ANNUAL REPORT 2021

Victory Offices

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Award Winning Flexible Workspace Providers

CHAIRMAN AND MANAGING DIRECTOR'S LETTER

For the 2021 Financial Year

Dear Shareholders,

Victory Offices has been encouraged by the progress with getting our Australian economy up and running again in the coming weeks. The green shoots of growth and opportunity are being witnessed and I am looking forward to the second half of FY 22 being a significant improvement on what we have all experienced across the economy these past 18 months.

It is no surprise that the 2021 financial year has been a challenging one for the Company. Victory Offices has been impacted significantly by the restrictions imposed as a result of the COVID-19 pandemic and the continued government lockdowns to our businesses. Due primarily to the impact of COVID-19, the Company recorded an underlying loss after tax of $36.8 million for the 2021 financial year.

Victory Offices has witnessed a similar impact to what is being seen across the economy. Across the organisation, the Victory team has been innovative and worked diligently to respond to these external market conditions. Victory Offices employees, regardless of position from top to bottom, have worked for reduced pay (with most on reduced hours). We are extremely grateful for their continued support of the business during this period.

We have continued to ensure a strong focus on capital management and in June 2021 shareholders approved a placement for the issue of $15 million of securities to CEO and Managing Director to strengthen the balance sheet and to fund working capital requirements as we navigate through continued lockdown restrictions.

We continue to believe that flexible workspaces are strategically important to the way the world does business in the future. This view is supported by international studies. The recovery in the flexible workspace is expected to take longer than initially anticipated, in parallel with overall economic recovery in the Australian economy. We remain cautiously optimistic the rollout of the vaccine will aid business and consumer confidence to return to the office in the shorter term.

We are continuing to focus on seeking ways to strengthen the balance sheet and ensure the long-term viability of the business as we navigate the continuing impacts of COVID-19 enforced restrictions.

We remain confident of a steady increase in occupancy during the second half of the 2022 financial year. We are anticipating a gradual increase in occupancy in line with industry studies that draw attention to modified work environments and flexible employment attitudes. The service offering from Victory Offices will become a more attractive and efficient model as businesses decide their future workplace options and structure.

We are committed to the challenge of navigating through the remainder of the 2022 financial year with a view to returning to profitability in the 2023 financial year.

Hon Steve Bracks AC
Chairman

30 September 2021

Dan Baxter
Managing Director / CEO

30 September 2021

DIRECTORS' REPORT

For the Year Ended 30 June 2021

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

DIRECTORS

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

Hon Steve Bracks AC (Non-Executive Chairman)

Mr Dan Baxter (Managing Director and Co-Chief Executive Officer)

Mr Alan Jones (Non-Executive Director)

Mr Ted Chwasta (Non-Executive Director)

Ms Manisha Angirish (Executive Director and Co-Chief Executive Officer) - appointed 11 February 2021

Mr Shane Tanner (Non-Executive Director) - resigned 11 February 2021

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity is providing flexible office solutions. Its associated revenue is driven from providing comprehensive serviced office packages and other services to its clients.

DIVIDENDS

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

REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax amounted to $36,570,956 (30 June 2020: $8,069,375).

Revenue from suite services was $14.7 million in the 2021 financial year (2020: $42.3 million). The impact COVID-19 had on revenues was significant throughout the 2021 financial year.

Underlying net loss before tax for the 2021 financial year was $33.8 million (2020: $0.6 million profit).

	30 JUNE 2021	30 JUNE 2020	CHANGE	CHANGE
	$	$	$	%
Loss before income tax benefit	(43,511,339)	(11,573,961)	(31,937,378)	276%
Impairment of receivables	2,733,554	3,899,687	(1,166,133)	(30%)
Impairment of assets	10,895,842	8,525,253	2,370,589	28%
Reversal of impairment of assets	(966,445)	-	(966,445)	-
Jobkeeper subsidy	(1,632,800)	(667,500)	(965,300)	145%
Rent concession income	(1,313,971)	(756,834)	(557,137)	74%
Underlying net loss before tax	(33,795,159)	(573,355)	(33,221,804)	5794%

Underlying net loss before tax for the 2021 financial year was $33.8 million (2020: underlying net loss before tax of $0.6 million). Underlying net loss before tax excludes the impact of the impairment of receivables, impairment of assets, reversal of impairment of assets as well as adjusting for Jobkeeper subsidies and rent concession income. A provision of $10.9 million for impairment of assets has been identified for the portfolio after performing value-in-use calculations. The impairment provision is non-cash and will result in a reduced depreciation charge going forward. The impairment provision was required, due to the application of AASB 136 Impairment in respect of impairments and impairment testing, as disclosed in note 13 to the consolidated financial statements.

The economic and trading conditions associated with the impact of COVID-19 pandemic have had a significant, adverse effect on the consolidated entity's revenues and results from operations. The combination of reduced rent rates and in particular occupancy rates, which have fallen from pre-COVID levels of in a range of 67% to 98% to a range of 6 to 80% in 2021, have resulted in the significant reduction in revenues and an increase in the underlying net loss before tax during the years ended 30 June 2020 and 2021.

With the commencement of the national vaccination programme in Australia, it is anticipated, based on public announcements made by the Australian Federal Government, that the necessity to implement government led lockdowns will diminish in the 2022 financial year and beyond. This reduced reliance on lockdowns as a means to control the spread of COVID-19 is expected to positively impact both rent and occupancy rates in the upcoming financial years and accordingly revenues and operating performance.

All locations are providing a positive value-in-use. However, six of the locations have a value-in-use not in excess of the carrying value of the cash generating unit due to, in part, the current and forecast short-term trading conditions, which has resulted in an impairment of $10.9 million recognised in the statement of profit or loss and other comprehensive income for the year ended 30 June 2021. Furthermore, a reversal of prior impairments of assets of $1.0 million was recognised for locations where there was an improvement in the value-in-use above the carrying value, to the extent to which the locations had been previously impaired, as of 30 June 2020. The reversal is non-cash and reflects increased actual occupancy rates and forecasts.

Cash balances at 30 June 2021 were $14,513,012, following the $15,000,000 share placement in June 2021 made by an entity associated with Mr Dan Baxter, Co- Chief Executive Officer and Managing Director, subsequent to its approval by shareholders at a General Meeting held on 1 June 2021.

The 2022 financial year is expected to be challenging. The current lockdown restrictions in New South Wales and Victoria are having an adverse effect on short-term suite service revenue. The Board remains cautiously optimistic that, while the recovery in the flexible workspace service offering sector is taking longer than initially expected, the currently anticipated rollout timetable of the COVID-19 vaccine will aid business and consumer confidence, which in turn is expected to facilitate a greater level of workers returning to the office.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The impact of the COVID-19 pandemic and the associated lockdowns remains ongoing and other than as disclosed in this report, it is not practicable to estimate and quantify the potential impact as it is dependent on many factors outside of the control of the consolidated entity including the timing of the return to office legislation and numbers and any further restrictions.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In July 2021, the leases of three offices held by the consolidated entity were terminated and as a result, all rights were relinquished over the respective sites. Any outstanding obligations, including make good provisions, will be settled partially through the bank guarantees in place at 30 June 2021. As a result of the aforementioned, a further impairment charge has been recognised at 30 June 2021, as disclosed in note 13 to the consolidated financial statements.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially positive for the consolidated entity up to 30 June 2021, it is not practicable, except where otherwise disclosed, to accurately estimate the potential impact, positive or negative, after the reporting date.

