options: | Nil |
| Interests in rights: | Nil |

| | |
|---|---|
| Name: | Paul Spottiswood (resigned 15 February 2019) |
| Title: | Non-Executive Director |
| Qualifications: | B.Com, LLB, CFA , MAICD |
| Experience and expertise: | Mr Spottiswood is an entrepreneurial corporate and strategic adviser, having spent over fifteen years in mergers and acquisitions, capital raising and business and investment fund establishment roles |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Nil |
| Interests in shares: | 250,000 fully paid ordinary shares |
| Interests in options: | Nil |
| Interests in rights: | Nil |

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|---|---|
| Name: | Stephen Moulton (appointed 13 October 2017 and resigned 15 February 2019) |
| Title: | Non-Executive Director |
| Experience and expertise: | Stephen has been a corporate advisory/M&A partner at Gadens for the past 3 years. He was a partner at Clayton Utz, PwC (head of legal in Victoria) and Chairman of Partners and Managing Partner of Mills Oakley. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Nil |
| Interests in shares: | Nil |
| Interests in options: | Nil |
| Interests in rights: | Nil |

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Company secretary

Ms Leydin has 25 years' experience in the accounting profession including 13 years in the Corporate Secretarial professions and is a company secretary and finance officer for a number of entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. Since February 2000, she has been the principal of Leydin Freyer, specialising in outsourced company secretarial and financial duties.

## Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

| | Full Board | | Audit and Risk Committee | |
|---|---|---|---|---|
| | Attended | Held | Attended | Held |
| Matthew Driscoll | 14 | 14 | 14 | 14 |
| Cameron Fisher | 12 | 12 | 12 | 12 |
| Paul Spottiswood | 12 | 12 | 12 | 12 |
| Stephen Moulton | 9 | 12 | 9 | 12 |
| David Niall | 2 | 2 | 2 | 2 |
| Gavan Flower | 2 | 2 | 2 | 2 |

Held: represents the number of meetings held during the time the director held office.

## Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, 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
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### *Principles used to determine the nature and amount of remuneration*
The principles of the Group's executive strategy and supporting incentive programs and frameworks are:
- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high-performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation and retention of executive talent

The Group has a structured remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The remuneration structure that has been adopted by the Group consists of the following components:
- fixed remuneration being annual salary; and
- short term incentives, being employee share schemes and bonuses
- long term incentives, being KMP share schemes

The Board assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the Board annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to predetermined performance criteria.

Short-term and long-term incentives

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are entitled to participate in the employee share and option arrangements. All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares provided to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the binomial option pricing model. Shares and options are provided to directors and senior executives; and are detailed in the remuneration report.

Performance based remuneration

The payment of bonuses, share options and other incentive payments are reviewed by the board annually as part of the review of executive remuneration. All bonuses, options and incentives must be linked to predetermined performance criteria.

Relationship between remuneration and the Company's performance

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options to the majority of directors, executives and senior managers to encourage the alignment of personal and shareholder interests. The Company believes the policy will be effective in increasing shareholder wealth.

*Non-executive directors remuneration*
On appointment to the board, all non-executive directors enter into a service agreement with the Company. The agreement summarises the board policies and terms, including remuneration, relevant to the office of director.

Non-executive directors may be paid fees or other amounts as the directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties. Fees provided to non-executive directors are inclusive of superannuation.

Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the non-executive directors may hold shares in the Company and with Board and shareholder approval may participate in the employee option plan.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate directors' fee pool for non-executive directors is $250,000 and was approved by shareholders as part of the Constitution of the Company at the annual general meeting on 28 November 2011.

***Details of remuneration***

*Amounts of remuneration*
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of buyMyplace.com.au Limited:
- Mathew Driscoll - Non-Executive Director
- Cameron Fisher - Non-Executive Director (resigned on 15 February 2019)
- Paul Spottiswood - Non-Executive Director (resigned on 15 February 2019)
- Stephen Moulton - Non-Executive Director (resigned on 15 February 2019)
- David Niall - Non-Executive Director (appointed 15 February 2019)
- Gavan Flower - Non-Executive Director (appointed 15 February 2019)

And the following persons:
- Colin Keating - Chief Executive Officer (resigned 5 December 2018)

| 2019 | Short-term benefits: Cash salary and fees $ | Short-term benefits: Cash bonus $ | Short-term benefits: Annual leave $ | Post-employment benefits: Super-annuation $ | Long-term benefits: Long service leave $ | Share-based payments: Options $ | Share-based payments: Performance rights**** $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | | | |
| Matthew Driscoll | - | - | - | - | - | - | - | - |
| David Niall* | - | - | - | - | - | - | - | - |
| Gavan Flower* | - | - | - | - | - | - | - | - |
| Paul Spottiswood** | - | - | - | - | - | - | - | - |
| Stephen Moulton** | 11,416 | - | - | 1,084 | - | - | - | 12,500 |
| Cameron Fisher** | 60,565 | - | - | 4,599 | - | - | - | 65,164 |
| *Other Key Management Personnel:* | | | | | | | | |
| Colin Keating*** | 232,313 | - | - | 13,445 | - | - | - | 245,758 |
| | 304,294 | - | - | 19,128 | - | - | - | 323,422 |

* Mr David Niall and Gavan Flower were appointed as Non- Executive Directors on 15 February 2019.
** Mr Cameron Fisher, Mr Paul Spottiswood and Stephen Moulton resigned as Directors on 15 February 2019.
*** Mr Colin Keating resigned as CEO on 5 December 2018. Employee options vesting conditions were not achieved resulting in a reversal to the profit and loss of $49,514.
**** As at 30 June 2019 the vesting conditions on the performance rights for Matthew Driscoll ($161,019) and Cameron Fisher ($161,019) were not achieved resulting in the reversal to the profit and loss of $322,038.

| 2018 | Short-term benefits: Cash salary and fees $ | Short-term benefits: Cash bonus $ | Short-term benefits: Annual leave $ | Post-employment benefits: Super-annuation $ | Long-term benefits: Long service leave $ | Share-based payments: Options $ | Share-based payments: Performance rights $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | | | |
| Matthew Driscoll | 70,000 | - | - | - | - | - | 68,981 | 138,981 |
| Paul Spottiswood | 50,000 | - | - | - | - | - | - | 50,000 |
| Stephen Moulton* | 32,725 | - | 3,904 | 3,109 | - | - | - | 39,738 |
| Peter Butterss** | 41,667 | - | - | - | - | - | 57,453 | 99,120 |
| *Executive Directors:* | | | | | | | | |
| Cameron Fisher | 264,975 | - | 10,342 | 9,025 | - | - | 68,981 | 353,323 |
| *Other Key Management Personnel:* | | | | | | | | |
| Paul Heath*** | 175,381 | - | 46,803 | 10,024 | - | 71,263 | 46,491 | 349,962 |
| Colin Keating*** | 153,476 | - | 26,242 | 10,024 | - | - | 88,840 | 278,582 |
| | 788,224 | - | 87,291 | 32,182 | - | 71,263 | 330,746 | 1,309,706 |

* Mr Stephen Moulton was appointed as a Director on 13 October 2017.
** Mr Peter Butterss resigned as a Director on 27 April 2018.
*** Mr Colin Keating was appointed as CEO on 21 November 2017 and Mr Paul Heath resigned as CEO on 30 November 2017.

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

| | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---|---|---|---|---|---|---|
| Name | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| *Non-Executive Directors:* | | | | | | |
| Matthew Driscoll | - | 50% | - | - | - | 50% |
| David Niall | - | - | - | - | - | - |
| Gavan Flower | - | - | - | - | - | - |
| Paul Spottiswood | - | 100% | - | - | - | - |
| Stephen Moulton | 100% | 100% | - | - | - | - |
| Cameron Fisher | 100% | 80% | - | - | - | 20% |
| Peter Butters | - | 42% | - | - | - | 58% |
| *Other Key Management Personnel:* | | | | | | |
| Colin Keating | 100% | 68% | - | - | - | 32% |
| Paul Heath | - | 69% | - | - | - | 31% |

***Service agreements***
Remuneration and other terms of employment for key management personnel have not been formalised in a service agreement. During the financial year Matthew Driscoll, David Niall and Gavan Flower have not received remuneration as Directors of the consolidated entity.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

***Share-based compensation***

*Issue of shares*
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

*Options*
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|---|---|---|---|---|
| 29/02/2016 | Various vesting conditions* | 28/02/2021 | $0.250 | $0.098 |
| 29/02/2016 | Various vesting conditions** | 28/02/2021 | $0.300 | $0.087 |
| 29/02/2016 | Various vesting conditions*** | 28/02/2021 | $0.350 | $0.077 |

* Options vest upon continuous employment until 30 November 2016 or volume weighted average share price over 10 consecutive trading days is greater than $0.25
** Options vest upon continuous employment until 30 November 2016 or volume weighted average share price over 10 consecutive trading days is greater than $0.30
*** Options vest upon continuous employment until 30 November 2016 or volume weighted average share price over 10 consecutive trading days is greater than $0.35

Options granted carry no dividend or voting rights.

