APPENDIX 4E (RULE 4.3A)

PRELIMINARY FINANCIAL REPORT RESULTS FOR ANNOUNCEMENT TO THE MARKET

Results for announcement to the Market

for the year ended 30 June 2022

1. Reporting period (item 1)

- Report for the financial year ended: 30 June 2022
- Previous corresponding period is the year months ended: 30 June 2021

2. Results for announcement to the market	Movement	Percentage %		Amount $'000
Increase in revenues from ordinary activities (item 2.1)	↑	24.45	to	72,656
Increase in profit from ordinary activities after tax attributable to members (item 2.2)	↑	185.56	to	1,588
Increase in profit after tax attributable to members (item 2.3)	↑	185.56	to	1,588

2.1. Dividends (item 2.4)	Amount per Security ¢	Franked amount per security %
Interim dividend	nil	n/a
Final dividend	nil	n/a

- Record date for determining entitlements to the dividend (item 2.5) n/a

2.2. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):

The profit after tax includes an embedded derivative non-cash financing gain of $1.14 million relating to the issue of convertible notes. Refer to *Operating and financial review* on page 5 of the accompanying Annual Report.

3. Preliminary Final Report

3.1. Statement of comprehensive income (item 3):

Refer to Consolidated statement of profit or loss and other comprehensive income on page 23

3.2. Statement of financial position (item 4):

Refer to Consolidated statement of financial position on page 24

3.3. Statement of cash flows (item 5):

Refer to Consolidated statement of cash flows on page 26

3.4. Statement of changes in equity (item 6):

Refer to Consolidated statement of changes in equity on page 25

4. Dividends (item 7) **and Returns to shareholders including distributions and buy backs** (item 14.2)

Nil.

4.1. Details of dividend or distribution reinvestment plans in operation are described below (item 8):

Not applicable

5. Ratios	Current Period $'000	Previous corresponding Period $'000
5.1. Financial Information relating to 5.2 and 5.3:		
Earnings for the period attributable to owners of the parent	1,588	(1,856)
Net assets	16,400	14,137
Less: Intangible assets (including net deferred tax balances)	(21,085)	(22,883)
Net tangible asset deficit	(4,685)	(8,746)

5	**Ratios (cont.)**	Current Period No.	Previous corresponding Period No.
	Fully paid ordinary shares	428,575,921	428,575,916
	Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share (**EPS**)	428,575,917	353,288,916
		¢	¢
5.2.	Net tangible assets backing per share (item 9):	(1.09)	(2.04)
5.3.	Earnings per share attributable to owners of the parent (item 14.1):	0.37	(0.53)

As at 30 June 2022, the Group has 30,000,000 unissued shares under options (2021: 333,333) and 11,000,000 performance shares on issue (30 June 2021: 1,555,558). As at 30 June 2022, of the 30,000,000 options granted and issued, 10,000,000 options have vested and are exercisable. No performance rights have vested. Unvested options and performance rights are not considered to be dilutive. In addition, the Group does not report diluted earnings per share on losses generated by the Group. During the 2021 year, the Group's unissued shares under option and performance shares were anti-dilutive. As at 30 June 2022 diluted EPS (cents per share) was 0.37 cents (2021: N/A).

6. Details of entities over which control has been gained or lost during the period (item 10)**:**

6.1. Control gained over entities

- Name of entities (item 10.1) Nil
- Date(s) of gain of control (item 10.2)

6.2. Loss of control of entities

- Name of entities (item 10.1) Nil
- Date(s) of loss of control (item 10.2)

6.3. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).

6.4. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)

7. Details of associates and joint venture (item 11)**:**

- Name of entities (item 11.1) Nil
- Percentage holding in each of these entities (item 11.2) n/a

	Current period $	Previous corresponding Period $
Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A

8. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position (item 12):

Refer to *Operating and financial review* on page 5 of the accompanying Annual Report.

9. The financial information provided in the Appendix 4E is based on the annual report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)

10. A commentary on the results for the period (item 14)**:**

Refer to *Operating and financial review* on page 5 of the accompanying Annual Report.