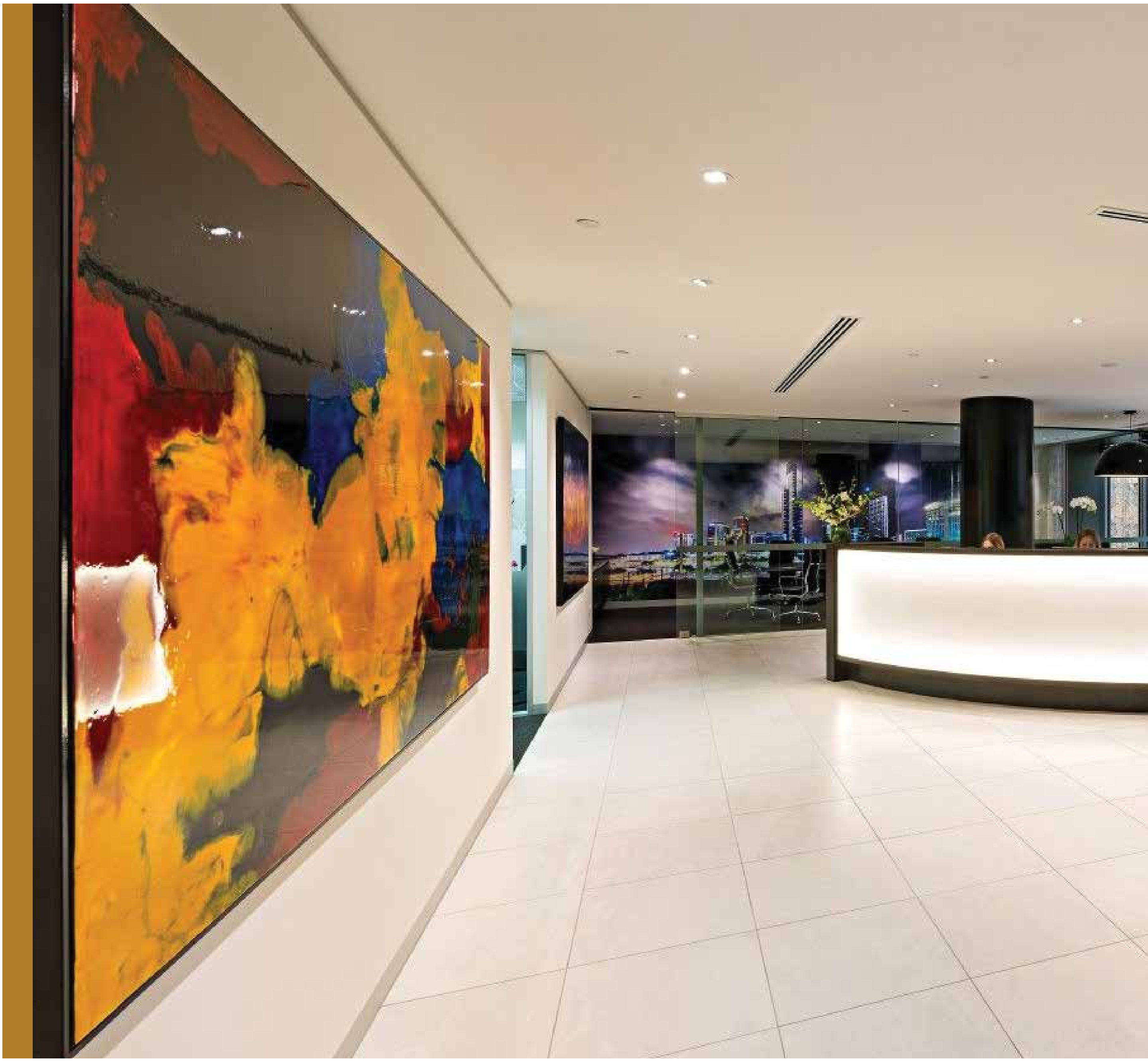
The ongoing utilisation of lockdowns, social distancing requirements, quarantine, travel restrictions and other measures by the respective Australian State and Federal Governments to manage the spread of COVID-19 has and will continue to directly, in the short term, limit the consolidated entity's ability to increase occupancy rates and revenues significantly and on a stable basis.

The consolidated entity cannot estimate the nature and extent of the impact of COVID-19, as the situation is often rapidly developing and is dependent on many factors including the aforementioned measures, vaccination rates, any economic stimulus that may be provided and customer behaviour patterns, which may change as a result of the impact of the aforementioned measures over a prolonged period of time.

No other matter or circumstance has arisen since 30 June 2021 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 consolidated entity intends to continue its programme of offering serviced offices, coworking, hot desks and virtual offices and facilities for businesses to contract to use on flexible licence arrangements.



INFORMATION ON DIRECTORS

Hon Steve Bracks AC

Non-Executive Chairman

Experience and expertise: The Hon Steve Bracks AC was Premier of Victoria for eight years. He now advises several leading Australian finance and service sector corporations. Mr Bracks also holds a major honorary position as an Honorary Chair of the Union Education Foundation. He is Chairman of the superannuation fund Cbus; the Chair of the MCG Trust, Chair of Maurice Blackburn and a Director of Bank or Sydney and Victory Offices. In January 2021 he was appointed to the position of Chancellor of Victoria University

Other current directorships: None

Former directorships (last 3 years): None

Interests in shares: None

Dan Baxter

Managing Director/ Chief Executive Officer

Experience and expertise: Dan is the founder of Victory Offices with more than 20 years of senior management experience under his belt. Under his leadership, the company has emerged as a prominent player in the flexible workspace market. Dan's creative thinking, vision and passion has led to success of Victory Offices. As the Victory Group Holdings Executive Director, Dan has also successfully led Victory Aluminium to be one of the largest exporters of aluminium from Australia. Dan is a current member of AICD, with academic qualifications in Engineering and Business Management.

Other current directorships: None

Former directorships (last 3 years): None

Interests in shares: 115,348,752

Alan Jones

Non-Executive Director

Experience and expertise: With over 35 years' experience in various management roles within the private and public sector, Alan's successful career reflects a strong understanding of capital equipment and facilities management and experience in high performing team environments. Alan is currently the Managing Director of AML Advisory, a Melbourne based advisory established in 2003, delivering capital equipment project support and commercial services. Alan has also held senior roles on committees and boards with not for profit organisations. Alan's commercial career follows an extensive career serving within the Australian Defence Force specialising in operational and strategic logistical support. He holds graduate and postgraduate qualifications in logistics, asset management, administration and strategic studies.

Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities:
Chairman of the Human Resources & Remuneration Committee

Member of the Audit Committee.

Interests in shares:
100,000

Ted Chwasta

Non-Executive Director

Experience and expertise: Ted is a career retailer with over 37 years' experience with some of Australia's largest public and private companies, including The Brash Group and The Good Guys. Ted previously served as the State Chairman for The Good Guys Victoria and has held positions in various National Advertising Committees.

Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities:

Member of the Audit Committee

Member of the Human Resources & Remuneration Committee

Interests in shares: 133,334

Ms Manisha Angirish

Executive Director and Co-Chief Executive Officer *(appointed 11 February 2021)*

Experience and expertise: Manisha's passion and dedication to the success of the company, the industry, and the Members is unparalleled. An inspiring Co-founder and Co-Ceo, Manisha's 13 years of experience in senior management team has ensured the success of the company as it continues to experience exponential growth. Overseeing the operational controls, procedures and systems, Manisha's hands-on approach ensures that every detail across all Victory Offices locations remains consistent with the 6-star brand. Her strong leadership, effective management and inspiring vision continues to ensure that Victory Offices remains the industry leaders.

Manisha holds a Master's degree in chemistry, and her continual love of learning has inspired her to expand her knowledge through foundational accounting, legal and now forensic psychology. Ms Angirish is Mr Dan Baxter's spouse.

Other current directorships: None

Former directorships (last 3 years): None

Interests in shares: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'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

Mr Mark Licciardo

Company Secretary

Mr. Licciardo holds a Bachelor of Business Degree (Accounting) and a Graduate Diploma in Company Secretarial Practice. He is also a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and the Institute of Company Secretaries and Administrators.

Mr Licciardio was appointed on 3 September 2021.

Ms Claire Newstead-Sinclair

Claire is an experienced finance and company secretarial professional with over 18 years' experience in senior financial roles within public and private entities across biotechnology, insurance and public practice sectors, including over nine years ASX-Listed experience as Senior Finance Director and Company Secretary at Cogstate Ltd (ASX: CGS). Prior to her time at Cogstate, Claire worked for a subsidiary of Wesfarmers Group and began her finance career with seven years at Pitcher Partners.

Ms Newstead-Sinclair was appointed on 24 November 2020 and resigned on 3 September 2021

Mr Geoff Hollis

Mr Hollis previously spent 8 years with a fast growing ASX listed provider of residential accommodation for over 50's. He is experienced in capital and debt raisings along with ongoing investor relations function in addition to other CFO and Company Secretarial experience required for an ASX listed entity on a growth journey. Mr Hollis is also a member of the Corporate Governance Institute and Chartered Accountants Australia and New Zealand.

Mr Hollis resigned on 24 November 2020.

MEETINGS OF DIRECTORS

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

	FULL BOARD		HR & REMUNERATION COMMITTEE		AUDIT COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD	HELD	ATTENDED
Hon Steve Bracks AC	9	9	-	-	-	-
Mr Dan Baxter	9	9	-	-	-	-
Mr Alan Jones	9	7	1	1	3	3
Mr Ted Chwasta	9	9	1	1	3	3
Ms Manisha Angirish *	5	5	-	-	-	-
Mr Shane Tanner *	4	4	1	1	2	2

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

* Ms Angirish was appointed on 11 February 2021 and Mr Tanner resigned on 11 February 2021

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

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Human Resources and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Human Resources and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

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

NON-EXECUTIVE DIRECTORS REMUNERATION

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

Under the Constitution, subject to the ASX Listing Rules, the Directors as a whole (other than Executive Directors) may be paid or remunerated for their services a total amount or value not exceeding $400,000 per annum or such other maximum fixed by the Company in a general meeting. Non-Executive Directors may not be paid a commission on or a percentage of profits or operating revenue. All Director's fees include superannuation at statutory amounts (currently 9.5%).

EXECUTIVE REMUNERATION

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

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Human Resources and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

CONSOLIDATED ENTITY PERFORMANCE AND LINK TO REMUNERATION

Whilst there are incentives in place for wider employees, remuneration for executives is not currently linked to the performance of the consolidated entity. The Human Resources and Remuneration Committee has commenced a review of industry standards and the potential to implement an incentive plan consistent with practices amongst other ASX companies of a similar size.