***Additional information***

The earnings of the consolidated entity for the three years to 30 June 2019 are summarised below:

| | 2019<br>$ | 2018<br>$ | 2017<br>$ |
|---|---|---|---|
| Revenue | 217,351 | 328,105 | 2,102,105 |
| Net profit/(loss) before tax | 2,702,778 | (5,512,282) | (3,819,265) |
| Net profit/(loss) after tax | 2,702,778 | (5,512,282) | (3,819,265) |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2019 | 2018 | 2017 |
|---|---|---|---|
| Share price at financial year start ($) | 0.09 | 0.16 | 0.39 |
| Share price at financial year end ($) | 0.07 | 0.09 | 0.16 |
| Basic earnings per share (cents per share) | 4.00 | (8.35) | (6.39) |

The table only discloses information for the three years to 30 June 2019 instead of five years as the information prior to 2016 is not relevant pre-acquisition.

***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 consolidated entity, including their personally 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* | | | | | |
| Matthew Driscoll | 2,658,911 | - | - | - | 2,658,911 |
| David Niall* | - | - | - | - | - |
| Gavan Flower* | - | - | - | - | - |
| Paul Spottiswood** | 250,000 | - | - | - | 250,000 |
| Cameron Fisher** | 7,283,703 | - | - | - | 7,283,703 |
| Stephen Moulton** | - | - | - | - | - |
| Colin Keating*** | 625,000 | - | - | - | 625,000 |
| | 10,817,614 | - | - | - | 10,817,614 |

* Mr David Niall and Gavan Flower were appointed as Non- Executive Directors on 15 February 2019.
** Mr Cameron Fisher, Mr Paul Spottiswood and Stephen Moulton resigned as Directors on 15 February 2019.
*** Mr Colin Keating resigned as CEO on 5 December 2018.

*Option holding*

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

| | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Options over ordinary shares* | | | | | |
| Matthew Driscoll | 1,875,000 | - | - | - | 1,875,000 |
| Paul Spottiswood* | 82,720 | - | - | (82,720) | - |
| Cameron Fisher* | 1,875,000 | - | - | (1,875,000) | - |
| | 3,832,720 | - | - | (1,957,720) | 1,875,000 |

* Mr Cameron Fisher, Mr Paul Spottiswood resigned as Directors on 15 February 2019.

*Performance rights holding*
The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Performance rights over ordinary shares* | | | | | |
| Matthew Driscoll | 1,875,000 | - | - | (1,875,000) | - |
| Paul Spottiswood* | 82,720 | - | - | (82,720) | - |
| Cameron Fisher* | 1,875,000 | - | - | (1,875,000) | - |
| Colin Keating** | 3,000,000 | - | - | (3,000,000) | - |
| | 6,832,720 | - | - | (6,832,720) | - |

* Mr Cameron Fisher, Mr Paul Spottiswood resigned as Directors on 15 February 2019.
** Mr Colin Keating resigned as CEO on 5 December 2018.

*Deferred consideration shares held by key management personnel*
The number of deferred consideration shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|---|---|---|---|---|---|
| *Deferred consideration shares* | | | | | |
| Cameron Fisher* | 4,362,195 | - | - | (4,362,195) | - |
| | 4,362,195 | - | - | (4,362,195) | - |

* Mr Cameron Fisher resigned as Director on 15 February 2019.

*Related party transactions*
Throughout the financial year, Cameron Fisher has provided consulting services to BuyMyHome Pty Ltd totalling $nil (2018: $144,000).

M. Fisher, a family member of Cameron Fisher was an employee of BuyMyHome Pty Ltd, during the financial year, she received following short-term benefits:

- Wages $11,000 (2018: $27,207), Bonus $nil (2018: $1,987), Super $nil (2018: $2,442).

- Movements in provision $nil (2018: nil), Bonus Accrual $nil (2018: nil)

Throughout the financial year, Sprint Capital Partners has been remunerated for professional services fees to the Consolidated Entity for financial services totalling $44,000 (2018:nil). Sprint Capital Partners is a related party to David Niall and Gavan Flower. Sprint Capital Partners has not been paid for Director services.

*Sub-let of operating lease*
During the current and prior year, property under operating lease has been sub-let to a company of which C. Fisher is a director and beneficial owner. Dealings are in commercial terms and conditions. Total sub-lease income for the year was $61,409 (2018: $73,477).

***This concludes the remuneration report, which has been audited.***

### Shares under option

Unissued ordinary shares of buyMyplace.com.au Limited under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|---|---|---|---|
| 29/02/2016 | 28/02/2021 | $0.250 | 1,250,000 |
| 29/02/2016 | 28/02/2021 | $0.300 | 1,250,000 |
| 29/02/2016 | 28/02/2021 | $0.300 | 1,250,000 |
| 04/03/2016 | 28/02/2021 | $0.250 | 597,426 |
| 04/03/2016 | 28/02/2021 | $0.300 | 597,427 |
| 04/03/2016 | 28/02/2021 | $0.350 | 597,427 |
| 19/12/2017 | 01/01/2021 | $0.160 | 6,250,000 |
| | | | 11,792,280 |

Since the end of the financial year, no other options have been issued, exercised or expired.

### Shares under performance rights

At the date of this report there were no unissued performance rights.

The following options lapsed during the year:
- 11,625,000 unlisted performance rights, exercisable at nil cents each;

Since the end of the financial year, no other rights have been issued, exercised or expired.

### Shares under deferred consideration
Unissued ordinary shares of buyMyplace.com.au Limited under deferred consideration shares at the date of this report are nil.

### Shares issued on the exercise of options
There were no ordinary shares of buyMyplace.com.au Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

### Shares issued on the exercise of performance rights
There were no ordinary shares of buyMyplace.com.au Limited issued on the exercise of performance rights during the year ended 30 June 2019 and up to the date of this report.

### Indemnity and insurance of officers
The company has indemnified the directors and executives of the company 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 company paid a premium in respect of a contract to ensure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company 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 company**
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company 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 22 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 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

**Officers of the company who are former partners of Grant Thornton**
There are no officers of the company who are former partners of Grant Thornton.

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

**Auditor**
Grant Thornton continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

David Niall

David Niall
Chairman

26 September 2019

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# Auditor's Independence Declaration

## To the Directors of buyMyplace.com.au Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of buyMyplace.com.au Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 26 September 2019

**buyMyplace.com.au Limited**
**Statement of profit or loss and other comprehensive income**
**For the year ended 30 June 2019**

| | Note | Consolidated 2019 $ | 2018 $ | |
|---|---|---|---|---|
| Revenue | 5 | 217,351 | 328,105 | |
| Other income | 6 | 74,417 | 74,779 | |
| **Expenses** | | | | |
| Cost of sales | | (66,692) | (108,882) | |
| Legal and business services | | (564,210) | (1,148,725) | |
| Advertising and marketing expenses | | (6,845) | (10,804) | |
| Salaries and employment expenses | | (404,773) | (1,159,710) | |
| Depreciation and amortisation expenses | | (22,693) | (47,306) | |
| Impairment of goodwill relating to acquisition of MPC | | - | (226,946) | |
| Share-based payments expenses | | 698,398 | (947,372) | |
| Finance costs | | (58,081) | (779) | |
| Other expenses | | (229,841) | (314,417) | |
| **Loss before income tax expense from continuing operations** | | (362,969) | (3,562,057) | (3 |
| Income tax expense | 8 | - | - | |
| Loss after income tax expense from continued operations | | (362,969) | (3,562,057) | |
| Gain/(Loss) after income tax expense from discontinued operations | 7 | 3,065,747 | (1,950,225) | |
| **Profit/(Loss) after income tax expense for the year attributable to the owners of buyMyplace.com.au Limited** | | 2,702,778 | (5,512,282) | |
| Other comprehensive (loss)/income for the year, net of tax | | - | - | |
| **Total comprehensive (loss)/income for the year attributable to the owners of buyMyplace.com.au Limited** | | 2,702,778 | (5,512,282) | |
| Total comprehensive (loss)/income for the year is attributable to: | | | | |
| Continuing operations | | (362,969) | (3,562,057) | |
| Discontinued operations | | 3,065,747 | (1,950,225) | |
| | | 2,702,778 | (5,512,282) | |
| **Earnings per share for profit/(loss) from continuing operations attributable to the owners of buyMyplace.com.au Limited** | | | | |
| Basic earnings per share | 32 | (0.54) | (5.39) | |
| Diluted earnings per share | 32 | (0.54) | (5.39) | |
| **Earnings per share for loss from discontinued operations attributable to the owners of buyMyplace.com.au Limited** | | | | |
| Basic earnings per share | 32 | 4.54 | (2.95) | |
| Diluted earnings per share | 32 | 4.54 | (2.95) | |
| **Earnings per share for profit/(loss) attributable to the owners of buyMyplace.com.au Limited** | | | | |
| Basic earnings per share | 32 | 4.00 | (8.35) | |
| Diluted earnings per share | 32 | 4.00 | (8.35) | |

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

**buyMyplace.com.au Limited**
**Statement of financial position**
**As at 30 June 2019**

| | Note | Consolidated 2019 $ | 2018 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 9 | 114,969 | 267,783 |
| Trade and other receivables | 10 | 23,538 | 204,790 |
| Prepayments | | 51,703 | 82,237 |
| Total current assets | | 190,210 | 554,810 |
| **Non-current assets** | | | |
| Plant and equipment | | 7,465 | 88,972 |
| Intangible assets | 11 | - | 367,077 |
| Other non-financial assets | | - | 40,506 |
| Total non-current assets | | 7,465 | 496,555 |
| **Total assets** | | 197,675 | 1,051,365 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 12 | 269,213 | 1,116,426 |
| Borrowings | | 43,095 | - |
| Employee benefits provision | | - | 110,741 |
| Total current liabilities | | 312,308 | 1,227,167 |
| **Non-current liabilities** | | | |
| Borrowings | 13 | - | 1,361,393 |
| Provisions | | - | 61,225 |
| Total non-current liabilities | | - | 1,422,618 |
| **Total liabilities** | | 312,308 | 2,649,785 |
| **Net liabilities** | | (114,633) | (1,598,420) |
| **Equity** | | | |
| Issued capital | 15 | 16,502,746 | 16,502,746 |
| Share-based payment reserve | 17 | 2,054,679 | 3,080,607 |
| Accumulated losses | | (18,672,058) | (21,181,773) |
| **Total equity/(deficiency)** | | (114,633) | (1,598,420) |