11. The preliminary final report has been prepared based on the 30 June 2022 accounts which have been audited by an independent audit firm in accordance with the requirements of section 302 of the *Corporations Act 2001* (Cth). (item 15)

THE AGENCY
GROUP AUST LTD
ABN 52 118 913 232

and its controlled entities

ANNUAL REPORT

30 June 2022

Corporate directory

Current Directors

Andrew Jensen	*Executive Chairman and Chief Operating Officer*
Geoff Lucas	*Managing Director and CEO*
Paul Niardone	*Executive Director*
Adam Davey	*Non-executive Director*

Company Secretary

Stuart Usher

Registered Office and Head Office

Street:	68 Milligan Street
	PERTH WA 6000
Postal:	PO Box 7768
	CLOISTERS SQUARE WA 6850
Telephone:	+61 (0)8 9204 7955
Facsimile:	+61 (0)8 9204 7956
Email:	info@theagencygroup.com.au
Website:	theagencygroup.com.au

Share Registry

Advanced Share Registry Limited

Street + Postal:	110 Stirling Highway
	NEDLANDS WA 6009
Telephone:	1300 113 258 (within Australia)
	+61 (0)8 9389 8033 (International)
Facsimile:	+61 (0)8 6370 4203
Email:	admin@advancedshare.com.au
Website:	www.advancedshare.com.au

Auditors

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
SUBIACO WA 6008

Telephone: +61 (0)8 9426 0666

Securities Exchange

Australian Securities Exchange
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

Telephone:	131 ASX (131 279) (within Australia)
Telephone:	+61 (0)2 9338 0000
Facsimile:	+61 (0)2 9227 0885
Website:	www.asx.com.au
ASX Code	AU1

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

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Chairman's and Managing Director's letter

Dear Shareholders,

We're pleased to announce The Agency again set new records in the 2022 financial year.

We exchanged 5,709 properties worth a combined $5.9 billion, representing the fourth straight year of growth in all key metrics. The number of properties sold increased by 15% compared to FY2021, significantly outperforming the Australian market growth of 3.2%[1]. FY2022 saw our Gross Commission Income grow 27% to $102.5 million, well above market growth.

Our businesses in Western Australia, Queensland, Victoria, ACT, NSW and now Tasmania are firmly established and poised for further expansion. From our assessment, we have calculated that we sold property in around 34% of the addressable market in the last 12 months. This shows the potential reach of our current infrastructure, but more importantly, also highlights that we have many further markets to tap into as we grow our national market share. Our priority is to build depth in these existing markets, as well as grow into additional markets.

The strength and appeal of our brand continues to grow.

With 85 net agents joining the brand in FY2022, we now have 393 agents nationally, as at 30 June 2022. Agents are attracted to our direct engagement model which has created a more responsive, efficient and effective model, removing the typical franchise 'middle layer'. Our direct engagement model alleviates our agents from the distractions of managing office overheads and the administrative burden associated with operating a franchise and instead, allows agents to focus on the high dollar value activities like servicing their customers.

We will continue our commitment to expand our market presence and increase our national market share.

We've had a busy and productive year, strengthening our national presence by opening new offices in Canberra ACT, Toowoomba, Gold Coast and the Sunshine Coast in QLD, and Manly, NSW.

Post 30 June 2022, The Agency announced and settled the acquisition of the Bushby Property Group located in Launceston, Tasmania which represents our entry into our sixth state and territory. This exciting acquisition brings to our business nine sales agents within the 32 staff who have sold over $125 million in residential property over the past 12 months and circa 1,300 properties under management. We are looking forward to servicing Tasmania's communities and securing our share of the market.

As part of the completion of this acquisition, we have extended our primary banking facility with Macquarie Bank until July 2025, and we have extended the Convertible Note issued by Peters Investments until Jan 2026 (subject to shareholder approval). Both extensions are key milestones that will assist laying the foundation of our continued growth in FY2023 and beyond.

Looking ahead to FY2023, there are a number of strategic objectives that the management team are delivering to further our reach across the Australian real estate market. The continued growth in agent numbers, utilisation of appropriate technology for a superior agent experience and continued assessment of M&A opportunities to drive economies of scale, are key priorities that will propel our business forward.

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[1] CoreLogic July 2022 Monthly Housing Chart Pack

We're proud of our achievements but there's still enormous opportunity for further scale and growth.

Whilst pleased with our continued growth and delivery of exceptional results and service to our customers, our total commissions of $102.5 million is just a fraction of the $7.6 billion[2] total Australian residential real estate commissions. We believe our contemporary business model, national reach, culture, and commitment to excellence in customer service means we are well positioned to expand our share of this $7.6 billion residential sales commissions market.

On behalf of the Board and the management team, we would like to thank shareholders for their support and loyalty during the financial year, and look forward to your continued support throughout FY2023.

Finally, we would like to thank our team members and partners for their unwavering support and commitment to our company and its future prosperity.