VOTING AND COMMENTS MADE AT THE COMPANY'S 23 NOVEMBER 2020 ANNUAL GENERAL MEETING ('AGM')

At the 23 November 2020 AGM, 99.29% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

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 Victory Offices Limited:

- Hon Steve Bracks AC (Non-Executive Chairman)
- Mr Dan Baxter (Managing Director and Co-Chief Executive Officer)
- Mr Alan Jones (Non-Executive Director)
- Mr Ted Chwasta (Non-Executive Director)
- Ms Manisha Angirish (Executive Director and Co-Chief Executive Officer) - appointed 11 February 2021
- Mr Shane Tanner (Non-Executive Director) - resigned 11 February 2021

And the following persons:

- Mr Stephan Scheffer (Interim Chief Financial Officer) - appointed 3 September 2021 ***
- Ms Claire Newstead-Sinclair (Chief Financial Officer) - appointed 24 November 2020, resigned 3 September 2021
- Mr Geoff Hollis (Chief Financial Officer) - resigned 24 November 2020
- Mr George Paolucci (Chief Information Officer)

DETAILS OF REMUNERATION (CONTINUED)

AMOUNTS OF REMUNERATION (CONTINUED)

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	
30 JUNE 2021	CASH SALARY AND FEES $	ANNUAL LEAVE $	NON-MONETARY $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY SETTLED $	TOTAL $
Non-Executive Directors:							
Hon Steve Bracks AC	45,662	-	-	4,338	-	-	50,000
Mr Alan Jones	41,096	-	-	3,904	-	-	45,000
Mr Ted Chwasta	41,096	-	-	3,904	-	-	45,000
Mr Shane Tanner	25,196	-	-	2,394	-	-	27,590
Executive Director:							
Mr Dan Baxter	329,885	1,812	-	24,999	26,234	-	382,930
Ms Manisha Angirish	219,984	38,723	-	24,577	5,095	-	288,379
Other Key Management Personnel:							
Mr Geoff Hollis*	84,207	8,419	-	8,799	(1,369)	-	100,056
Ms Claire Newstead-Sinclair**	68,000	-	-	-	-	-	68,000
Mr George Paolucci	103,542	598	-	9,893	2,920	-	116,953
	958,668	49,552	-	82,808	32,880	-	1,123,908

* Mr Geoff Hollis resigned on 24 November 2020.

** Ms Claire Newstead-Sinclair was appointed on 24 November 2020 and resigned on 3 September 2021. Her appointment was through an agreement with Leydin Freyer Corp Pty Ltd. Ms Newstead-Sinclair was employed and remunerated by Leydin Freyer Corp Pty Ltd. The Company incurred $29,000 in costs by Leydin Freyer Corp Pty Ltd in respect of Ms Newstead-Sinclair's role as Chief Financial Officer.

*** Mr Stephan Scheffer was appointed Interim Chief Financial Officer on 3 September 2021 and received no remuneration from the consolidated entity for the year ended 30 June 2021.

	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	
30 JUNE 2020	CASH SALARY AND FEES $	ANNUAL LEAVE $	NON-MONETARY $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	EQUITY SETTLED $	TOTAL $
Non-Executive Directors:							
S Bracks	45,662	-	-	4,338	-	-	50,000
A Jones	35,388	-	-	3,362	-	-	38,750
T Chwasta	35,388	-	-	3,362	-	-	38,750
S Tanner	41,096	-	-	3,904	-	-	45,000
Executive Director:							
D Baxter	438,492	18,556	-	24,782	37,673	-	519,613
Other Key Management Personnel:							
M Angirish	271,158	11,645	-	25,760	8,587	-	317,150
G Hollis	222,347	(1,450)	-	21,107	1,369	-	243,372
G Paolucci	144,716	(1,289)	-	13,748	5,220	-	162,395
	1,234,247	27,572	-	100,363	52,849	-	1,415,031

DETAILS OF REMUNERATION (CONTINUED)

AMOUNTS OF REMUNERATION (CONTINUED)

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

	FIXED REMUNERATION		AT RISK - STI		AT RISK - LTI	
NAME	30 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020	30 JUNE 2021	30 JUNE 2020
Non-Executive Directors:						
Hon Steve Bracks AC	100%	100%	-	-	-	-
Mr Alan Jones	100%	100%	-	-	-	-
Mr Ted Chwasta	100%	100%	-	-	-	-
Mr Shane Tanner - resigned 11 February 2021	100%	100%	-	-	-	-
Executive Directors:						
Mr Dan Baxter	100%	100%	-	-	-	-
Ms Manisha Angirish - appointed 11 February 2021	100%	100%	-	-	-	-
Other Key Management Personnel:						
Mr George Paolucci	100%	100%	-	-	-	-
Ms Claire Newstead-Sinclair	100%	-	-	-	-	-
Mr Geoff Hollis - resigned 24 November 2020	100%	100%	-	-	-	-

SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

MANAGING DIRECTOR AND CO-CHIEF EXECUTIVE OFFICERS

The Company has entered into employment agreements with Mr Dan Baxter, Managing Director and Co-Chief Executive Officer, and Ms Manisha Angirish, Co-Chief Executive Officer (Co-CEO), to govern their employment with the Company. Their employment agreements do not have a fixed term. Either Victory Offices or the respective Co-CEOs may terminate the employment agreements by giving three months' notice or, in the case of Victory Offices, by making a payment in lieu of notice. The Company may terminate either of the Co-CEOs' employment without payment in lieu of notice in circumstances involving serious or wilful misconduct and they are entitled to 4 weeks of annual leave per annum.

OTHER MEMBERS OF SENIOR MANAGEMENT

Each other member of Victory Offices senior management is employed under individual employment agreements. These agreements establish total compensation including a base salary, superannuation contribution and incentive arrangements (where applicable), variable notice and termination provisions, confidentiality provisions and leave entitlements, as a minimum, as per the National Employment Standards.

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 2021.

OPTIONS

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2021.

ADDITIONAL INFORMATION

The earnings of the consolidated entity for the four years to 30 June 2021 are summarised below:

	2021 $	2020 $	2019 $	2018 $
Suite services revenue	14,714,246	42,309,916	46,985,383	29,402,818
EBITDA	(10,161,428)	14,837,822	33,641,546	21,429,159
EBIT	(32,609,305)	(2,690,660)	20,737,056	13,531,688
Profit/(loss) after income tax	(36,570,956)	(8,069,375)	9,596,498	5,742,519

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					
Mr Dan Baxter	25,967,042	-	89,381,710	-	115,348,752
Mr Alan Jones	50,000	-	50,000	-	100,000
Mr Ted Chwasta	-	-	133,334	-	133,334
Mr Shane Tanner *	-	-	200,000	(200,000)	-
Mr George Paolucci	29,500	-	2,100	-	31,600
	26,046,542	-	89,767,144	(200,000)	115,613,686

* Balance of disposals/other represents Mr Tanner's holding at the date of resignation.

The remaining key management personnel do not hold any shares in the Company.

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

There were no unissued ordinary shares of Victory Offices Limited under option outstanding at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Victory Offices Limited issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

ROUNDING OF AMOUNTS

The consolidated entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has entered into a deed of access, insurance and indemnity (Deed) with each Director. Under the Constitution, to the extent permitted by law and subject to the Corporations Act, the Company indemnifies current and past directors and secretaries of the Company against a liability incurred in their position (or as a director or secretary of a subsidiary of the Company where the Company requested the person to accept that appointment) and reasonable legal costs in defending an action for liability incurred against them in that capacity. The Constitution provides that the Company may enter into a deed to give effect to these rights.

The Deed provides that, to the extent permitted by the Corporations Act, the Company indemnifies the Director against liabilities, costs and expenses (including legal costs incurred in defending proceedings brought against the Director) incurred in the Director's capacity as a director of the Company or its subsidiaries.

In addition, the Deed requires the Company to take out and maintain (and pay the premium of) Directors' and Officers' insurance during Director's period of office and for a period of seven years after a Director ceases to hold office (Access Period). During the Access Period, the Director also has rights to access papers, documents and other information relating to the affairs of the Company for specified purposes during the period the Director is an officer of the Company and for a period of seven years after the Director ceases to hold office.

During the financial year the Company has paid insurance premiums in respect of Directors' and officers' liability and legal expenses insurance contracts, for current and former Directors, secretaries and officers of the Company and its controlled entities. The insurance policies prohibit disclosure of the nature of the liability insured against and the amount of the premiums.

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 31 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 31 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 RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

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

RSM Australia Partners 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 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

Hon Steve Bracks AC **Chairman**	**Dan Baxter** **Managing Director/** **Co-Chief Executive Officer**

30 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61(0) 3 9286 8000
F +61(0) 3 9286 8199

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Victory Offices Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

R B MIANO
Partner

Dated: 30 September 2021
Melbourne, Victoria

FINANCIAL STATEMENTS

For the Year Ended 30 June 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

	NOTE	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
Suite services revenue	5	14,714,246	42,309,916
Other income	6	2,969,388	1,433,221
Interest revenue calculated using the effective interest method		18,269	21,005
Expenses			
Depreciation	13	(22,447,877)	(17,528,483)
Finance costs	7	(10,902,034)	(8,904,306)
Employee benefits expense		(6,216,346)	(7,554,493)
Other administration expenses		(4,436,702)	(4,661,705)
Occupancy costs		(4,547,332)	(4,264,176)
Impairment of receivables	10	(2,733,554)	(3,899,687)
Impairment of assets	13	(10,895,842)	(8,525,253)
Reversal of impairment of assets	13	966,445	-
Loss before income tax benefit		(43,511,339)	(11,573,961)
Income tax benefit	8	6,940,383	3,504,586
Loss after income tax benefit for the year	26	(36,570,956)	(8,069,375)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(36,570,956)	(8,069,375)

		CENTS	CENTS
Basic earnings (loss) per share	38	(46.3)	(19.7)
Diluted earnings (loss) per share	38	(46.3)	(19.7)