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

**buyMyplace.com.au Limited**
**Statement of changes in equity**
**For the year ended 30 June 2019**

| Consolidated | Contributed equity $ | Share-based payment reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 July 2017 | 15,913,716 | 2,202,907 | (16,007,794) | 2,108,829 |
| Loss after income tax expense for the year | - | - | (5,512,282) | (5,512,282) |
| Other comprehensive (loss)/income for the year, net of tax | - | - | - | - |
| Total comprehensive (loss)/income for the year | - | - | (5,512,282) | (5,512,282) |
| Shares issued | 609,030 | - | - | 609,030 |
| Transaction costs in issuing shares | (20,000) | - | - | (20,000) |
| Share based payments | - | 1,077,396 | - | 1,077,396 |
| Options forfeited | - | (338,303) | 338,303 | - |
| Equity component of convertible notes | - | 138,607 | - | 138,607 |
| Balance at 30 June 2018 | 16,502,746 | 3,080,607 | (21,181,773) | (1,598,420) |

| Consolidated | Contributed Equity $ | Share-based payment reserve $ | Accumulated losses $ | Total deficiency in equity $ |
|---|---|---|---|---|
| Balance at 1 July 2018 | 16,502,746 | 3,080,607 | (21,181,773) | (1,598,420) |
| Adjustment on adoption of AASB 15 | | | (331,670) | (331,670) |
| Adjusted Balance at 1 July 2018 | 16,502,746 | 3,080,607 | (21,513,443) | (1,930,090) |
| Profit/(Loss) after income tax expense for the year | - | - | 2,702,778 | 2,702,778 |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | 2,702,778 | 2,702,778 |
| Share based payments | - | 243,317 | - | 243,317 |
| Options forfeited | - | (1,130,638) | - | (1,130,638) |
| Equity component of convertible notes | - | (138,607) | 138,607 | - |
| Balance at 30 June 2019 | 16,502,746 | 2,054,679 | (18,672,058) | (114,633) |

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

**buyMyplace.com.au Limited**
**Statement of cash flows**
**For the year ended 30 June 2019**

| | Note | Consolidated 2019 $ | 2018 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 268,334 | 2,830,456 |
| Receipts from sub-lessee | | 61,409 | 73,477 |
| Payments to suppliers and employees | | (1,746,242) | (6,780,360) |
| | | (1,416,499) | (3,876,427) |
| Interest received | | 223 | 1,547 |
| R&D tax incentive | | 109,791 | 49,622 |
| Net cash used by discontinued operations | | (1,339,424) | - |
| Net cash used in operating activities | 30 | (2,645,909) | (3,825,258) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | - | (39,770) |
| Payments for intangibles | | - | (226,391) |
| Payments for acquisition of investments (net of cash acquired) | | - | (149,115) |
| Proceeds from disposal of discontinued operations | 6 | 100,000 | - |
| Net cash provided by /(used in) investing activities | | 100,000 | (415,276) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | - | 475,000 |
| Transaction costs on issue of shares | | - | (20,000) |
| Transaction costs on issue of shares | | (50,000) | - |
| Proceeds from borrowings | | 2,443,095 | 1,500,000 |
| Net cash from financing activities | | 2,393,095 | 1,955,000 |
| Net decrease in cash and cash equivalents | | (152,814) | (2,285,534) |
| Cash and cash equivalents at the beginning of the financial year | | 267,783 | 2,553,317 |
| Cash and cash equivalents at the end of the financial year | 9 | 114,969 | 267,783 |

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

## Note 1. General information

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

buyMyplace.com.au Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity'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 26 September 2019. 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.

### Going concern

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. However, during the financial year ended 30 June 2019 the consolidated entity experienced a loss from continued operations of before tax of $362,969 (30 June 2018: $3,562,057 loss). At 30 June 2019 the consolidated entity had cash and cash equivalents of $114,969 (30 June 2018: $267,783) and net current liabilities, being current assets less current liabilities, of $122,098 (30 June 2018: Net current liabilities $672,357). Cash outflows from operating activities during the financial year were $2,645,909 (30 June 2018: $3,825,258)

The ability of the Company to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business.

In determining that the going concern assumption is appropriate, the Directors have had regard to:

- Subject to the matters below, the Group cashflow forecast shows a positive cash position for a period extending beyond twelve months from this report;
- The completion of issue of a new convertible note to fund the short-term needs of the business and/or other short-term capital raising initiatives;
- Successful capital raise and/or rights issue sometime in the 2020 financial year; and,
- A subsequent undertaking of an ASX recompliance process and/or the satisfaction of the ASX to allow the company to recommence trading on the exchange.

The consolidated entity's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the consolidated entity may be unable to continue as a going concern and may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the 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').

*Historical cost convention*

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

**Note 2. Significant accounting policies (continued)**

**Parent entity information**
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 26.

**Principles of consolidation**
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of buyMyplace.com.au Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. buyMyplace.com.au Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

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

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

**Finance costs**
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

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

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

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

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

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

## Note 2. Significant accounting policies (continued)

### *New standards adopted at 1 July 2018*

*AASB 9 Financial Instruments*
The consolidated entity has adopted AASB 9 from 1 July 2018.
The adoption of AASB 9 has been identified as affecting the entity through the introduction of new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.
New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.
For the consolidated entity there was no material impact to the recognition of trade and other receivables balance upon adoption.

*AASB 15 Revenue from Contracts with Customers*
The consolidated entity has adopted AASB 15 from 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.
The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.
The adoption of AASB 15 has been identified as affecting the following areas:
- DIY Packages (derived by BMH subsidiaries disposed of during the year - refer Note 7)
- Conveyancing services

**DIY Packages Revenue**

DIY Packages include:
i. List the property online; and,
ii. Provision of the board (to be set up outside the advertised property).

A third-party contractor is utilised to deliver and retrieve the boards to customers, however BMP is considered to be the principal.
DIY Packages comprises a wide array of features, however, the performance obligations embedded within the broader service offering are the two performance obligations identified above.

The criteria for revenue recognition arising from both the listing of the online property, and the provision of the board, following the adoption of AASB 15, will change from point in time to over time recognition. This is consistent with paragraph 35(a) of AASB 15.
The criteria for over time revenue recognition when applied to the relevant performance obligation of online listing/advertising of the property, within DIY packages, suggests that the customer simultaneously receives and consumes the benefit of online listing service, and of the board providing the advertised property's details over time as the goods and services are provided.

Our assessment of the performance obligations inherent within DIY packages being provided over time as at 1 July 2018 found that the entity was required to recognise deferred revenue contract liability balance of $331,670.

The adjustment for 1 July 2018 has been adjusted through the statement of changes in equity as an opening balance adjustment to retained earnings.

**Note 2. Significant accounting policies (continued)**

**Conveyancing Services Revenue**

Conveyancing Services include:
Facilitating property sale and purchase, for a variety of customers; it involves drafting sale and/or purchase contracts, conducting property search, solicitors' review, transfer documentation and discharge of mortgage documents etc.
Conveyancing is provided for both property sale and purchase.
Some services embedded within this process are bundled together, however, the entity has broadly identified the following two performance obligations incidental to conveyancing services.

For property sales:
i. Pre-sale searches and documentation
ii. Post exchange and settlement documentation

For property purchases include:
i. Under-offer searches and documentation
ii. Post exchange and settlement documentation

The first performance obligation attributable to both sale and purchase arrangements will have no impact following the adoption of AASB 15. However, the later performance obligation's (being the settlement of services) revenue satisfaction pattern will change from point in time to over time revenue recognition.

This is based on the applicable ruling provided in paragraph 35(a) of AASB 15, the criteria for over time revenue recognition when applied to the relevant performance obligation, within conveyancing Services (Property sale or purchase settlement) suggests that the customer simultaneously receives and consumes the benefit of conveyancing services.
Where the pattern of satisfaction of promised goods/services (that is, the performance obligation) adheres or conforms to the criteria above, it's rather indicative of over time revenue recognition than point in time, regardless of the invoicing pattern and/or timing of relevant cash inflows.

Our assessment of the performance obligations inherent within conveyancing services being provided over time as at 1 July 2018 and 30 June 2019 found no adjustment was required to be in line with AASB 15.