ANDREW JENSEN
Chairman

GEOFF LUCAS
Managing Director and CEO

2 Assessed at 1.50% Average Commission Rate on FY22 Gross Sales Volume of $521.2Bn (CoreLogic July 2022 Monthly Housing Chart Pack)

Directors' report

Your directors present their report on the Group, consisting of The Agency Group Australia Ltd (**The Agency** or **the Company**) and its controlled entities (collectively **the Group**), for the financial year ended 30 June 2022.

The Agency is listed on the Australian Securities Exchange (ASX:AU1).

1. Directors

The names of Directors in office at any time during or since the end of the year are:

Andrew Jensen	Executive Chairman and Chief Operating Officer	
Geoff Lucas	Managing Director and CEO	*Appointed 28 January 2022*
Paul Niardone	Executive Director	
Adam Davey	Non-Executive Director	
Matthew Lahood	Executive Director and CEO – Real Estate	*Mr Lahood stepped down as Executive Director on 28 January 2022; however, he remains a key management person in the position as CEO – Real Estate.*

(collectively **the Directors** or **the Board**)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors including details of the qualifications of Directors, please refer to paragraph 6 of this Directors Report.

2. Company secretary

The following person held the position of Company Secretary at the end of the financial year:

- Stuart Usher

  Qualifications — B.Bus, CPA, Grad Dip CSP, MBA, AGIA, ACIS

  Experience — Mr Usher is a CPA and Chartered Company Secretary with 25 years of extensive experience in the management and corporate affairs of public listed companies. He holds an MBA from the University of Western Australia and has extensive experience across many industries focusing on Corporate & Financial Management, Strategy & Planning, Mergers & Acquisitions, and Investor Relations & Corporate Governance.

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2022.

4. Significant Changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year ended 30 June 2022 other than disclosed elsewhere in this Annual Report.

5. Operating and financial review

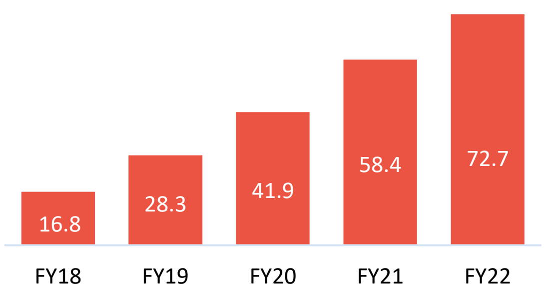
5.1. Nature of Operations Principal Activities

The principal activity of the Group for the financial year was real estate services and related activities. There were no significant changes in the nature of the Group's principal activities during the financial year.

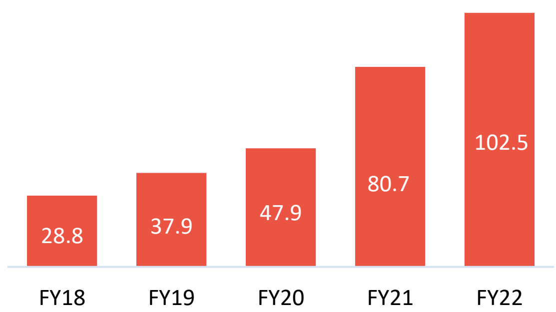
5.2. Operations Review

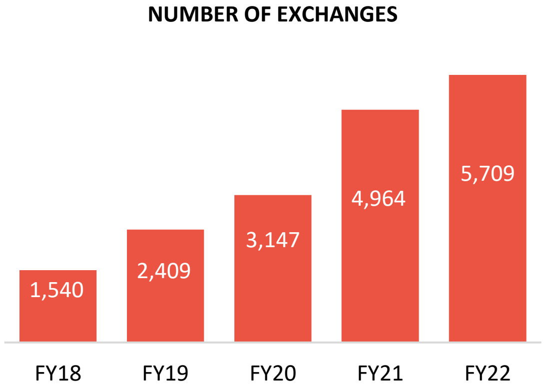
a. Key Metrics

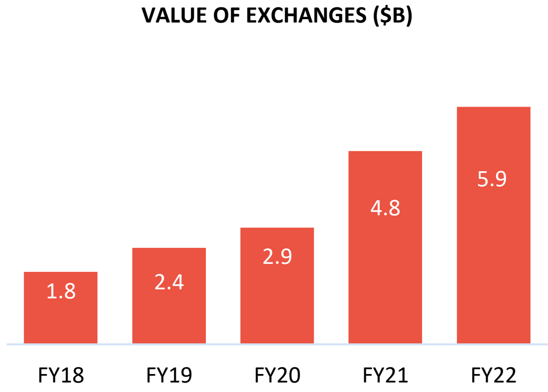
ANNUAL GROUP REVENUE ($M)



GROSS COMMISSION INCOME (GCI) ($M)







Throughout FY2022, The Agency continued to grow its operating results for all key metrics. The results continue the year-on-year growth that has been achieved for the for the past four years. This includes expanding into the ACT market and as at 30 June 2022, The Agency had a presence in five states and territories across Australia.