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	NOTE	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
Current assets			
Cash and cash equivalents	9	15,116,337	670,702
Trade and other receivables	10	3,505,125	4,618,626
Other financial assets	11	940,988	2,041,864
Total current assets		19,562,450	7,331,192
Non-current assets			
Other financial assets	12	31,423,810	28,904,258
Property, plant and equipment	13	173,636,273	180,639,619
Deferred tax	14	17,244,213	11,320,992
Total non-current assets		222,304,296	220,864,869
Total assets		**241,866,746**	**228,196,061**
Liabilities			
Current liabilities			
Trade and other payables	15	6,125,317	4,392,682
Borrowings	16	603,325	-
Lease liabilities	24	20,124,572	12,371,506
Income tax	17	1,581,353	2,598,515
Provisions	18	469,007	323,527
Other liabilities	19	**3,159,936**	**3,207,404**
Total current liabilities		**32,063,510**	**22,893,634**
Non-Current Liabilities			
Trade and other payables	20	8,008,374	13,160,127
Borrowings	21	2,697,371	2,566,085
Lease liabilities	24	162,507,244	150,257,095
Provisions	22	2,548,712	2,402,984
Other liabilities	23	240,678	302,257
Total non-current liabilities		**176,002,379**	**168,688,548**
Total liabilities		**208,065,889**	**191,582,182**
Net assets		**33,800,857**	**36,613,879**
Equity			
Issued capital	25	61,922,519	28,164,585
Retained profits/(accumulated losses)	26	(28,121,662)	8,449,294
Total equity		**33,800,857**	**36,613,879**

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

CONSOLIDATED	ISSUED CAPITAL $	RETAINED PROFITS $	TOTAL EQUITY $
Balance at 1 July 2019	28,164,585	16,518,669	44,683,254
Loss after income tax benefit for the year	-	(8,069,375)	(8,069,375)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(8,069,375)	(8,069,375)
Balance at 30 June 2020	**28,164,585**	**8,449,294**	**36,613,879**

CONSOLIDATED	ISSUED CAPITAL $	RETAINED PROFITS/ (ACCUMULATED LOSSES) $	TOTAL EQUITY $
Balance at 1 July 2020	28,164,585	8,449,294	36,613,879
Loss after income tax benefit for the year	-	(36,570,956)	(36,570,956)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(36,570,956)	(36,570,956)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 25)	33,757,934	-	33,757,934
Balance at 30 June 2021	**61,922,519**	**(28,121,662)**	**33,800,857**

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	NOTE	CONSOLIDATED 2021 $	CONSOLIDATED 2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		15,656,042	39,916,774
Payments to suppliers and employees (inclusive of GST)		(15,121,053)	(18,670,332)
		534,989	21,246,442
Interest received		18,629	21,005
Jobkeeper subsidy		1,848,800	667,500
Interest and other finance costs paid		(10,770,748)	(7,024,533)
Net cash from/(used in) operating activities	37	(8,368,330)	14,910,414
Cash flows from investing activities			
Payments for property, plant and equipment		(2,241,416)	(17,173,607)
Payments for bank guarantees		(1,418,675)	(18,094,037)
Proceeds from release of term deposits		-	18,079,314
Net cash used in investing activities		(3,660,091)	(17,188,330)
Cash flows from financing activities			
Receipt of funds from related parties		-	5,036,317
Proceeds from share issues		30,337,400	-
Share issue transaction costs	25	(672,079)	-
Repayment of related party borrowings		-	(450,694)
Repayment of lease liabilities		(3,794,590)	(4,835,810)
Net cash from/(used in) financing activities		25,870,731	(250,187)
Net increase/(decrease) in cash and cash equivalents		13,842,310	(2,528,103)
Cash and cash equivalents at the beginning of the financial year		670,702	3,198,805
Cash and cash equivalents at the end of the financial year	9	14,513,012	670,702

These financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

NOTE 1. GENERAL INFORMATION

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

Victory Offices Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, Victory Tower
416-420 Collins Street
Melbourne VIC 3000

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 30 September 2021. The directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

BASIS OF PREPARATION

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

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $36,570,956 and had net cash outflows from operating activities of $8,368,330 for the year ended 30 June 2021. As at that date the consolidated entity had net current liabilities of $ 12,501,060.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors remain confident that the consolidated entity will be able to continue as a going concern. This assumes that the consolidated entity will be able to meet its debts as and when they fall due for a period of 12 months from the date of signing the financial statements. In reaching this position, the following factors have been considered:

- the consolidated entity has received a letter of support from companies controlled by Mr D Baxter, Managing Director, stating that it will provide a Support to enable the consolidated entity to meet its debts as and when they fall due;
- announcements by both the Commonwealth and State governments have indicated that once 80% Covid-19 vaccinations levels are achieved, lockdowns will not be utilised to manage COVID outbreaks. Current government forecasts indicate this threshold should be met by November 2021 which is expected to have a positive impact on return to offices
- the consolidated entity has external related party debt, but no repayments are due within 12 months from the date of signing the Annual report;
- the consolidated entity has delayed any planned capital expenditure until economic and trading conditions show an appropriate level of improvement and is also looking at alternative ways of funding capital expenditure going forward;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Management has identified operating expenditures where further decreases can be achieved if the COVID-19 pandemic continues to impact Victory through prolonged lockdowns including staffing costs, lease repayments and various general and administrative expenses; and
- The Company has demonstrated the ability to raise capital if required from existing shareholders. -

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The Director's believe that continued financial support from the co-founders underlines their belief in and commitment to the business as the Board navigates this difficult period on behalf of all shareholders.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

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 34.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Victory Offices Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Victory Offices 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.

INCOME TAX

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

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

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

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

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

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.

CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

INVESTMENTS AND OTHER FINANCIAL ASSETS

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS

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.

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 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 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 following.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

CORONAVIRUS (COVID-19) PANDEMIC

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

ALLOWANCE FOR EXPECTED CREDIT LOSSES

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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.

IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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.

LEASE TERM

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

INCREMENTAL BORROWING RATE

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

EMPLOYEE BENEFITS PROVISION

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

LEASE MAKE GOOD PROVISION

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

The consolidated entity is organised into one operating segment providing comprehensive office serviced packages and other services to customers in Australia. One operating segment is consistent with the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

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. SUITE SERVICES REVENUE

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Suite services	14,714,246	42,309,916

DISAGGREGATION OF REVENUE

The disaggregation of revenue from contracts with customers is as follows:

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Timing of revenue recognition		
Services transferred at a point in time	1,705,868	3,554,407
Services transferred over time	13,008,378	38,755,509
	14,714,246	42,309,916

ACCOUNTING POLICY FOR REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue in relation to the rendering of suite services is recognised on a straight line basis over the term of the lease agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6. OTHER INCOME

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Jobkeeper subsidy	1,632,800	667,500
Rent concession income	1,313,971	756,834
Other revenue	22,617	8,887
Other income	**2,969,388**	**1,433,221**

JOBKEEPER SUBSIDY

Jobkeeper subsidy revenue is recognised when it is received.

RENT CONCESSION INCOME

Rent concession income is recorded pursuant to 'AASB 2020-4 Covid-19-Related Rent Concessions', which has been early adopted. The practical expedient in paragraph 46A has been applied to each relevant lease where a rental concession was agreed prior to 30 June 2021.

OTHER REVENUE

Other revenue is recognised when it is received or when the right relevant performance obligations have been met.

INTEREST INCOME

Interest income 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.

NOTE 7. FINANCE COSTS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Interest and finance charges paid	164,511	187,465
Unwinding of lease liability interest	10,606,237	8,674,515
Interest on related party loan	131,286	42,326
	10,902,034	**8,904,306**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 8. INCOME TAX BENEFIT

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Income tax benefit		
Current tax	(1,017,171)	2,217,367
Adjustment recognised for prior periods	-	224,170
Deferred tax	(5,923,212)	(5,946,123)
Aggregate income tax benefit	(6,940,383)	(3,504,586)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(43,511,339)	(11,573,961)
Tax at the statutory tax rate of 30%	(13,053,402)	(3,472,188)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	8,319,107	1,860
Deferred tax adjustments	(1,188,917)	(258,428)
Under provision	(1,017,171)	-
	(6,940,383)	(3,728,756)
Adjustment recognised for prior periods	-	224,170
Income tax benefit	(6,940,383)	(3,504,586)

NOTE 9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Cash on hand	8,040	8,879
Cash at bank	15,108,297	654,487
Cash on deposit	-	7,336
	15,116,337	670,702
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	15,116,337	670,702
Bank overdraft (note 16)	(603,325)	-
Balance as per statement of cash flows	14,513,012	670,702

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Trade receivables	782,229	6,933,556
Less: Allowance for expected credit losses	(265,981)	(3,899,687)
	516,248	3,033,869
Sundry debtors and prepayments	2,988,877	1,584,757
	3,505,125	4,618,626

Allowance for expected credit losses

The consolidated entity has recognised a loss of $2,733,554 (30 June 2020: 3,899,687) in profit or loss in respect of the expected credit losses for the period ended 30 June 2021.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	EXPECTED CREDIT LOSS RATE	CARRYING AMOUNT	EXPECTED ALLOWANCE FOR CREDIT LOSSES
CONSOLIDATED	%	30 JUNE 2021 $	30 JUNE 2021 $
Current 0-30 days	2%	23,525	451
30-60 days	2%	67,633	1,295
60-120 days	39%	45,780	11,445
120+ days	39%	645,291	252,790
		782,229	265,981