On the date of the initial application of AASB15, 1 July 2018, the impact to retained earnings of the Group is as follows:

| Impact area | Other equity | Retained earnings | Total equity |
|---|---|---|---|
| DIY packages revenue | - | 331,670 | 331,670 |

The tables below highlight the impact of AASB 15 on the Group's statement of profit or loss and other comprehensive income and the statement of financial position for the 30 June 2019 year end. The adoption of AASB 15 did not have a material impact on the Group's statement of cash flows.

| Statement of Profit or Loss and Other Comprehensive Income (Extract) | Amounts under AASB 118 and AASB 111 | Adjustments | Amounts under AASB 15 |
|---|---|---|---|
| Revenue from discontinued operations | 1,122,651 | (53,385) | 1,069,266 |
| Conveyancing services revenue | 217,351 | - | 217,351 |
| Gain from disposal of subsidiary and settlement of liabilities* | 3,640,034 | 385,055 | 4,025,089 |
| Impact on total comprehensive income for the period | 4,980,036 | 331,670 | 5,311,706 |

* During the period, the consolidated entity disposed of BMH subsidiaries, as detailed in Note 7. As a result of the recognition of deferred revenue balances under AASB 15, the gain on this disposal increased by the amount noted above.
The adoption of AASB 15 did not have a material impact on the Group's statement of cash flows.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

*AASB 16 Leases*

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019. The Group does not currently have any leases, therefore this standard is not expected to have any impact

### 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.

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Share-based payment transactions*
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted after taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by using a binomial option pricing model, based on a number of critical underlying assumptions such as risk-free rate, volatility, forecast dividends, probability of achieving the vesting conditions and the timing of when they are expected to be achieved. The related assumptions are detailed in Note 33.

The Group operates equity-settled share-based remuneration plans for its directors and employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share-based payments reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if equity instruments ultimately exercised are different to that estimated on vesting.

Upon exercise of equity instruments, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

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

*Goodwill and other indefinite life intangible assets*
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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

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

## Note 3. Critical accounting judgements, estimates and assumptions (continued)

*Business combinations*
As discussed in Note 27, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

## Note 4. Operating segments

*Identification of reportable operating segments*
The consolidated entity operated predominately in the online property services industry and conveyancing industry within Australia. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

*Operating segment information*

| **Consolidated - 2019** | Conveyancing $ | Real Estate Services $ | Overhead $ | Total $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Sales to external customers | 217,351 | - | - | 217,351 |
| Revenue from discontinued operations | - | 1,122,650 | - | 1,122,650 |
| Gain on disposal of discontinued operations | - | - | 4,025,089 | 4,025,089 |
| Other revenue | - | - | 74,417 | 74,417 |
| **Total revenue** | 217,351 | 1,122,650 | 4,099,506 | 5,439,507 |
| | | | | |
| **Expenses** | | | | |
| Cost of sales | 66,692 | - | - | 66,692 |
| Legal and business services | 59,393 | - | 504,817 | 564,210 |
| Advertising and marketing | 1,845 | - | 5,000 | 6,845 |
| Salary and employment expenses | 113,101 | - | 291,672 | 404,773 |
| Depreciation and amortisation | 6,860 | - | 15,833 | 22,693 |
| Impairment of goodwill re MPC acquisition | - | - | - | - |
| Share based payments | - | - | (698,398) | (698,398) |
| Finance costs | 5 | - | 58,076 | 58,081 |
| Expense from discontinued operations | - | 2,081,992 | - | 2,081,992 |
| Other expenses | 38,006 | - | 191,835 | 229,841 |
| **Profit before income tax expense** | (68,551) | (959,342) | 3,730,671 | 2,702,778 |
| Income tax expense | | | | - |
| **Profit after income tax expense** | | | | 2,702,778 |
| | | | | |
| **Assets** | | | | |
| Segment assets | 13,014 | - | 184,661 | 197,675 |
| **Total assets** | | | | 197,675 |
| | | | | |
| **Liabilities** | | | | |
| Segment liabilities | 133,757 | - | 178,551 | 312,308 |
| **Total liabilities** | | | | 312,308 |

**Note 4. Operating segments (continued)**

| Consolidated - 2018 | Conveyancing $ | Real Estate Services $ | Overhead $ | Total $ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Sales to external customers | 328,105 | - | - | 328,105 |
| Revenue from discontinued operations | - | 2,586,022 | - | 2,586,022 |
| Other revenue | - | - | 74,779 | 74,779 |
| **Total revenue** | 328,105 | 2,586,022 | 74,779 | 2,988,906 |
| **Expenses** | | | | |
| Cost of sales | (108,882) | - | - | (108,882) |
| Legal and business services | (58,820) | - | (1,004,863) | (1,063,683) |
| Advertising and marketing | (7,363) | - | (3,441) | (10,804) |
| Salary and employment expenses | (150,262) | - | (1,009,448) | (1,159,710) |
| Depreciation and amortisation | (12,708) | - | (34,598) | (47,306) |
| Impairment of goodwill re MPC acquisition | - | - | (226,946) | (226,946) |
| Share based payments | - | - | (947,372) | (947,372) |
| Finance costs | (216) | - | (563) | (779) |
| Expense from discontinued operations | - | (4,536,247) | - | (4,536,340) |
| Other expenses | (56,910) | - | (342,549) | (399,366) |
| **Loss before income tax expense** | (67,056) | (1,950,225) | (3,495,001) | (5,512,282) |
| Income tax expense | | | | - |
| **Loss after income tax expense** | | | | (5,512,282) |
| Assets | | | | |
| **Segment assets** | 57,936 | 585,661 | 407,768 | 1,051,365 |
| Total assets | | | | 1,051,365 |
| Liabilities | | | | |
| **Segment liabilities** | 101,938 | 323,682 | 2,224,165 | 2,649,785 |
| **Total liabilities** | | | | 2,649,785 |

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

**Note 5. Revenue**

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Conveyancing revenue | 217,351 | 328,105 |

*Accounting policy for revenue recognition*
Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. For further details on Groups revenue recognition policy refer to Note 2 impact of AASB 15.

## Note 6. Other income

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Interest income | 223 | 1,302 |
| Sub-lease income | 61,409 | 73,477 |
| Research and development tax incentive income | 12,785 | - |
| Other income | 74,417 | 74,779 |

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

*Sub-lease income*
Sub-lease income from operating leases is recognised on a straight-line basis over the sub-lease term.

*Research and development tax incentive income*
Research and development tax incentive income is recognised in the period in which the expenditure giving rise to the incentive is incurred.

## Note 7. Discontinued operations

*Financial performance information*

| | Consolidated 30 June 2019 $ | Consolidated 30 June 2018 $ |
|---|---|---|
| Revenue from discontinued operations | 1,122,650 | 2,586,022 |
| Gain on disposal of subsidiaries and settlement of liabilities | 4,025,089 | |
| Expenses from discontinued operations | (2,081,992) | (4,536,247) |
| Gain/(Loss) before income tax expense | 3,065,747 | (1,950,225) |
| Income tax expense | - | - |
| Gain/(Loss) after income tax expense from discontinued operations | 3,065,747 | (1,950,225) |

On 13 November 2018, the Company announced the execution of a binding term sheet with KM Custodians for the sale of key 'BMH subsidiaries' (consisting of BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd, and BuyMyPlace Finance Pty Ltd) to KM Custodians, the holder of the Financing Facility.
Conditions precedent to this transaction include the forgiveness of the Financing Facility, which were also announced to have an additional extension of $500,000 on this date (amounting to a total loan of $4 million to be forgiven) as well as payment of $100,000 as cash consideration for acquisition of the above named BMH subsidiaries, and pending shareholder approval.

**Note 7. Discontinued operations (continued)**

*Gain on disposal of subsidiaries and settlement of liabilities*
On 21 December 2018, the Company disposed of its interests in key 'BMH subsidiaries' (consisting of BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd, and BuyMyPlace Finance Pty Ltd)
The gain on disposal of these subsidiaries amounted to $4,025,089, and includes the following key figures:

- $4,000,000* proceeds on forgiveness of finance facility;
- ($138,607) equity component of finance facility;
- $100,000 sale consideration received; and
- $94,833 gain due to net liabilities of subsidiaries disposed of.

* The proceeds on forgiveness of debt facility of $4 million is the total amount that had been received at the date of disposal. This does not include a $1 million share premium which was payable if the loan was repaid early. This is because the loan was renegotiated as part of the sale of subsidiaries rather than being repaid early. Therefore this premium did not become payable.

| | 21 Dec 2018 |
|---|---|
| **Net liabilities of BMH Subsidiaries on disposal** | |
| Cash and cash equivalents | 289,851 |
| Trade and other receivables | 54,969 |
| Plant and equipment | 27,488 |
| Intangible assets | 388,296 |
| Trade and other payable | (187,735) |
| Contract liabilities | (385,055) |
| Employee benefit provisions | (82,647) |
| Borrowings | (200,000) |
| | (94,833) |

**Note 8. Income tax**

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| *Numerical reconciliation of income tax expense and tax at the statutory rate* | | |
| Loss before income tax expense from continuing operations | (362,969) | (3,562,057) |
| Gain/(Loss) before income tax expense from discontinuing operations | 3,065,747 | (1,950,225) |
| | 2,702,778 | (5,512,282) |
| Tax at the statutory tax rate of 27.5% | 743,264 | (1,515,878) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Adjustment for non-deductible expenses | 94 | 947 |
| Impairment of goodwill | - | 70,913 |
| Share-based payments | (192,059) | 296,284 |
| Actual tax expense/(income) | 551,299 | (1,147,734) |
| Deferred tax balances not recognised | - | 1,147,734 |
| Utilisation of tax losses | (551,299) | - |
| Income tax expense | - | - |

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| *Tax losses not recognised* | | |
| Unused tax losses for which no deferred tax asset has been recognised | 14,638,882 | 17,311,402 |
| Potential tax benefit @ 27.5% | 4,025,693 | 4,760,636 |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| *Deferred tax assets not recognised* | | |
| Deferred tax assets not recognised comprises temporary differences attributable to: | | |
| Accruals | - | 48,289 |
| Employee benefits | 167 | 54,796 |
| Transaction costs in issued shares | 128,219 | 230,073 |
| Legal costs in business acquisitions | 10,170 | 20,702 |
| Intangible assets | - | 754 |
| Other | 11,142 | 31,772 |
| Total deferred tax assets not recognised | 149,699 | 386,386 |

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

*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.