Group Revenue for FY2022 of $72.7 million is up 24% on FY2021's Group revenue of $58.4 million. This increase is primarily due an increase of 27% in Gross Commission Income (**GCI**)[1] to $102.5 million (FY2021: $80.7 million).

The Group recorded 5,709 properties sold during FY2022, a 15% increase from FY2021 (4,964 properties sold in FY2021). The value of these sales amounted to $5.9 billion in property value sold during FY2022 (FY2021: $4.8 billion).

As at 30 June 2022, The Agency Group consisted of 393 agents, a net increase of 85 agents throughout FY2022 (30 June 2021: 308 Agents). Following the settlement of the Bushby acquisition in July 2022 and entry into its sixth state and territory, The Agency group has surpassed 400 agents.

The Agency reported a total management portfolio of 3,469 Properties Under Management as at 30 June 2022. Management have valued this property management portfolio at $19.0 million based on a blended valuation multiple of 3.66x on Q4 FY2022 annualised property management fee revenue. Under accounting standards, the value of internally generated Properties Under Management is not held on the balance sheet as an intangible asset. As a result of this, only $10.1 million of the $19.0 million is held on balance sheet.

The Company also witnessed growth in its Mortgage Solutions Australia (**MSA**) business with the number of home loan approvals for FY2022 up 13% year-on-year from 412 to 464 and its Landmark Settlements business with the number of deals up from 1,538 in FY21 to 1,803 in FY2022, an increase of 17%.

The Group reported net cash receipts of $78.86 million for the FY2022, a 10% year-on-year increase (FY2021: $71.57 million).

5.3. Financial Review

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

The Agency continued its growth during FY2022 delivering four quarters of positive EBITDA as well as positive net operating cash flow. In line with ASX Listing Rules Guidance Note 23 *Quarterly Reports*, following four consecutive quarters of positive net operating cash flows over the 1 April 2021 to 31 March 2022 periods for the Group, The Agency has received ASX approval that the Appendix 4C *Quarterly report for entities subject to Listing Rule 4.7B* lodgements are no longer required.

For FY2022 the Group recorded EBITDA of $5.69 million (FY2021: $6.37 million). After adjusting for the AAB16 *Leases* impact and government incentives received, underlying EBITDA for FY2022 was $3.85 million. This represents a $0.79 million increase in underlying EBITDA, which equates to a 26% increase from the comparative period.

a. Non-IFRS information

The Company reports EBITDA in addition to the *Profit after Tax*. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (**AAS**) and represents the statutory profit under AAS adjusted for specific non-cash and significant items. The Company's directors consider EBITDA to reflect the core earnings of the consolidated entity. A reconciliation between EBITDA and profit after income tax for the year ended 30 June 2022 is noted below.

[1] Gross Commissions Income (**GCI**) represents fees a vendor pays for the sale of a property

Directors' report

EBITDA calculation	FY2022 $'000	FY2021 $'000	Change $'000	Change %
Profit / (loss) after tax	1,588	(1,856)	+3,444	+186%
Income tax benefit	(1,127)	(1,894)		
Profit / (loss) before tax	461	(3,750)	+4,211	+112%
Interest income	(37)	(19)		
Depreciation and amortisation	5,440	5,466		
Embedded derivative non-cash financing (gains) / costs[2]	(1,140)	2,244		
Impairment (recovery) / expense	(400)	400		
Interest and finance costs	816	2,011		
Gain financial assets at FVPL	(123)	-		
Profit on Sale of Assets[3]	(5)	(201)		
Share-based payments expense	675	216		
EBITDA	5,687	6,367	- 680	-11%
AASB 16 *Leases* impact[4]	(1,835)	(1,794)		
EBITDA (pre-AASB16 *Leases* impact)	3,852	4,573	- 721	-16%
Government incentives	-	(1,511)		
Underlying EBITDA	**3,852**	**3,062**	**+ 790**	**+26%**
Other key metrics:				
■ **Revenue**	72,656	58,380	+14,276	+24%
■ **GCI**	102,486	80,660	+21,826	+27%

The Group generated a net profit after tax for the year of $1.59 million (FY2021: $1.86 million loss). This was primarily impacted by the embedded derivative non-cash financing gains ($1.14 million), impairment recovery ($0.40 million), interest and finance costs ($(0.82) million), and depreciation and amortisation ($(5.44) million).