	EXPECTED CREDIT LOSS RATE	CARRYING AMOUNT	EXPECTED ALLOWANCE FOR CREDIT LOSSES
CONSOLIDATED	%	30 JUNE 2020 $	30 JUNE 2020 $
Current	11%	148,450	16,101
30-90 days	35%	197,718	68,535
90+ days	58%	6,587,388	3,815,051
		6,933,556	3,899,687

ACCOUNTING POLICY FOR TRADE AND OTHER RECEIVABLES

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 11. CURRENT ASSETS - OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Term deposits	940,988	2,041,864

ACCOUNTING POLICY FOR OTHER FINANCIAL ASSETS

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

NOTE 12. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Term deposits - restricted cash to support bank guarantees	30,167,857	28,904,258
Term deposits	1,255,953	-
	31,423,810	28,904,258

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Leasehold improvements - at cost	41,294,847	41,265,629
Less: Accumulated depreciation	(9,644,817)	(5,943,190)
Less: Impairment	(3,206,530)	(1,591,906)
	28,443,500	33,730,533
Office furniture - at cost	7,755,925	7,301,328
Less: Accumulated depreciation	(1,944,989)	(1,188,551)
Less: Impairment	(573,877)	(275,490)
	5,237,059	5,837,287
Computer equipment - at cost	2,574,156	2,551,342
Less: Accumulated depreciation	(1,249,182)	(782,330)
Less: Impairment	(145,845)	(79,726)
	1,179,129	1,689,286
Office equipment - at cost	11,035,781	10,991,908
Less: Accumulated depreciation	(3,651,877)	(2,349,051)
Less: Impairment	(764,199)	(389,515)
	6,619,705	8,253,342
Computer software - at cost	202,722	202,722
Less: Accumulated depreciation	(141,061)	(96,502)
Less: Impairment	(7,742)	(4,787)
	53,919	101,433
Artwork - at cost	413,578	405,451
Less: Accumulated depreciation	(15,090)	(10,506)
Less: Impairment	(38,385)	(17,799)
	360,103	377,146
Right-of-use asset - at cost	192,272,629	167,505,608
Less: Accumulated depreciation	(46,811,699)	(30,688,986)
Less: Impairment	(13,718,072)	(6,166,030)
	131,742,858	130,650,592
	173,636,273	180,639,619

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RECONCILIATIONS

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

CONSOLIDATED	LEASEHOLD IMPROVE-MENTS $	OFFICE FURNITURE $	COMPUTER EQUIPMENT $	OFFICE EQUIPMENT $	COMPUTER SOFTWARE $	ARTWORK $	RIGHT-OF-USE ASSET $	TOTAL
Balance at 1 July 2019	23,805,456	6,028,543	1,779,113	9,426,905	87,986	319,105	98,005,084	139,452,192
Additions	14,934,793	776,500	398,800	475,599	60,873	80,037	50,805,744	67,532,346
Disposals	(274,715)	(3,530)	(4,141)	(8,798)	-	-	-	(291,184)
Impairment of assets	(1,591,906)	(275,490)	(79,726)	(389,515)	(4,787)	(17,799)	(6,166,030)	(8,525,253)
Depreciation	(3,143,094)	(688,736)	(404,761)	(1,250,849)	(42,639)	(4,197)	(11,994,206)	(17,528,482)
Balance at 30 June 2020	33,730,534	5,837,287	1,689,285	8,253,342	101,433	377,146	130,650,592	180,639,619

CONSOLIDATED	LEASEHOLD IMPROVE-MENTS $	OFFICE FURNITURE $	COMPUTER EQUIPMENT $	OFFICE EQUIPMENT $	COMPUTER SOFTWARE $	ARTWORK $	RIGHT-OF-USE ASSET $	TOTAL
Balance at 1 July 2020	33,730,534	5,837,287	1,689,285	8,253,342	101,433	377,146	130,650,592	180,639,619
Additions	1,766,776	458,026	23,134	43,873	-	8,126	24,815,298	27,115,233
Disposals	(1,737,557)	(3,429)	(319)	-	-	-	-	(1,741,305)
Reversal of impairment	180,463	31,229	9,038	44,156	543	2,018	698,998	966,445
Impairment of assets	(1,795,088)	(329,616)	(75,157)	(418,840)	(3,498)	(22,603)	(8,251,040)	(10,895,842)
Depreciation expense	(3,701,628)	(756,438)	(466,852)	(1,302,826)	(44,559)	(4,584)	(16,170,990)	(22,447,877)
Balance at 30 June 2021	**28,443,500**	**5,237,059**	**1,179,129**	**6,619,705**	**53,919**	**360,103**	**131,742,858**	**173,636,273**

IMPAIRMENT OF ASSETS

The total written down value of right-of-use assets (pre-impairment) is $139.2 million. The total written down value for all other plant and equipment (pre-impairment) is $44.2 million.

Cash-generating-units have been identified for the purposes of impairment testing representing the location of a lease or a combination of leases (if at the same address).

Value-in-use calculations have been used as the basis for the assessment of impairment. Value-in-use calculations are based on a discounted cashflow analysis of expected cash inflows and cash outflows over the remaining expected use of the cash-generating-units (remaining lease terms with an assessment as to the likelihood of exercising an option if applicable). No terminal values have been used.

The key assumptions used in the value-in-use calculations are:

- reduction in in rental revenue rates in FY2022 and FY2023 of 10% and 5%, respectively;
- revenue based on average FY2021 occupancy levels for the first half of FY2022 for certain locations;
- rental revenue growth of 8% per annum from 2024 onwards;
- gradual increase in occupancy in FY22 and FY23 to between 20%-90% (depending on location), below pre-COVID levels;
- 1.5% growth in lease costs in 2022 and 3% per annum thereafter; and
- pre-tax discount rates between 4.6% and 6.8% depending on location.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The recognition of an impairment loss of $10.9 million (2020: $8.6 million) for cash-generating-units whose short-term cash flows have been impacted by the COVID-19 pandemic.

As a result of the termination of the three leases subsequent to 30 June 2021, detailed in note 36, an additional impairment loss of $1.3 million has been incurred and included in the aforementioned $10.9 million total impairment losses. The additional impairment comprises of $1.0 million in respect of leasehold improvements and $0.3 million in respect of right of use assets.

An impairment loss of $10.9 million (in relation to plant and equipment including right-of-use assets) has been recognised in profit or loss during the period. The impairment loss recognised relates to:

- four cash-generating-units being four leased offices based in Victoria;
- one cash-generating unit being one leased office based in Canberra;
- one cash-generating unit being one leased office based in Queensland; and
- one cash-generating unit being one leased office based in New South Wales.

SENSITIVITIES

Based on the assumptions above the total value-in-use calculations has a positive (net) amount of $62.7 million. The key inputs in the value-in-use models is the mix of rent rates and occupancy level. The sensitivity of the results to different assumptions have been presented below.

Revenue +10%

If revenues year-on-year were 10% higher (whether due to occupancy or price increases) the total value-in-use calculations has a positive (net) amount of $66.3 million. Impairment in this scenario would be $8.9 million and confined to the seven locations above.

Revenue -10%

If revenues year-on-year were 10% lower (whether due to occupancy or price decreases) the total value-in-use calculations has a positive (net) amount of $59.8 million. Impairment in this scenario would be $11.4 million. Impairment would be confined to the seven locations above.

Revenue -20%

If revenues year-on-year were 20% lower (whether due to occupancy or price decreases) the total value-in use calculations has a positive (net) amount of $56.5 million. Impairment in this scenario would be $12.2 million. Impairment would be confined to the seven locations above.

REVERSAL OF IMPAIRMENT

An impairment reversal of $1.0 million (in relation to right-of-use assets) has been recognised in profit or loss during the period. The impairment reversal recognised relates to one cash-generating-unit being a leased office based in Sydney

The recognition of an impairment reversal of the cash-generating-unit is mainly due to the reassessment on short-term cash flows of the COVID-19 pandemic, thereby reducing the indication that an impairment loss that was recognized in prior priors exists. The key change in assumptions for the impairment reversal relate increase in the assumed occupancy rates for 2021 and 2022.

ACCOUNTING POLICY FOR PROPERTY, PLANT AND EQUIPMENT

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

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

Office furniture	10 years
Office equipment	5 years
Computer equipment	4 - 5 years
Computer software	4 years
Leasehold improvements	Life of lease
Artwork	100 years
Right-of-use assets	Life of lease

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 14. NON-CURRENT ASSETS - DEFERRED TAX

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Deferred tax asset	16,456,734	11,320,992
Recognised deferred tax asset		
Employee benefits provision	198,536	132,451
Make good provision	706,780	685,503
Lease liabilities	52,600,568	47,578,365
Impairment of assets	5,536,458	2,557,583
Allowance for expected credit losses	79,849	1,169,906
Black hole expenditure	122,582	241,821
Other sundry differences in tax recognition	1,627,600	357
Capital raising costs	10,440	-
	60,882,813	52,365,986
Recognised deferred tax liabilities		
Right of use assets	(43,638,600)	(41,044,987)
	17,244,213	11,320,999

NOTE 15. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Trade payables	4,716,948	3,295,857
GST and PAYG withholding payable	1,253,703	779,909
Accrued expenses and other payables	154,666	316,916
	6,125,317	4,392,682

Refer to note 28 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 16. CURRENT LIABILITIES - BORROWINGS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Bank overdraft	603,325	-

Refer to note 28 for further information on financial instruments.