**Note 8. Income tax (continued)**

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, it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

## Note 9. Current assets - cash and cash equivalents

| | Consolidated | |
|---|---|---|
| | 2019 $ | 2018 $ |
| Cash on hand | 114,969 | 267,783 |

*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 changes in value.

## Note 10. Current assets - trade and other receivables

| | Consolidated | |
|---|---|---|
| | 2019 $ | 2018 $ |
| Trade debtors | 4,303 | 35,230 |
| GST Receivables | 14,051 | 105,846 |
| Other receivables | 5,184 | 63,714 |
| | 23,538 | 204,790 |

All amounts are short-term and non-interest bearing. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group’s trade and other receivables have been reviewed for indicators of impairment and a provision for expected credit losses is recognised based on expected lifetime credit losses. No provisions for expected credit losses are required to be recognised for the year ended 30 June 2019 (2018: Nil).

## Note 10. Current assets - trade and other receivables (continued)

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. The Group uses a simplified approach in accounting for trade and other receivables and records the provision for expected credit losses at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

## Note 11. Non-current assets - intangible assets

| | Consolidated | |
|---|---|---|
| | 2019<br>$ | 2018<br>$ |
| Goodwill - at cost | - | 288,170 |
| Less: Impairment - MPC Acquisition | - | (226,945) |
| | - | 61,225 |
| | | |
| Website - at cost | - | 197,681 |
| Less: Accumulated amortisation | - | (112,348) |
| | - | 85,333 |
| | | |
| Software - at cost | - | 272,357 |
| Less: Accumulated amortisation | - | (51,838) |
| | - | 220,519 |
| | | |
| | - | 367,077 |

Intangible assets related to website and software were disposed of as a part of the disposal of discontinued operations, refer to Note 7 for details.
Goodwill relates to contingent consideration payable to vendors of the MyPlace Conveyancing Pty Ltd, a prior period acquisition; this was impaired during the year, however no expense is recorded as it is offset by the balance payable under the contingent consideration liability.
The contingent consideration is no longer considered payable due to the decrease in likelihood of the earnings targets being met.

**Note 11. Non-current assets - intangible assets (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** | Goodwill $ | Website $ | Software $ | Total $ |
|---|---|---|---|---|
| Balance at 30 June 2017 | - | 101,093 | 59,259 | 160,352 |
| Additions | - | 23,581 | 202,650 | 226,231 |
| Additions through business combinations (Note 27) | 288,170 | - | - | 288,170 |
| Impairment - MPC Acquisition | (226,945) | - | - | (226,945) |
| Amortisation expense | - | (39,341) | (41,390) | (80,731) |
| Balance at 30 June 2018 | 61,225 | 85,333 | 220,519 | 367,077 |
| Additions | - | - | - | - |
| Impairment | (61,225) | | | |
| Disposal through sale of business (Note 7) | - | (85,333) | (220,519) | (367,077) |
| Amortisation expense | - | - | - | - |
| Balance at 30 June 2019 | - | - | - | - |

*Accounting policy for intangible assets*
Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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

*Website*
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a 33% diminishing value basis over the period of their expected benefit, being their finite life of 1-3 years.

*Software*
Significant costs associated with software are deferred and amortised on a 33% diminishing value basis over the period of their expected benefit, being their finite life of 1-3 years.

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

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

## Note 12. Current liabilities - trade and other payables

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Trade and other payables | 269,213 | 1,116,426 |
| | 269,213 | 1,116,426 |

Refer to note 19 for further information on financial instruments.

*Accounting policy for trade and other payables*
These amounts represent liabilities for goods and services provided to the consolidated entity 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 13. Non-current liabilities - borrowings

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Debt Facility | - | 1,361,393 |

Refer to Note 19 for further information on financial instruments.

*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.

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.

## Note 14. Non-current liabilities - provisions

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Provision for Contingent Consideration | - | 61,225 |

*Contingent consideration*
The provision represents the obligation to pay contingent consideration following the acquisition of MyPlace Conveyancing. It is measured at the present value of the estimated liability. Due to the performance of the MPC business for the year ended 30 June 2019 it is no longer expected that this will be paid.

## Note 15. Equity - issued capital

| | Consolidated | | | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| | **Shares** | **Shares** | **$** | **$** |
| Ordinary shares - fully paid | 67,508,545 | 67,508,545 | 16,502,746 | 16,502,746 |

**Note 15. Equity - issued capital (continued)**

*Movements in ordinary share capital*

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 July 2017 | 63,743,754 | | 15,913,716 |
| Issue of shares | 28 July 2017 | 583,775 | $0.171 | 100,000 |
| Issue of shares | 8 December 2017 | 3,125,000 | $0.160 | 500,000 |
| Issue of shares | 9 May 2018 | 56,016 | $0.161 | 9,030 |
| Transaction costs in issuing shares | | - | $0.000 | (20,000) |
| Balance | 30 June 2018 | 67,508,545 | | 16,502,746 |
| Issue of shares | | - | - | - |
| Balance | 30 June 2019 | 67,508,545 | | 16,502,746 |

*Ordinary shares*
Ordinary shares have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. The voting rights attached to the ordinary shares at a general meeting of shareholders are such that on a show of hands every member present (in person or by proxy) shall have one vote and on a poll one vote for each share held. Ordinary shares have no par value.

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

*Capital risk management*
The consolidated entity'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 consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value-adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

*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 16. Equity - deferred consideration shares**

In the prior financial year the Company issued 15,000,003 deferred consideration shares to the shareholders of BuyMyHome Pty Ltd as a consideration pursuant to Share Sale Agreement for the acquisition of BuyMyHome Pty Ltd. Each deferred consideration share converts into one ordinary share, subject to meeting specific conditions within specified period.

Due to the disposal of BuyMyHome Pty Ltd during the year the deferred consideration on these shares was not achieved and is no longer as at 30 June 2019.

## Note 17. Equity - share-based payment reserve

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Share based payments reserve | 2,054,679 | 3,080,607 |

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

| **Consolidated** | Share based payments $ |
|---|---|
| Balance at 1 July 2017 | 2,202,907 |
| Share based payments* | 1,077,396 |
| Options forfeited | (338,303) |
| Equity component of convertible notes | 138,607 |
| Balance at 30 June 2018 | 3,080,607 |
| Share based payments* | 243,317 |
| Options forfeited | (1,130,638) |
| Transfer of equity component of convertible notes to accumulated losses** | (138,607) |
| Balance at 30 June 2019 | 2,054,679 |

* Share based payments for the period include amortisation of prior year performance rights and options which are expensed over the relevant vesting period. Included in this value are the 3 Tranches options granted to an employee in August 2016 and 3 Tranches of zero exercise priced options granted to the CEO in December 2017 and options granted to KM Custodians for finance facility.

** The convertible note associated with the value noted above was settled as a part of the disposal of discontinued operations during the period, refer to Note 7 for further details. Therefore the equity component has been transferred to accumulated losses.

## Note 18. Equity - dividends

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

## Note 19. Financial instruments

***Financial risk management objectives***
The Group's activities expose it to a variety of financial risk: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets and seeks to assist the Group in meeting its financial targets whilst minimising potential adverse effects on the financial performance of the Group.

The Group's principal financial instrument is cash at bank, which main purpose is to earn the maximum amount of interest at a low risk to the Group. The Group also has other financial instruments, such as trade debtors and creditors, which arise directly from its operations. For the year under review, it has been the Group's policy not to trade in financial instruments.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include credit risk, cash management and future cash flow requirements. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

## Note 19. Financial instruments (continued)

### *Market risk*

*Foreign currency risk*
The consolidated entity is not exposed to any significant foreign currency risk.

*Price risk*
The consolidated entity is not exposed to any significant price risk.

*Interest rate risk*
The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings, if any, are therefore usually at fixed rates. At 30 June 2019, the Group is exposed to changes in market interest rates through short-term bank deposits at floating interest rates. Other borrowings are at fixed interest rates.

As at the reporting date, the consolidated entity had the following variable rate borrowings and interest rate swap contracts outstanding:

| | 2019 | | 2018 | |
|---|---|---|---|---|
| **Consolidated** | **Weighted average interest rate %** | **Balance $** | **Weighted average interest rate %** | **Balance $** |
| Cash and cash equivalents | 0.11% | 114,969 | 0.11% | 267,783 |
| Net exposure to cash flow interest rate risk | | 114,969 | | 267,783 |

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.5% (2018: +/- 0.5%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

| | Basis points increase | | | Basis points decrease | | |
|---|---|---|---|---|---|---|
| **Consolidated - 2019** | **Basis points change** | **Effect on profit before tax** | **Effect on equity** | **Basis points change** | **Effect on profit before tax** | **Effect on equity** |
| Cash at bank | 50 | 575 | 575 | 50 | (575) | (575) |

| | Basis points increase | | | Basis points decrease | | |
|---|---|---|---|---|---|---|
| **Consolidated - 2018** | **Basis points change** | **Effect on profit before tax** | **Effect on equity** | **Basis points change** | **Effect on profit before tax** | **Effect on equity** |
| Cash at bank | 50 | 1,339 | 1,339 | 50 | (1,339) | (1,339) |

The Group's trade and other receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### *Credit risk*
Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, summarised below:

**Note 19. Financial instruments (continued)**

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Cash and cash equivalents | 114,969 | 267,783 |
| Trade and other receivables | 23,538 | 204,790 |
| | 138,507 | 472,573 |

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality.