The net assets of the Group have increased from 30 June 2021 by $2.26 million to $16.40 million at 30 June 2022 (30 June 2021: $14.14 million).

The Group's cash and cash equivalents increased from 30 June 2021 by $3.12 million to $8.22 million at 30 June 2022 (2021: $5.10 million).

Government incentives and related grants were received during the prior year and used to support employee sales agents in Perth. These were included in 2021 operational cash flows.

5.4. Key Business Risks

The Group is subject to various risk factors. Some of these are specific to its business activities while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of the Group.

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[2] Refer to note 2.2 of the financial statements

[3] 2021 Sale of West Coast rent roll assets to Managex. Includes profit on sale of net assets disposed of $273K + Gain on exit of lease of $58K

[4] AASB 16 *Leases* was adopted from 1 July 2019. The above demonstrates finance costs and amortisation, which prior to the adoption AASB 16 was recognised as rent expense.

Directors' report

a. Australian residential real estate market

The Agency generates the majority of its income from the Australian residential real estate market. Revenue is generated in various forms such as Gross Commission Income which is generated on the sale of properties, property management commissions is received on collecting rent and other associated activities and commission payments on the arranging of mortgages. The risk of a reduction in sales transaction volumes or prices is a material risk for the Group and could result from general economic conditions and factors beyond the Company's control such as housing affordability, employment, interest rates, domestic investor growth and demand, foreign investment and consumer confidence. As different states in Australia have different economic conditions at any one time, The Agency partly mitigates this risk through geographical diversification operating by operating in 6 states and territories across Australia.

b. People

The Group operates in a highly competitive environment and there is a risk that the Group may not be able to recruit or retain quality staff to achieve its operational objectives or mitigate succession risk. The Group mitigates this risk through structured approach to recruitment, as well as providing competitive remuneration and incentive programs to attract and retain high performing talent across Sales, Property Management, Mortgage Broking, Support staff, and Corporate functions.

c. Reputation and brand

The Group's reputation and brand may be impacted from both a customer perspective and an investor perspective. The Agency Brand is a young, dynamic brand which is disrupting the existing status quo of selling real estate in Australia. The Group continues to invest in our customer proposition, using technology, training and processes to enhance our customers and agents experience to ensure a solid scalable platform for growth.

d. IT Systems and cyber risks

The Group's IT framework is a combination of proprietary systems and Software as a Service providers. The Group believes that the combination of these systems provides a competitive advantage and a foundation for scalable platform for growth. The Group's operations are dependent on these systems which individually or collectively could fail or deliberately targeted which could lead to interruption of service, corruption of data or theft of personal data. The Agency mitigates against these risks through a combination of internal and outsourced IT professionals who maintain both preventative and detective processes and implements controls, including staff training to reduce the risk.

e. Impact of COVID 19 Coronavirus

The COVID-19 coronavirus global pandemic has continued to cause significant disruption and restrictions to the movement of people and goods throughout the world. During the pandemic, The Agency implemented prudent business continuity measures to see it through which allowed it to continue to operate nationally and during the period has reaped the benefits of a rebounding real estate market.

5.5. Environmental Regulations

The Group's operations are not subject to any significant environmental regulations in the jurisdictions it operates in.

5.6. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in note 14 *Events subsequent to reporting date* on page 61.

a. Non-IFRS Pro forma balance sheet

The following table illustrates the financial effect to the balance sheet of the Group had the following transactions (as disclosed in note 14 *Events subsequent to reporting date*) been applied at 30 June 2022:

- 14.1 *Acquisition of Bushby & Co Pty Ltd (page 61)*
- 14.2 *Macquarie Bank Limited ("MBL") Facility Amendment (page 61)*
- 14.3 *Variation to terms of financial liabilities – Convertible notes (page 61)*

As a result of the transactions, pro forma working capital would be working capital of $0.87 million, reversing a working capital deficit of $8.43 million, as reported at 30 June 2022.

Directors' report

Non-IFRS Pro forma balance sheet	30 June 2022 $'000	*Unaudited Pro forma 30 June 2022 $'000*
Current assets		
Cash and cash equivalents	8,216	*7,216*
Trade and other receivables	11,103	*11,103*
Other current assets	497	*2,370*
Total current assets	19,816	*20,689*
Non-current assets		
Trade and other receivables	145	*145*
Financial assets	836	*836*
Property, plant, and equipment	1,936	*2,230*
Right of use assets	3,605	*3,605*
Intangible assets	21,315	*24,193*
Total non-current assets	27,837	*31,009*
Total assets	47,653	*51,698*
Current liabilities		
Trade and other payables	14,918	*15,515*
Borrowings	5,000	-
Financial liabilities	4,021	-
Provisions	2,472	*2,472*
Leases	1,836	*1,836*
Total current liabilities	28,247	*19,823*
Non-current liabilities		
Borrowings	-	*8,400*
Financial liabilities	-	*4,021*
Provisions	221	*221*
Leases	2,555	*2,603*
Deferred tax liabilities	230	*230*
Total non-current liabilities	3,006	*15,475*
Total liabilities	31,253	*35,298*
Net assets	16,400	*16,400*
Equity		
Issued capital	43,635	*43,635*
Reserves	890	*890*
Accumulated losses	(28,125)	*(28,125)*
Total equity	16,400	*16,400*