NOTE 17. CURRENT LIABILITIES - INCOME TAX

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Provision for income tax	1,581,353	2,598,515

NOTE 18. CURRENT LIABILITIES - PROVISIONS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Annual leave	469,007	323,527

ACCOUNTING POLICY FOR EMPLOYEE BENEFITS

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 19. CURRENT LIABILITIES - OTHER LIABILITIES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Client deposits	2,891,427	3,092,015
Contractual liabilities	268,509	115,389
	3,159,936	3,207,404

ACCOUNTING POLICY FOR OTHER LIABILITIES

Client deposits

Deposits received are security bonds payable at the commencement of the lease to insure against any potential damage to properties. Bonds are repayable upon final inspection of the premise at the end of the lease term.

Contractual liabilities

Income received in advance is recognised as revenue over the life of the lease as services are rendered in accordance with the terms of the lease agreement.

NOTE 20. NON-CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Amounts due to related parties	8,008,374	11,109,376
Related party income tax payable	-	2,050,751
	8,008,374	13,160,127

Refer to note 28 for further information on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 21. NON-CURRENT LIABILITIES - BORROWINGS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Loan payable to related party	2,697,371	2,566,085

Refer to note 28 for further information on financial instruments.

TOTAL SECURED LIABILITIES

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

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Bank overdraft	603,325	-
Loan payable to related party	2,697,371	2,566,085
	3,300,696	2,566,085

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.

Non-current borrowings are unsecured loans and have been provided to a director related entity and subsidiaries on an arm's length basis. The loan has a coupon of 5% p.a. accruing monthly and capitalising until repayment commence.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

- Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:
- interest on bank overdrafts and short-term and long-term borrowings;
- finance lease charges.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 22. NON-CURRENT LIABILITIES - PROVISIONS

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Long service leave	192,778	117,975
Provision for make good on leased premises	2,355,934	2,285,009
	2,548,712	2,402,984

ACCOUNTING POLICY FOR PROVISIONS

The provision for make good on leased premises represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

ACCOUNTING POLICY FOR OTHER LONG-TERM EMPLOYEE BENEFITS

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 23. NON-CURRENT LIABILITIES - OTHER LIABILITIES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Client deposits	240,678	302,257

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24. LEASE LIABILITIES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
As a lessee		
Right-of-use assets	131,485,977	130,650,592

Information about leases for which the consolidated entity is a lessee is presented below:

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Right-of-use assets		
Balance at beginning of the period	130,650,592	98,005,084
Additions	23,540,142	45,604,781
Lease modifications and discount rate adjustments	1,275,156	5,200,963
Depreciation charge for the period	(16,170,990)	(11,994,206)
Impairment	(8,251,040)	(6,166,030)
Reversal of impairment	698,998	-
Balance at end of the period	131,742,858	130,650,592

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Lease liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	32,118,453	21,898,862
One to five years	72,181,897	107,352,607
More than five years	145,425,110	98,326,080
Total undiscounted lease liabilities	249,725,460	227,577,549

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Lease liabilities included in the statement of financial position		
Current	20,124,572	12,371,506
Non-current	162,507,244	150,257,095
	182,631,816	162,628,601
Amounts recognised in profit or loss		
Interest on lease liabilities	10,606,237	8,674,515
Amounts recognised in the statement of cashflows		
Total cash outflow for leases	(14,023,423)	(11,632,760)
The expected future cash outflows to which the consolidated entity is committed to relating to the leases not yet commenced, that are not reflected in the measurement of the lease liability are as follows:		
Less than one year	5,175,473	8,127,968
One to five years	22,564,276	53,371,890
More than five years	50,966,647	87,177,382
Total expected future cash outflows	78,706,396	148,677,240

ACCOUNTING POLICY FOR LEASE LIABILITIES

Leased offices

The consolidated entity has numerous commercial office leases include leases of shared office spaces.

The non-cancellable period of the leases varies between 1 and 11 years and the consolidated entity has an option to extend the leases up to an additional term of the lease and in many cases it is up to the discretion of the lessor. The lease payments are adjusted every year, based on either a fixed annual rate increase or a change in the consumer price index in the preceding year. If the consolidated entity exercises the renewal option, then the lease payments in the renewal period will reflect the then market rate or an equivalent index dependent on the terms of the lease agreement.

At inception of a contract, the consolidated entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the consolidated entity assess whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the consolidated entity has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the consolidated entity has the right to direct the use of the asset. The consolidated entity has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the consolidated entity has the right to direct the use of the asset if either:
  - the consolidated entity has the right to operate the asset; or
  - the consolidated entity designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the consolidated entity allocate the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the lease of land and buildings in which it is a lessee, the consolidated entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ACCOUNTING POLICY FOR LEASE LIABILITIES

As a lessee

The consolidated entity recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which compromises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be easily determined, the consolidated entity incremental borrowing rate. Generally, the consolidated entity use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability compromise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or a rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the consolidated entity is reasonably certain to exercise, lease payments in an optional renewal period if the consolidated entity is reasonably to exercise an extension option, and penalties for early termination of a lease unless the consolidated is reasonably certain to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the consolidated entity estimate of the amount expected to be payable under a residual value guarantee, or if the consolidated entity changes its assessment of whether it will exercise a purchase, extension or termination option.

Short-term leases and leases of low-value assets

The consolidated entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that has a lease term of 12 months or less and leases of low-value assets, including IT equipment. The consolidated entity recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 25. EQUITY - ISSUED CAPITAL

	CONSOLIDATED			
	30 JUNE 2021 SHARES	30 JUNE 2020 SHARES	30 JUNE 2021 $	30 JUNE 2020 $
Ordinary shares - fully paid	157,848,016	40,900,000	61,922,519	28,164,585

MOVEMENTS IN ORDINARY SHARE CAPITAL

DETAILS	DATE	SHARES	ISSUE PRICE	$
Balance	1 July 2020	40,900,000		28,164,585
Entitlement offer	13 July 2020	40,900,000	$0.375	15,337,500
Loan conversion	23 June 2021	16,301,342	$0.251	4,092,615
Share placement to related party - Victory Group Holdings Pty Ltd	30 June 2021	59,746,674	$0.251	15,000,000
Capital raising costs				(672,181)
Balance	30 June 2021	157,848,016		61,922,519

ORDINARY SHARES

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.

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

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.

DIVIDENDS

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

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 capital risk management policy remains unchanged from the 30 June 2020 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 26. EQUITY - RETAINED PROFITS/(ACCUMULATED LOSSES)

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Retained profits at the beginning of the financial year	8,449,294	16,518,669
Loss after income tax benefit for the year	(36,570,956)	(8,069,375)
Retained profits/(accumulated losses) at the end of the financial year	(28,121,662)	8,449,294

NOTE 27. EQUITY - DIVIDENDS

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

NOTE 28. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The consolidated entity's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise

potential adverse effects on the financial performance of the consolidated entity. The consolidated entity 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 price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

MARKET RISK

Foreign currency risk

The consolidated entity's exposure to currency risk is minimal at this stage of the operations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the consolidated entity uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets and investment decisions are governed by the monetary policy. Interest bearing liabilities comprise hire purchase and lease liabilities.

The consolidated entity's cash and cash equivalents and other financial assets subject to interest rate risk are $32,364,799 as at 30 June 2021 (2020: $28,911,515). An official increase/decrease in interest rates of 100 basis points (2020: 100) would have an (adverse)/favourable effect on loss before tax of $32,365 (2020: $28,912) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

It is the consolidated entity's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity does hold a security deposit (refer to note 19) which acts as a form of collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

LIQUIDITY RISK

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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 - 30 JUNE 2021	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	-	4,718,160	8,008,374	-	-	12,726,534
Client deposits	-	2,891,427	240,678	-	-	3,132,105
Other payables	-	1,406,857	-	-	-	1,406,857
Contractual liabilities	-	268,509	-	-	-	268,509
Interest-bearing - variable						
Bank overdraft	-	603,325	-	-	-	603,325
Other loans	5.00%	1,348,686	1,348,685	-	-	2,697,371
Lease liability	6.20%	30,195,282	23,357,197	73,313,481	120,936,329	247,802,289
Total non-derivatives		**41,432,246**	**32,954,934**	**73,313,481**	**120,936,329**	**268,636,9901**

CONSOLIDATED - 30 JUNE 2020	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	-	4,392,682	2,050,751	11,109,376	-	17,552,809
Other payables	-	3,207,404	302,257	-	-	3,509,661
Interest-bearing - variable						
Borrowings	5.00%	-	1,251,065	1,315,020	-	2,566,085
Lease liability	6.30%	21,898,862	20,310,368	87,042,239	98,326,080	227,577,549
Total non-derivatives		**29,498,948**	**23,914,441**	**99,466,635**	**98,326,080**	**251,206,104**

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 29. 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 30. KEY MANAGEMENT PERSONNEL DISCLOSURES

COMPENSATION

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

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Short-term employee benefits	969,220	1,261,709
Post-employment benefits	82,808	100,363
Long-term benefits	32,880	52,849
	1,084,908	1,414,921

NOTE 31. REMUNERATION OF AUDITORS

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

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Audit and assurance services -		
Audit and review of financial statements	174,800	165,605
Other assurance services	20,000	-
	194,800	165,605
Other services		
Taxation advice	-	7,000
	194,800	172,605

NOTE 32. CONTINGENCIES AND COMMITMENTS

CAPITAL COMMITMENTS

The consolidated entity had $1,695,000 in commitments for future fit-out expenditure at 30 June 2021 (30 June 2020: $1,400,625).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 33. RELATED PARTY TRANSACTIONS

PARENT ENTITY

The ultimate parent entity, which exercises control over the group, is Victory Group Holdings Pty Ltd which is incorporated in Australia and owns 73.3% (30 June 2020: 63.3%) of Victory Offices Limited & Controlled Entities as at 30 June 2021. The increase during the current period is due to completion of the conversion of borrowings to equity in June 2020.