At 30 June, the Group has certain trade and other receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 30 June analysed by the length of time past due, are:

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

***Liquidity risk***
Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a week-to-week basis as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified quarterly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30- day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables.

*Remaining contractual maturities*
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| **Consolidated - 2019** | Weighted average interest rate % | 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 | - | 269,213 | - | - | - | 269,213 |
| Other loans | 12% | 43,095 | - | - | - | 43,095 |
| Total non-derivatives | | 312,308 | - | - | - | 312,308 |

## Note 19. Financial instruments (continued)

| Consolidated - 2018 | Weighted average interest rate % | 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 | - | 1,073,426 | - | - | - | 1,073,426 |
| Other loans | - | - | 1,361,393 | - | - | 1,361,393 |
| Total non-derivatives | | 1,073,426 | 1,361,393 | - | - | 2,434,819 |

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 20. Fair value measurement

*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.

## Note 21. Key management personnel disclosures

*Directors*
The following persons were directors of buyMyplace.com.au Limited during the financial year:

| | |
|---|---|
| Matthew Driscoll | Non-Executive Director |
| David Niall | Non-Executive Director |
| Gavan Flower | Non-Executive Director |
| Cameron Fisher (resigned 15 February 2019) | Non-Executive Director |
| Paul Spottiswood (resigned 15 February 2019) | Non-Executive Director |
| Stephen Moulton (resigned 15 February 2019) | Non-Executive Director |

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

| | |
|---|---|
| Colin Keating | Chief Executive Officer (resigned 5 December 2018) |

## Note 21. Key management personnel disclosures (continued)

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

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Short-term employee benefits | 304,294 | 875,515 |
| Post-employment benefits | 19,128 | 32,182 |
| Share-based payments | 146,170 | 402,009 |
| | 469,592 | 1,309,706 |

## Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the company:

| | Consolidated | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| *Audit services - Grant Thornton* | | |
| Audit or review of the financial statements | 50,000 | 66,500 |
| *Other services - Grant Thornton* | | |
| Preparation of tax return and other tax services | 10,000 | 9,055 |
| Integration consulting | - | 20,364 |
| | 60,000 | 29,419 |
| | 60,000 | 95,919 |

## Note 23. Contingent liabilities

As at 30 June 2019, there were unfulfilled conveyancing service obligations. These services are unquantifiable. Fulfilment of these services are estimated to not have a cost that exceeds $20,000 at the date of this report. In 2018 a contingent liability of $61,225 was noted for deferred consideration on shares (2019: nil).

## Note 24. Commitments

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| *Lease commitments - operating lease as a lessee* | | |
| The Group leases an office building under an operating lease. The rental contract has a non-cancellable term of three years with 3 further options to lease for another three years each. The future minimum lease payments are as follows: | | |
| Within one year | - | 77,799 |
| One to five years | - | - |
| | - | 77,799 |
| *Operating lease as a lessor* | | |
| The Group sub-leases the office building that it currently leases to a related party as disclosed in Note 25. The sub-lease agreement has the same terms and conditions as per the lease agreement. | | |
| Within one year | - | 51,866 |
| One to five years | - | - |
| | - | 51,866 |

The Group has no outstanding capital commitments as at 30 June 2019 (2018: Nil)

## Note 25. Related party transactions

*Parent entity*
buyMyplace.com.au Limited is the parent entity.

*Subsidiaries*
Interests in subsidiaries are set out in Note 28.

*Key management personnel*
Disclosures relating to key management personnel are set out in note 21 and the remuneration report included in the directors' report.

*Transactions with related parties*
Consulting services

During the financial year, Sprint Capital Partners has been remunerated for professional services fees to the Consolidated Entity for financial services totalling $44,000 (2018:nil). Sprint Capital Partners is a related party to David Niall and Gavan Flower. Sprint Capital Partners has not been paid for Director services.

During the financial year ended 30 June 2019, Changing Places, a company associated with C. Fisher provided real estate consulting services and received consulting fees of $nil (2018: $144,000).

Salaries and Wages

M. Fisher, a family member of C. Fisher, was employed by BuyMyHome Pty Ltd during the year. Her remuneration during the current and previous financial years was as follows:

Salaries including bonuses $11,000 (2018: $29,194), Superannuation expenses $nil (2018: $2,442) and Annual Leave $Nil (2018: $4,090).

## Note 25. Related party transactions (continued)

Legal services

During the current year, Gadens Lawyers, a firm of which S.Moulton is a partner, provided legal services and received fees of $114,887 (2018:$321,948).

Corporate advisory services

During the current year no corporate advisory services have been provided. In the prior year, 333 Capital Pty Ltd, a company of which P.Spottiswood is Managing Director, provided corporate advisory services and received fees of $100,000. In addition, a $30,000 success fee was paid to 333 Capital Pty Ltd as a result of securing a debt financing facility for the Group.

Debt facility fees

During the current year no debt facility fees have been paid. In the prior year, KM Custodians Pty Ltd, a shareholder of 333 Capital Pty Ltd a company of which P.Spottiswood is Managing Director, provided a $1 million debt financing facility and received a facility fee of $50,000. Further to this, KM Custodians Pty Ltd provided a second debt facility of $3 million which repaid the first facility and they received a facility fee of $150,000.

Sub-let of operating lease

During the current and prior year, property under operating lease has been sub-let to Changing Places, a company of which C. Fisher is a director and beneficial owner. Dealings are on normal commercial terms and conditions. Total sub-lease income for the year was $61,409 (2018: $73,477).

*Receivable from and payable to related parties*
At reporting date $nil was payable to related parties. At reporting date $nil was receivable from related parties.

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*
All transactions were made on normal commercial terms and conditions and at market rates.

## Note 26. Parent entity information

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

*Statement of profit or loss and other comprehensive income*

| | Parent | |
|---|---|---|
| | **2019** | **2018** |
| | **$** | **$** |
| Loss after income tax | (8,611,582) | (3,268,055) |
| Total comprehensive (loss)/income | (8,611,582) | (3,268,055) |

## Note 26. Parent entity information (continued)

*Statement of financial position*

| | Parent 2019 $ | Parent 2018 $ |
|---|---|---|
| Total current assets | 184,661 | 324,780 |
| Total assets | 299,751 | 406,700 |
| Total current liabilities | 99,628 | 801,535 |
| Total liabilities | 99,628 | 2,162,928 |
| Equity | | |
| Issued capital | 17,770,760 | 17,770,760 |
| Share based payments reserve | 4,311,819 | 5,010,217 |
| Accumulated losses | (21,882,456) | (24,537,205) |
| Total equity/(deficiency) | 200,123 | (1,756,228) |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

*Contingent liabilities*
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

*Significant accounting policies*
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## Note 27. Business combinations

During the current period ended 30 June 2019 no business combinations have been entered into.

During the prior period ended 30 June 2018, the Consolidated Entity acquired 100% of the ordinary shares of MyPlace Conveyancing Pty Ltd. It was acquired to invest in areas of strategic interest which complement the entity's commission free real estate business and provide potential in additional earnings streams leveraging off the group's core business.

On 1 August 2017, the Consolidated Entity acquired 100% of the ordinary shares of MyPlace Conveyancing Pty Ltd ("MyPlace Conveyancing") for the total consideration transferred of $316,094.The total consideration includes cash paid of $150,000, 583,775 ordinary shares issued to the owners of MyPlace Conveyancing at market value of $100,000 and contingent consideration of $61,225.The contingent consideration represents the present value of earn out shares that the vendors of MyPlace Conveyancing will be entitled to upon achieving the performance hurdles.
MyPlace Conveyancing was acquired to invest in areas of strategic interest which complement the entity's commission free real estate business and provide potential in additional earnings streams leveraging off the group's core business.

**Note 27. Business combinations (continued)**

MyPlace Conveyancing is an incorporated legal practice engaged exclusively in providing conveyancing services to both property buyers and sellers across New South Wales, Victoria, Queensland and Western Australia with other states rolling out in the short to medium term. The recognised goodwill of $288,170 represents the purchase price paid (including contingent consideration) less the fair value of net assets acquired. The acquired business contributed revenues of $328,105 to the consolidated entity for the period from 1 August 2017 to 30 June 2018.

Details of the acquisition are as follows:

| | **Fair value** **$** |
|---|---|
| Cash and cash equivalents | 885 |
| Trade receivables | 8,582 |
| Prepayments | 2,466 |
| Plant and equipment | 18,087 |
| Other assets | 1,077 |
| Trade payables | (8,042) |
| Net assets acquired | 23,055 |
| Goodwill | 288,170 |
| Acquisition-date fair value of the total consideration transferred | 311,225 |
| Representing: | |
| Cash paid or payable to vendor | 150,000 |
| buyMyplace.com.au Limited shares issued to vendor | 100,000 |
| Contingent consideration | 61,225 |
| | 311,225 |
| Cash used to acquire business, net of cash acquired: | |
| Cash paid | 150,000 |
| Cash acquired | (885) |
| Net cash used | 149,115 |

Consideration transferred

The fair value of the ordinary shares issued to vendor was $0.1713 per ordinary share, being the closing share price on 28 July 2017(issue date). These shares are subject to a voluntary escrow for a period of 12 months.