5.7. Future Developments, Prospects and Business Strategies

The Group continues to focus on growth opportunities and attracting real estate agents to its contemporary direct engagement business model. By contracting directly with agents, the Group removes the 'middle layer' which has created a more responsive, efficient and effective model for our agents. This means our agents get a better deal and their clients get a better service.

Future growth will come from growth in agent numbers, and increased efficiencies driven by economies of scale and utilisation of best practice technological advances to ensure agents can maximise their productivity. The highly fragmented structure of the industry presents an opportunity for consolidation and the Group believes additional growth will come from acquisition opportunities - a number of which are being assessed and can be funded by existing resources.

The Group continues to assess a variety of strategic partnerships and adjacent revenue opportunities closely related to the activities of real estate sales transactions in addition to the existing property management, mortgage broking and conveyancing businesses already undertaken.

6. Information relating to the Directors

Mr Andrew Jensen	Executive Chairman and Chief Operating Officer *Non-independent*
Qualifications	FIPA, MAICD
Experience	Mr Jensen previously held the position of Chief Financial Officer for International and leading Australian Companies, which will greatly assist the Company in its next phase of national growth under the two prominent brands of The Agency and Sell Lease Property. Mr Jensen has strong commercial, strategic, and M&A experience and has financially led companies engaged in various fields including real estate, financial services, tele-communications, and the franchising sectors both in Australia and Internationally. He is an accomplished CFO with over 18 years' experience in senior finance and management roles. Previously, Mr Jensen was the CFO and Director of Australasia's largest real estate group Ray White, with over $20 billion in annual sales and one of Australia's largest independent mortgage broking businesses Loan Market. He has also been the CFO of VGC Food Group Pty Ltd, a private diversified manufacturing and franchising group. Mr Jensen was also CFO and COO of Digicel PNG (Papua New Guinea) part of Digicel Group Limited (Digicel), one of the South Pacific's largest and most successful telecommunications companies. He is also a fellow of the Institute of Public Accountants and member of the Australian Institute of Company Directors.
Interest in Company equity	**Indirect** 1,903,492 Ordinary Shares
Directorships held in other listed entities during the prior three years	Tombador Iron Limited *(resigned 25 September 2020)*
Mr Geoff Lucas	Managing Director and Chief Executive Officer
Qualifications	CPA, FAICD
Experience	Mr Lucas is one of the most highly regarded executives in the Australian property industry, with a distinguished track record of leadership in a number of corporate positions for an ASX-listed real estate group, as well as other major public companies. With more than 25 years' commercial experience, Mr Lucas has successfully grown several companies and uses his background in accounting and finance to develop and execute strategies for growth. From 2008-2016 Mr Lucas served as the Chief Operating Officer of McGrath Real Estate (ASX: MEA), later serving as Chief Executive Officer of the company. During this time he built deep connections within the real estate services industry, in addition to a keen understanding of how to build operations which foster and grow shareholder value. Prior to this, Mr Lucas served as the CEO of ASX-listed financial services group Credit Corp Group (ASX: CCP) from 2004 to 2008.
Interest in Company equity	**Indirect** 30,000,000 Options
Directorships held in other listed entities during the prior three years prior	None