SUBSIDIARIES

Interests in subsidiaries are set out in note 35.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Other transactions:		
Loan from key management personnel (Dan Baxter) - interest bearing	131,286	2,566,085
Controlling entity (Victory Group Holdings Pty Ltd)	-	20,000
Controlling entity (Victory Petroleum)	-	2,041,864
Controlling entity (Victory Realty Pty Ltd)	-	450,694

A relative of Dan Baxter and Manisha Angirish is employed by Victory Management Services Pty Ltd. Remuneration is $126,545 inclusive of salary, annual leave entitlements taken and superannuation payments and terms of this employment are on a normal arm's length basis.

LOANS TO/FROM RELATED PARTIES

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

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Non-current loans receivable:		
Loan to Victory Serviced Offices (HK) Ltd	1,059,538	-
Non-current borrowings:		
Loan from key management personnel (Dan Baxter) - non-interest bearing	9,067,512	9,067,512
Loan from key management personnel (Dan Baxter) - interest bearing	2,697,371	2,566,085
Loan from controlling entity (Victory Group Holdings Pty Ltd)	-	2,050,751
Loan from other related party (Victory Petroleum Pty Ltd)	-	2,041,864

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

LOANS FROM RELATED PARTIES - NON-INTEREST BEARING

Unsecured loans have been provided from the key management personnel related parties, controlling entities and other related parties on an arm's length basis. There are no set repayment terms. Loans are unsecured and repayable in cash.

The $2,050,751 loan from Victory Group Holdings relates to tax liabilities when the consolidated entity was part of the Victory Group Holdings tax consolidated group and along with the loan from Victory Petroleum Pty Ltd loan of $2,041,864 was converted to shares in June 2021.

The $9,067,512 loan from Dan Baxter relates to funding of bank guarantees prior to the IPO of the consolidated entity in June 2019 is considered as part of the founder's contribution to initial capital requirements of the consolidated entity, with no interest considered.

Loans from related parties - interest bearing

Unsecured loans have been provided to the ultimate parent entity and subsidiaries on an arm's length basis. The loan has a coupon of 5% p.a. accruing monthly and capitalising until repayment commence. The loan was provided in March 2020 to fund capital expenditure commitments.

Leases with related parties

The consolidated entity has four leases with the lessors being related entities of Dan Baxter. The consolidated entity considers that all leases are on arm's length terms which reflect customary provisions commonly found in commercial leases of a similar nature.

Each lease has the following consistent material terms: on termination the lessee is responsible for make good of the premises; rent is payable in advance by monthly instalments; and the lessee is responsible for maintaining appropriate insurance coverage.

Other material terms of each lease have been disclosed below:

- Ground floor, 416-420 Collins Street, Melbourne - The lessor is DB CLS-G1 Pty Ltd, a related entity of Dan Baxter. This lease commenced on 1 July 2018 with an initial term of ten years plus a five year option.
- Level 1, 416-420 Collins Street, Melbourne - The lessor is DB CLS-1 Pty Ltd, a related entity of Dan Baxter. This lease commenced on 4 August 2014 with an initial term of five years plus two, five year options. The first five year option was exercised on 4 August 2019.
- Level 2, 416-420 Collins Street, Melbourne - The lessor is DB CLS-2 Pty Ltd, a related entity of Dan Baxter. This lease commenced on 4 August 2014 with an initial term of five years plus two, five year options. The first five year option was exercised on 4 August 2019.
- Level 9, 416-420 Collins Street, Melbourne - The lessor is DB CLS-9 Pty Ltd, a related entity of Dan Baxter. This lease commenced on 1 July 2018 with an initial term of ten years plus a five year option.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 34. PARENT ENTITY INFORMATION

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	PARENT	
	30 JUNE 2021 $	30 JUNE 2020 $
Profit/(loss) after income tax	-	-
Total comprehensive income/(loss)	-	-

STATEMENT OF FINANCIAL POSITION

	PARENT	
	30 JUNE 2021 $	30 JUNE 2020 $
Total current assets	-	-
Total assets	61,922,619	28,166,097
Total current liabilities	-	-
Total liabilities	1,512	1,512
Total equity	61,922,619	28,164,585

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS - PROPERTY, PLANT AND EQUIPMENT

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 35. 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 30 JUNE 2021 %	OWNERSHIP INTEREST 30 JUNE 2020 %
Victory Management Services Pty Ltd	Australia	100.00%	100.00%
Victory Equipment & Leasing Pty Ltd	Australia	100.00%	100.00%
Victory Offices (420 Collins) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (35 Collins) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (600 Bourke) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (727 Collins) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (200 George) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (175 Eagle) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (Box Hill) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (Chadstone) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (Barangaroo) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (333 Collins) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (2 Esplanade) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (Dandenong) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (Sunshine) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (420 George) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (St Kilda) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (Projects) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (900 Ann) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (85 Castlereagh) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (100 Mount) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (600 Church) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (73 Northbourne) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (254 George) Pty Ltd	Australia	100.00%	100.00%
Victory Offices (275 George - B) Pty Ltd	Australia	100.00%	100.00%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 36. EVENTS AFTER THE REPORTING PERIOD

In July 2021, the leases of three office held by the consolidated entity were terminated and as a result, all rights were relinquished over the respective sites. Any outstanding obligations, including make good provisions, will be settled partially through the bank guarantees in place at 30 June 2021. As a result of the aforementioned, a further impairment charge has been recognised at 30 June 2021, as disclosed in note 13 to the consolidated financial statements.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially positive for the consolidated entity up to 30 June 2021, it is not practicable, except where otherwise disclosed, to accurately estimate the potential impact, positive or negative, after the reporting date.

The ongoing utilisation of lockdowns, social distancing requirements, quarantine, travel restrictions and other measures by the respective Australian State and Federal Governments to manage the spread of COVID-19 has and will continue to directly, in the short term, limit the consolidated entity's ability to increase occupancy rates and revenues significantly and on a stable basis.

The consolidated entity cannot estimate the nature and extent of the impact of COVID-19, as the situation is often rapidly developing and is dependent on many factors including the aforementioned measures, vaccination rates, any economic stimulus that may be provided and customer behaviour patterns, which may change as a result of the impact of the aforementioned measures over a prolonged period of time.

No other matter or circumstance has arisen since 30 June 2021 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 37. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FROM/ (USED IN) OPERATING ACTIVITIES

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Loss after income tax benefit for the year	(36,570,956)	(8,069,375)
Adjustments for:		
Depreciation and amortisation	22,447,877	17,528,483
Impairment of non-current assets	10,895,842	8,525,253
Rent concession income	(1,313,971)	(756,834)
Impairment of receivables	2,733,554	3,899,687
Interest	131,286	1,879,773
Reversal of impairment of assets	(966,445)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(372,434)	(6,660,896)
Decrease in accrued revenue	216,000	-
Decrease in prepayments and other assets	(1,096,216)	203,532
Increase in trade and other payables	2,138,187	1,517,663
Decrease in contract liabilities	(153,121)	(180,970)
Increase in other provisions	220,283	104,728
Increase/(decrease) in other liabilities	262,167	423,956
Increase/(decrease) Tax assets and liabilities	(6,940,383)	(3,504,586)
Net cash from/(used in) operating activities	(8,368,330)	14,910,414

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 37. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FROM/(USED IN) OPERATING ACTIVITIES (CONTINUED)

	2021 $
Non-cash investing and financing activities:	
Acquisition of right-of-use lease assets	24,815,298
Disposal of plant and equipment	184,931

NOTE 38. LOSS PER SHARE

	CONSOLIDATED	
	30 JUNE 2021 $	30 JUNE 2020 $
Loss after income tax	(36,570,956)	(8,069,375)

	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic loss per share	78,910,326	40,900,000
Weighted average number of ordinary shares used in calculating diluted loss per share	78,910,326	40,900,000

	CENTS	CENTS
Basic loss per share	(46.3)	(19.7)
Diluted loss per share	(46.3)	(19.7)

ACCOUNTING POLICY FOR LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of Victory Offices 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 loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss 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.