The contingent consideration is calculated as the present value of consideration for the earn-out period by applying a probability of achieving the following performance hurdles:

(a) the Company recording annual gross revenue of $250,000 (excluding GST) in its Earn Out Accounts for FY19;
(b) the Company recording annual gross revenue of $650,000 (excluding GST) in its Earn Out Accounts for any financial year during the Earn Out Period.

The probability of achieving performance hurdle is determined by management based on analysis of current year cost of sales, current year revenue and budgeted revenue for the earn out period.

## Note 27. Business combinations (continued)

*Acquisition related costs*
Acquisition-related costs are not included as part of consideration for the acquisition and have been recognised as transaction costs.
These costs amount to $47,160 and have been included within legal and business service expense in the Statement of Profit or Loss and Other Comprehensive Income.

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

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

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

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

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

## Note 28. 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 | Principal place of business / Country of incorporation | Ownership interest 2019 % | Ownership interest 2018 % |
|---|---|---|---|
| BuyMyHome Pty Ltd* | Australia | - | 100.00% |
| BuyMyHome (Agency) Pty Ltd* | Australia | - | 100.00% |
| MyPlace Conveyancing Pty Ltd | Australia | 100.00% | 100.00% |
| BuyMyPlace Australia Pty Ltd | Australia | - | 100.00% |
| BuyMyPlace Finance Pty Ltd* | Australia | - | 100.00% |

* BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd, BuyMyPlace Australia Pty Ltd and BuyMyPlace Finance Pty Ltd have been disposed as of 21 December 2018.

## Note 29. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Note 30. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Loss after income tax expense for the year | 2,702,778 | (5,512,282) |
| | | |
| Adjustments for: | | |
| Depreciation and amortisation | 22,693 | 130,132 |
| Share-based payments | (698,398) | 1,077,396 |
| Gain on disposal of subsidiaries and settlement of liabilities | (4,025,089) | |
| Impairment of goodwill on acquisition of MPC | - | 226,946 |
| | | |
| Change in operating assets and liabilities: | | |
| Decrease/(increase) in trade and other receivables | 181,252 | (108,261) |
| Decrease/(increase) in prepayments | 30,534 | (25,470) |
| Decrease/(increase) in other non-financial assets | 40,506 | (40) |
| (Decrease)/increase in trade and other payables | (789,444) | 331,106 |
| (Decrease)/increase in other provisions | (110,741) | 55,215 |
| | | |
| Net cash used in operating activities | (2,645,909) | (3,825,258) |

## Note 31. Non-cash investing and financing activities

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Shares issued in relation to business combinations | - | 100,000 |
| Issue of options in relation to working capital financing facility | - | 692,970 |
| | | |
| | - | 792,970 |

## Note 32. Earnings per share

| | Consolidated 2019 $ | Consolidated 2018 $ |
|---|---|---|
| Profit/(Loss) after income tax attributable to the owners of buyMyplace.com.au Limited | 2,702,778 | (5,512,282) |

## Note 32. Earnings per share (continued)

| | Number | Number |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 67,508,545 | 67,508,545 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 67,508,545 | 67,508,545 |

| | Cents | Cents |
|---|---|---|
| Basic earnings per share | 4.00 | (8.35) |
| Diluted earnings per share | 4.00 | (8.35) |

Options and performance rights granted to directors, employees and cornerstone investors are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. Accordingly, these options and performance rights have not been included in the determination of basic earnings per share.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these preliminary financial statements.

*Accounting policy for earnings per share*

*Basic earnings per share*
Basic earnings per share is calculated by dividing the profit attributable to the owners of buyMyplace.com.au 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.

## Note 33. Share-based payments

| | Consolidated | |
|---|---|---|
| | 2019<br>$ | 2018<br>$ |
| Share-based payments | (146,170) | (947,372) |
| Options forfeited | 844,568 | - |
| | 698,398 | - |

The Group has put in place a long-term incentive option scheme that entitles directors, employees and other eligible participants to purchase shares in the Company. The scheme is designed to attract, incentivise and retain executives and employees, as well as to align participants' interests with those of shareholders by increasing the value of the Company's shares. The incentive option scheme will be settled in equity. The exercise price of the options under the scheme is set on the date of grant.

In accordance with the Company's second supplementary prospectus dated 19 February 2016, a total of 12,750,000 unlisted options were issued to the directors and employees of the Group on 29 February 2016. Subsequently, additional 1,875,000 unlisted options were issued to cornerstone investors on 4 March 2016.

These options have a 5-year term and will vest if certain conditions are met. It is based either on the volume weighted average share price within a specified period or continuous employment until the end of the agreed vesting period (applicable only for the options issued to directors and employees). All share options carry no voting rights and do not entitle the holder to dividends. Upon vesting, each option allows the holder to purchase one ordinary share determined at grant date.

## Note 33. Share-based payments (continued)

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

2019

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Forfeited | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 29/02/2016 | 28/02/2021 | $0.250 | 4,100,000 | - | - | (2,850,000) | 1,250,000 |
| 29/02/2016 | 28/02/2021 | $0.300 | 4,100,000 | - | - | (2,850,000) | 1,250,000 |
| 29/02/2016 | 28/02/2021 | $0.350 | 4,100,000 | - | - | (2,850,000) | 1,250,000 |
| 04/03/2016 | 28/02/2021 | $0.250 | 625,000 | - | - | (27,574) | 597,426 |
| 04/03/2016 | 28/02/2021 | $0.300 | 625,000 | - | - | (27,573) | 597,427 |
| 04/03/2016 | 28/02/2021 | $0.350 | 625,000 | - | - | (27,573) | 597,427 |
| 19/12/2017 | 01/01/2021 | $0.160 | 6,250,000 | - | - | - | 6,250,000 |
| | | | 20,425,000 | - | - | (8,632,720) | 11,792,280 |
| | | | | | | | |
| Weighted average exercise price | | | $0.26 | $0.00 | $0.00 | ($0.25) | $0.25 |

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

2018

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Forfeited | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 29/02/2016 | 28/02/2021 | $0.250 | 4,100,000 | - | - | - | 4,100,000 |
| 29/02/2016 | 28/02/2021 | $0.300 | 4,100,000 | - | - | - | 4,100,000 |
| 29/02/2016 | 28/02/2021 | $0.350 | 4,100,000 | - | - | - | 4,100,000 |
| 04/03/2016 | 28/02/2021 | $0.250 | 625,000 | - | - | - | 625,000 |
| 04/03/2016 | 28/02/2021 | $0.300 | 625,000 | - | - | - | 625,000 |
| 04/03/2016 | 28/02/2021 | $0.350 | 625,000 | - | - | - | 625,000 |
| 09/08/2016 | 09/08/2021 | $0.250 | 300,000 | - | - | (300,000) | - |
| 26/05/2017 | 26/05/2022 | $0.450 | 300,000 | - | - | (300,000) | - |
| 26/05/2017 | 26/05/2022 | $0.500 | 300,000 | - | - | (300,000) | - |
| 26/05/2017 | 26/05/2022 | $0.550 | 300,000 | - | - | (300,000) | - |
| 13/06/2017 | 13/06/2022 | $0.450 | 350,000 | - | - | (350,000) | - |
| 13/06/2017 | 13/06/2022 | $0.500 | 350,000 | - | - | (350,000) | - |
| 13/06/2017 | 13/06/2022 | $0.550 | 350,000 | - | - | (350,000) | - |
| 19/12/2017 | 01/01/2021 | $0.160 | - | 6,250,000 | - | - | 6,250,000 |
| | | | 16,425,000 | 6,250,000 | - | (2,250,000) | 20,425,000 |
| | | | | | | | |
| Weighted average exercise price | | | $0.32 | $0.16 | $0.00 | $0.47 | $0.26 |

The weighted average remaining contractual life of options outstanding at the end of the financial year was nil years (2018: 2.6 years).

## Note 33. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

2019

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Forfeited | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 29/02/2016 | 30/06/2019 | $0.000 | 1,850,000 | - | - | (1,850,000) | - |
| 29/02/2016 | 30/06/2019 | $0.000 | 1,850,000 | - | - | (1,850,000) | - |
| 29/02/2016 | 30/06/2019 | $0.000 | 1,850,000 | - | - | (1,850,000) | - |
| 04/03/2016 | 30/06/2019 | $0.000 | 625,000 | - | - | (625,000) | - |
| 04/03/2016 | 30/06/2019 | $0.000 | 625,000 | - | - | (625,000) | - |
| 04/03/2016 | 30/06/2019 | $0.000 | 625,000 | - | - | (625,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 200,000 | - | - | (200,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 200,000 | - | - | (200,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 200,000 | - | - | (200,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 200,000 | - | - | (200,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 200,000 | - | - | (200,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 200,000 | - | - | (200,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 750,000 | - | - | (750,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 750,000 | - | - | (750,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | 1,500,000 | - | - | (1,500,000) | - |
| | | | 11,625,000 | - | - | 11,625,000 | - |

2018

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Forfeited | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 29/02/2016 | 30/06/2019 | $0.000 | 3,475,000 | - | - | (1,625,000) | 1,850,000 |
| 29/02/2016 | 30/06/2019 | $0.000 | 3,475,000 | - | - | (1,625,000) | 1,850,000 |
| 29/02/2016 | 30/06/2019 | $0.000 | 3,475,000 | - | - | (1,625,000) | 1,850,000 |
| 04/03/2016 | 30/06/2019 | $0.000 | 625,000 | - | - | - | 625,000 |
| 04/03/2016 | 30/06/2019 | $0.000 | 625,000 | - | - | - | 625,000 |
| 04/03/2016 | 30/06/2019 | $0.000 | 625,000 | - | - | - | 625,000 |
| 26/05/2017 | 26/05/2022 | $0.000 | 300,000 | - | - | (300,000) | - |
| 26/05/2017 | 26/05/2022 | $0.000 | 300,000 | - | - | (300,000) | - |
| 26/05/2017 | 26/05/2022 | $0.000 | 300,000 | - | - | (300,000) | - |
| 13/06/2017 | 13/06/2022 | $0.000 | 350,000 | - | - | (350,000) | - |
| 13/06/2017 | 13/06/2022 | $0.000 | 350,000 | - | - | (350,000) | - |
| 13/06/2017 | 13/06/2022 | $0.000 | 350,000 | - | - | (350,000) | - |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 200,000 | - | - | 200,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 200,000 | - | - | 200,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 200,000 | - | - | 200,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 200,000 | - | - | 200,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 200,000 | - | - | 200,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 200,000 | - | - | 200,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 750,000 | - | - | 750,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 750,000 | - | - | 750,000 |
| 09/05/2018 | 01/01/2021 | $0.000 | - | 1,500,000 | - | - | 1,500,000 |
| | | | 14,250,000 | 4,200,000 | - | (6,825,000) | 11,625,000 |

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was Nil years (2018: 2.6 years).

**Note 33. Share-based payments (continued)**

*Accounting policy for share-based payments*
The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted after taking into account the terms and conditions upon which the instruments were granted. The fair value is determined by using a binomial option pricing model, based on a number of critical underlying assumptions such as risk-free rate, volatility, forecast dividends, probability of achieving the vesting conditions and the timing of when they are expected to be achieved.

The Group operates equity-settled share-based remuneration plans for its directors and employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share-based payments reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if equity instrument ultimately exercised are different to that estimated on vesting.

Upon exercise of equity instruments, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

**buyMyplace.com.au Limited**
**Directors' declaration**
**30 June 2019**

1. In the opinion of the Directors of buyMyplace.com.au Ltd:

   A. The consolidated financial statements and notes of buyMyplace.com.au Ltd are in accordance with the Corporations Act 2001, including:

      i. Giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   B. There are reasonable grounds to believe that buyMyplace.com.au Ltd will be able to pay its debts as and when they become due and payable;

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2019;

3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

On behalf of the directors

David Niall

David Niall
Chairman

26 September 2019

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# Independent Auditor's Report

## To the Members of buyMyplace.com.au Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of buyMyplace.com.au Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $362,969, excluding the income from discontinued operations of $3,065,747, during the year ended 30 June 2019, and as of that date, the Group's current liabilities exceeded its total assets by $114,633. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### 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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Divestment of subsidiaries – Note 7** | |
| The Company sold 100% of the shares in three of its subsidiaries, BuyMyHome Pty Ltd, BuyMyHome (Agency) Pty Ltd and BuyMyPlace Finance Pty Ltd, during the year to KM Custodians, the holder of the financing facility. The sale was in consideration for forgiveness of all debt owing to KM Custodians and a cash payment of $100,000.<br><br>There is a risk that this transaction has not been treated appropriately under AASB 5: *Non-current Assets Held for Sale and Discontinued Operations*.<br><br>This area is a key audit matter due to complexities around the accounting treatment of the divestment and the associated disclosures. | Our procedures included, amongst others:<br><br>• Obtaining the signed Deed of Forgiveness and Binding Term Sheet and reviewing the key terms;<br>• Recalculating the gain on disposal and verifying key inputs to supporting documentation, including the balance of the debt owing to KM Custodians on the date of sale and the net assets of the subsidiaries;<br>• Verifying the amounts recognised as revenue and expenses from discontinued operations; and<br>• Assessing compliance of the related disclosures. |
| **Revenue – Notes 5 & 7** | |
| The Group had two main revenue streams during the year, conveyancing services revenue earned by MyPlace Conveyancing Pty Ltd and DIY packages revenue earned by BuyMyHome (Agency) Pty Ltd. The DIY packages revenue was recognised until the date of disposal of BuyMyHome (Agency) Pty Ltd and is included in revenue from discontinued operations in Note 7.<br><br>AASB 15: *Revenue from Contracts with Customers* has been adopted by the Group from 1 July 2018 and there is a risk that revenue has not been treated appropriately under this new standard.<br><br>This area is a key audit matter due to the management judgement involved in determining performance obligations and the period of time over which revenue should be recognised under AASB 15. | Our procedures included, amongst others:<br><br>• Reviewing the Group's revenue recognition policies and evaluating compliance with AASB 15;<br>• Assessing the transition to AASB 15, including reviewing the calculation of the contract liability as at 1 July 2018;<br>• Performing substantive testing for a sample of revenue recognised in the year for each of the key revenue streams. This included tracing receipts through to bank statement and ensuring that each item had been recognised in accordance with accounting policies and AASB 15; and<br>• Evaluating compliance of the related disclosures. |
| **Share Based Payments – Note 33** | |
| During prior periods, the Group issued share options and performance rights to employees, directors and investors. Historically, the Group engaged a valuation specialist to provide a valuation of these share-based payments.<br><br>At 30 June 2019, most of these share options and performance rights have vested. Those which contained non-market vesting conditions which were not met need to be reversed through the Statement of Profit or Loss and other comprehensive income in accordance with AASB 2: *Share-based Payment.*<br><br>There is a risk that the share based payment expense and reserve have not been appropriately recognised under AASB 2.<br><br>This area is a key audit matter due to the inherent subjectivity involved in management's judgements relating to estimates of likely vesting periods. | Our procedures included, amongst others:<br><br>• Obtaining management's calculation of the share based payment expense and closing reserve balance;<br>• Agreeing the brought forward figures to the prior year financial statements;<br>• Assessing the appropriateness of the assumptions applied to determine which options and performance rights need to be reversed including agreeing vesting conditions to the instrument agreements;<br>• Verifying the mathematical accuracy of the calculations; and<br>• Evaluating compliance of the related disclosures. |

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, 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 we do not express any form of assurance conclusion thereon.

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

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

## Responsibilities of the Directors for the financial report

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

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

## Auditor's responsibilities for the audit of the financial report

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

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

## Report on the remuneration report

### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 7 to 12 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of buyMyplace.com.au Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Simon Trivett

S C Trivett
Partner – Audit & Assurance
Melbourne, 26 September 2019

**buyMyplace.com.au Limited**
**Shareholder information**
**30 June 2019**

The shareholder information set out below was applicable as at 30 July 2019.

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

| | Number of holders of ordinary shares |
|---|---|
| 1 to 1,000 | 149 |
| 1,001 to 5,000 | 156 |
| 5,001 to 10,000 | 84 |
| 10,001 to 100,000 | 231 |
| 100,001 and over | 134 |
| | 754 |
| Holding less than a marketable parcel | 345 |

**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 | % of total shares issued |
| Changing Places Real Estate Consultants Pty Ltd | 7,183,024 | 10.64 |
| KM Custodians Pty Ltd | 6,919,513 | 10.25 |
| Butterss Resources Pty Ltd (P&N Butterss A/C) | 2,563,109 | 3.80 |
| M & M Driscoll Nominees Pty Ltd (The Driscoll Family A/C) | 2,385,353 | 3.53 |
| Bentale Pty Ltd (Allambi Road Family A/C) | 1,425,000 | 2.11 |
| Karlusic Investments Pty Ltd (Karlusic Family A/C) | 1,239,435 | 1.84 |
| Enterprize Pty Ltd (Enterprize A/C) | 1,202,980 | 1.78 |
| Garsind Pty Ltd (Ruth Ross Super Fund A/C) | 1,196,250 | 1.77 |
| Metronome Design Pty Ltd (Paul Becca Family A/C) | 961,883 | 1.42 |
| Powerwrap Limited (Scheme A/C) | 960,993 | 1.42 |
| Hot Clothing Company Pty Ltd (C D Wilks Super Fund A/C) | 915,871 | 1.36 |
| Morrmac Pty Ltd (Mimie Maclaren Pension A/C) | 900,000 | 1.33 |
| Mr Laurence Holyoake | 728,404 | 1.08 |
| TWG Investments Pty Ltd (Twg Super Fund A/C) | 673,663 | 1.00 |
| Mrs Rosalind Lawrence (Rosalind Lawrence PSF A/C) | 641,506 | 0.95 |
| Mr Peter Ronec (Ronec Family A/C) | 638,130 | 0.95 |
| CTC Keating Super Pty Ltd (CTC Keating Super Fund A/C) | 625,000 | 0.93 |
| Citicorp Nominees Pty Limited | 580,204 | 0.86 |
| Fionica Pty Ltd (Davdev Family A/C) | 574,213 | 0.85 |
| Louandi Super Fund Pty Ltd (Louandi Super Fund A/C) | 560,387 | 0.83 |
| | 32,874,918 | 48.70 |

*Unquoted equity securities*

| | Number on issue | Number of holders |
|---|---|---|
| Options over ordinary shares issued | 11,792,280 | 5 |
| Performance rights over ordinary shares issued | - | - |

**buyMyplace.com.au Limited**
**Shareholder information**
**30 June 2019**

## Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares Number held | % of total shares issued |
|---|---|---|
| Changing Places Real Estate Consultants Pty Ltd | 7,183,024 | 10.64 |
| KM Custodians Pty Ltd | 6,919,513 | 10.25 |

## Voting rights

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

*Ordinary shares*
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.