DIRECTORS' DECLARATION

For the year ended 30 June 2021

Victory Offices

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Hon Steve Bracks AC

Chairman

30 September 2021

Dan Baxter

Managing Director/CEO

INDEPENDENT AUDITOR'S REPORT

For the year ended 30 June 2021

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Victory Offices Limited

Opinion

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

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

I. giving a true and fair view of the Consolidated entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

II. 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 Consolidated entity 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 report, which indicates that the Consolidated entity incurred a net loss of $36,570,956 during the year ended 30 June 2021 and, as of that date, their current liabilities exceeded its total current assets by $12,501,060. 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 significant doubt on the Consolidated entity'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 this matter
Recognition of Revenue Refer to Note 5 in the financial statements	
The Consolidated entity generates income from providing a range of services with the main revenue driver being the licencing of serviced and coworking offices with a typical licence term of 12 to 18 months. Some of the revenue contracts include rent free periods. There is a risk that inappropriate revenue recognition will lead to a material misstatement of income and related receivables. The risk is heightened due to the timing of invoicing and contracts having several complexities attached to them. Furthermore, there is a fraud risk as management has an incentive or is under pressure to engage in fraudulent financial reporting to meet board and shareholder expectations.	Our audit procedures in relation to the recognition of revenue included: • Reviewing the Group's terms and conditions of sales; • Ensuring that revenue has been recognised over the correct financial period; • Performing substantive analytical review procedures on suite revenue; • Assessing the recognition and measurement of revenue against the requirements of *AASB 15 Revenue from Contracts with Customers*; and • Reviewing any large or unusual transactions near year-end to test if cut-off has been applied appropriately.
Valuation of Lease Liability and Right-of-Use Asset Refer to Note 24 in the financial statements	
Victory Offices Limited currently hold 24 material leases for each of their leased office spaces across Australia. As a result, the relevant accounting standard *AASB 16 Leases*, has a material impact on the Consolidated entity. Whilst the Consolidated entity adopted this standard early, applying it from the year ended 30 June 2017, the complexity of the standard, and the extent of judgements and estimates involved means that the application of AASB 16, and the valuation of both the lease liability and right-of-use asset are considered a significant risk. The International Accounting Standards Board (Board) on 28 May 2020 issued an amendment to IFRS 16 Leases to make it easier for lessees to account for COVID-19 related rent concessions such as rent holidays and temporary rent reductions.	Our audit procedures in relation to the leases included: • Reviewing the leasing model used by management to calculate the right-of-use assets and lease liabilities, including reviewing the accuracy of key inputs used in the model, and the operation of the model; • Reviewing any new lease agreements entered into during the year and ensure that all clauses including any incentives and make-good provisions have been correctly captured in the leasing model; • Reviewing all leasing disclosures within the financial statements to ensure the completeness and accuracy and overall compliance with AASB 16; and • Reviewing the financial impact of rental concessions Victory obtained in the financial period to ensure they have been accounted for in line with AASB 16.

Key Audit Matters (continued)

Valuation of Lease Liability and Right-of-Use Asset (continued) Refer to Note 24 in the financial statements	
Management have negotiated rent concessions for the Group's leased properties in response to COVID-19. These rent concessions needed to be assessed to determine if they are considered to be a lease modification under AASB 16, as either a change in the scope of the lease or change in the consideration for a lease, and ensure the rent concessions are appropriately treated in accordance with AASB 16 as at 30 June 2021. There is a complex process involved in ensuring that each lease amendment has been applied correctly by management as at 30 June 2021. The current economic environment, and the restrictions imposed (particularly in Victoria) has had a detrimental effect on Victory's operations in the latter part of the financial year. As a result, this has triggered indicators of impairment in relation to value of the right- of-use assets for each of the individual leases. Consequently, management have prepared value-in-use calculations for each of the leases, representing the smallest cash generating unit to support the values held in the statement of financial position as at 30 June 2021.	Our audit procedures in relation to management's assessment of impairment of the right-of use assets included: • Assessing the valuation methodology used; • Challenging the reasonableness of key assumptions, including the cash flow projections, discount rates, and sensitivities used; • Checking the mathematical accuracy of the cashflow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and • Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial report in relation to the valuation methodologies.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated entity's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report
The directors of the 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 ability of the Consolidated entity 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 Consolidated entity 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/ar2.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 the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Victory Offices Limited, for the year ended 30 June 2021, 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.

RSM

RSM AUSTRALIA PARTNERS

Miano

R B MIANO
Partner

Dated: 30 September 2021
Melbourne, Victoria

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 20th September 2021.

1. TOTAL SECURITIES ON ISSUE

ASX CODE	DESCRIPTION	EXPIRY	LISTED	UNLISTED
VOL	Fully paid ordinary shares	-	157,848,016	
			157,848,016	
	TOTAL FULLY DILUTED		**157,848,016**	

TOP HOLDERS	SECURITIES	%
Top 20 holders	141,945,979	89.93
Balance Of Register	15,902,037	10.07
Total Issued Capital	**157,848,016**	**100.00**

2. DISTRIBUTION OF EQUITY SECURITIES – ORDINARY SHARES

RANGE	SECURITIES	%	NO. OF HOLDERS	%
100,001 and Over	147,243,640	93.28	53	7.66
10,001 to 100,000	8,995,762	5.70	267	38.58
5,001 to 10,000	988,582	0.63	122	17.63
1,001 to 5,000	597,240	0.38	197	28.47
1 to 1,000	22,792	0.01	53	7.66
Total	**157,848,016**	**100.00**	**692**	**100.00**
Unmarketable Parcels	253,911	0.16	162	23.41

3. VOTING RIGHTS

Shareholders in Victory Offices Limited have a right to attend and vote at general meetings. At a general meeting, individual shareholder may vote in person or by proxy. All quoted and unquoted share options, and convertible notes, have no voting rights.

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the company registered as at 20 September 2021 are set out below:

NAME	20 SEPTEMBER 2021	%IC
VICTORY GROUP HOLDINGS PTY LTD (UGH)	115,281,350	73.0
PUBLIC TRUST CLASS NO 10 NOMINEES LIMITED	8,732,904	5.5

5. SHARE BUY-BACK

There is no current or planned buy-back of the Company's shares.

6. STATEMENT IN ACCORDANCE WITH ASX LISTING RULE 4.10.19

The Company confirms that is has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

7. TWENTY LARGEST SHAREHOLDERS - ORDINARY SHARES

RANK	NAME	20 SEPTEMBER 2021	%IC
1	VICTORY GROUP HOLDINGS PTY LTD	89,381,350	56.62
2	VICTORY GROUP HOLDINGS PTY LTD <DAN BAXTER>	25,900,000	16.41
3	BNP PARIBAS NOMS(NZ) LTD <DRP>	8,840,726	5.60
4	SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND>	6,400,000	4.05
5	GRAHAM NEWMAN PTY LTD	4,000,000	2.53
6	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,333,231	0.84
7	MR HONGZHI WU	770,764	0.49
8	NDPM PTY LTD <MORRIS FAMILY SUPER FUND A/C>	730,000	0.46
9	MR GREGORY WAYNE BROWN & MRS STEFANIE BROWN <GW BROWN FAMILY S/ FUND A/C>	674,275	0.43
10	AQUATRAIL PTY LTD <CRAWFORD SF A/C>	500,000	0.32
11	MR TYLER JOHN MCMILLAN	489,500	0.31
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	471,474	0.30
13	CITICORP NOMINEES PTY LIMITED	464,645	0.29
14	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	383,000	0.24
15	MR MARK BARRINGTON HARRISON	325,000	0.21
16	OFFICIAL INTELLIGENCE PTY LTD	276,000	0.17
17	PMDD SUPER PTY LTD <PMDD SUPERFUND A/C>	260,000	0.16
18	MR DAVID LEE	252,940	0.16
19	WOODTOP PTY LTD <MULLAN & BURROWS FAMILY A/C>	250,000	0.16
20	MR RASIKA WIJDEERA	243,074	0.15
	Total	**141,945,979**	**89.93**
	Balance of register	**15,902,037**	**10.07**
	Grand total	**157,848,016**	**100.00**

8. TWENTY LARGEST SHAREHOLDERS - QUOTED SHARE OPTIONS

The Company has no options on issue.

9. HOLDERS OF GREATER THAN 20% UNQUOTED SECURITIES

No equity holders hold greater than 20% or more of the following unquoted equity securities (by class) of the Company.

CORPORATE DIRECTORY

DIRECTORS

Hon Steve Bracks AC (Non-Executive Chairman)

Mr Dan Baxter (Managing Director and Co-Chief Executive Officer)

Mr Alan Jones (Non-Executive Director)

Mr Ted Chwasta (Non-Executive Director)

Ms Manisha Angirish (Executive Director and Co-Chief Executive Officer) - appointed 11 February 2021

COMPANY SECRETARY

Mr Mark Licciardo (appointed 3 September 2021)

INTERIM CHIEF FINANCIAL OFFICER

Mr Stephan Scheffer (appointed 3 September 2021)

REGISTERED OFFICE

Level 2, Victory Tower
416-420 Collins Street
Melbourne VIC 3000

ACN: 616 150 022

PRINCIPAL PLACE OF BUSINESS

Level 2, Victory Tower
416-420 Collins Street
Melbourne VIC 3000

SHARE REGISTER

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

www.linkmarketservices.com.au

AUDITOR

RSM Australia Partners
Level 21, 55 Collins Street
Melbourne VIC 3000

LEGAL ADVISORS

Hall & Wilcox
Level 11, 525 Collins Street
Melbourne VIC 3000

BANKERS

National Australia Bank
Ground Level, 330 Collins Street
Melbourne, VIC 3000

STOCK EXCHANGE LISTING

Victory Offices Limited shares are listed on the Australian Securities Exchange (ASX code: VOL)

www.victoryoffices.com.au

Victory Offices