Directors' report

■ **Mr Paul Niardone**	☐	Executive Director *Non-independent*
Qualifications	☐	MBA, BA
Experience	☐	Mr Niardone was one of the founders of The Agency and until January 2022 was the Managing Director but has opted to take up a more operational role as an Executive Director. He was formerly executive director and founder of Professional Public Relations (WA), the largest PR and communications firm in the State until he sold the business to WPP. Mr Niardone has experience in marketing and strategic planning for clients in both Government and the private sector. With a degree in Politics and Industrial Relations and a Master's in Business Administration, he started his career in the Department of Cabinet and Parliamentary Services. He was appointed inaugural Manager of the Peel Region Business Enterprise Centre, and was then appointed as the first Marketing Manager for the entire Enterprise Centre Network comprising 36 centres throughout WA. Mr Niardone's marketing skills were recognised by Westpac in its decision to appoint him as one of the first Business Banking Managers in Australia without a banking background. His career to date has provided him with a unique opportunity to gain experience, insights and contacts in a wide range of industries at the CEO and Board level. He has sat on the boards of a number of public and private companies and not for profit organisations.
Interest in Company equity	☐	**Direct** 8,000,000 Class A Performance Shares 3,000,000 Class B Performance Shares **Indirect** 3,187,008 Ordinary Shares
Directorships held in other listed entities during the prior three years prior	☐	MinQuest Limited
■ **Mr Adam Davey**	☐	Non-executive Director *Non-independent*
Experience	☐	Mr Davey is a Director, Director – Wealth Management, Canaccord Genuity Financial Limited. Mr Davey's expertise spans over 25 years and includes capital raising (both private and public), mergers and acquisition, ASX listings, asset sales and purchases, transaction due diligence and director duties. Mr Davey has been involved in significantly growing businesses in both the industrial and mining sector. This has been achieved through holding various roles within different organisations, including Chairman, Managing Director, Non-executive director, major shareholder or corporate adviser to the board. Mr Davey is also the Chairman of Teen Challenge Foundation, the largest Youth Drug and Alcohol Rehabilitation Centre in Western Australia.
Interest in Company equity	☐	**Indirect** 1,154,308 Ordinary Shares
Directorships held in other listed entities during the prior three years prior	☐	Ensurance Limited Painchek Ltd

Former directors

Mr Matthew Lahood	Executive Director *Non-independent*
Experience	Mr Lahood stepped down as Executive Director on 28 January 2022; however, he remains a key management person in the position as CEO – Real Estate. Mr Lahood is synonymous with Australian real estate, during more than two decades at the forefront of the industry, he has honed his expertise in everything from property sales to auctioneering. Having personally coached and mentored many of the industry's finest sales agents to become million-dollar writers, Mr Lahood knows what it takes to significantly grow their businesses. He is also well known around Australia for his outstanding leadership skills and for building super sales and operational teams. He has been recognised with countless performance awards and is considered a thought leader within the Australian real estate space. Mr Lahood provides media commentary on a national level and is a regular keynote speaker at real estate and financial events. Mr Lahood's love of real estate is only outshone by his passion for helping people grow personally and professionally. For over 28 years, he has stood firmly by his values of humility, transparency and integrity, values that he has passed onto many who have been lucky enough to work alongside him.
Interest in Company equity	**Indirect** 24,804,398 Ordinary Shares *(at date of resignation 28.01.2022)*
Directorships held in other listed entities during the prior three years prior	Nil

7. Meetings of Directors and committees

During the financial year, 10 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		REMUNERATION AND NOMINATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Andrew Jensen	10	10	*At the date of this report, the Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*					
Geoff Lucas	4	4						
Paul Niardone	10	10						
Adam Davey	10	10						
Matthew Lahood	6	5						

8. Indemnifying officers or auditor

8.1. Indemnification

The Company has paid premiums to insure each of the current and former Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The Company has not given any further indemnity or entered into any other agreements to indemnify, or pay or agree to pay insurance premiums.

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an auditor of the Company

8.2. Insurance premiums

The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

9. Options

9.1. Unissued shares under option

At the date of this report, the unissued ordinary shares of the Company under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price $	Number under Option	Vested & Exercisable
29 Mar 2021	29 Sept 2022	0.050	10,000,000	10,000,000
29 Mar 2021	29 Sept 2023	0.075	10,000,000	-
29 Mar 2021	29 Sept 2024	0.100	10,000,000	-
			30,000,000	10,000,000

On the commencement of employment, the Company granted Mr Lucas 30,000,000 options in accordance with his employment agreement. For further details refer to the financial statements note 18.2.2a.

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

9.2. Shares issued on exercise of options

No shares have been issued by the Company during the financial year as a result of the exercise of options (2021: nil).

10. Non-audit services

During the year, Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**), the Company's and Group's auditor did not provide non-audit services (2021: $4,700), in addition to their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at note 19 *Auditor's Remuneration* on page 66.

Where non-audit services are provided by Hall Chadwick, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

11. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* (Cth) 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

12. Rounding of amounts

The amounts contained in this report have been rounded to the nearest thousand dollars under the option available to the Company under Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

12. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of The Agency support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. For a detailed analysis of the Company's Corporate Governance Policies, visit the corporate governance section of our website at www.investors.theagency.com.au/corporate-governance.

13. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2022 has been received and can be found on page 22 of the annual report.

14. Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2022. The information in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

14.1. Key management personnel (**KMP)**

This remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether Executive or otherwise) of the parent company, and includes those Executives in the Parent and the Group receiving the highest remuneration. KMP comprise the Directors of the Company and key executive personnel:

- Andrew Jensen — Executive Chairman and Chief Operating Officer
- Geoff Lucas — Managing Directors and Chief Executive Officer (**CEO**) *(appointed MD 28 January 2022)*
- Paul Niardone — Executive Director
- Adam Davey — Non-Executive Director
- *Other KMP:*
  - Matt Lahood — CEO – Real Estate
- *Former KMP included in current and comparative information:*
  - Arjan van Ameyde — Chief Financial Officer (**CFO**) *(Resigned 1 February 2022)*

14.2. Principles used to determine the nature and amount of remuneration

a. Remuneration Policy

The remuneration policy of The Agency Group Australia Limited has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (**AGM**). Fees for non-executive Directors are not linked to the performance of the Group.

b. Performance Conditions Linked to Remuneration

The Group seeks to establish and maintain The Agency Group Australia Limited Performance Rights Plan (**Plan**) to provide ongoing incentives to any full time or part time employee, consultant or any person nominated by the Board (including director or company secretary of the Company who holds salaried employment with the Company on a full or part time basis) (**Eligible Participants**) of the Company.

The Board adopted the Plan to allow Eligible Participants to be granted Performance Rights to acquire shares in the Company.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Eligible Participants in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

c. Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

14. Remuneration report (audited)

(1) Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 29 April 2016 when shareholders approved an aggregate remuneration of $250,000 per year. The Board considers advice from external consultants when undertaking the annual review process.

(2) Executive remuneration

Senior executives, including Executive Directors, are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by the Company's lawyers. Base salary/consulting fees are set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salary/consulting fees are regularly compared with the external market and during recruitment activities generally. It is the policy of the Company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Details of the nature and amount of each element of each Director, including any related company and each KMP are set out below.

d. Contractual arrangements of members of KMP

(1) Executive Services Agreement (**ESA**) – Paul Niardone

Mr Niardone entered into an ESA, revised on 11 January 2019, with the Company to be employed as Managing Director upon and subject to the terms and conditions of the ESA. On 28 January 2022, Mr Niardone stepped down as Managing Director was appointed Executive Director, focussed on continuing to grow Western Australian business, national growth of emerging SLP business, expansion of financial services division and advancing a range of technology focused Proptech opportunities. The key terms of this agreement are disclosed below:

(A) **Remuneration**

(i) Mr Niardone will receive a salary of $390,000 per year, exclusive of superannuation, which will be reviewed annually by the Company (**Salary**), plus an annual Director fee of $48,000 (as revised on 28 January 2022). The Company will make employer superannuation contributions on behalf of Mr Niardone.

(ii) Mr Niardone, on the same basis of other Directors, may participate in a short-term and/or long-term incentive plans whether involving the issue of shares, options, rights or other incentives to Mr Niardone to remain at the Company and achieve the Company's targets. Any such incentives will be governed by the relevant plan or scheme adopted by the Company.

(iii) the Company will grant the Executive (or his nominee) the following 8,000,000 Class A Performance Rights and 3,000,000 Class B Performance Rights under its Performance Rights and Options Plan. The Class A and B Performance Rights will convert on the milestones as disclosed in 14.7.c *Share-based compensation - Rights Granted as Remuneration.*

(iv) The Company paid operating lease payments for a motor vehicle, on behalf of Mr Niardone, in the amount of $24,297 for the year.

(v) The Company shall provide to Mr Niardone, at its own cost, life insurance protection on similar terms to the life insurance protection currently offered by the Company.

(vi) The Company will reimburse Mr Niardone for all reasonable travelling intra/interstate or overseas, accommodation, and general expenses incurred in the performance of all duties in connection with the business of the Company and its related bodies corporate.

(vii) Mr Niardone is entitled to all leave in accordance with the National Employment Standard (**NES**) and Western Australian long service leave legislation.

(B) **Termination by the Company without reason**

The Company may at its sole discretion terminate employment by giving twelve months' written notice and, at the end of that notice period, making a payment to Mr Niardone equal to the salary payable over a twelve-month period. The Company may elect to pay Mr Niardone the equivalent of the twelve months' salary and dispense with the notice period (as revised on 11 January 2019).

14. Remuneration report (audited)

(C) **Termination by Mr Niardone**

Mr Niardone may at his sole discretion terminate the Employment in the following manner:

(i) if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of written notice from Mr Niardone to the Company to do so, by giving notice effective immediately; or

(ii) by giving three months' written notice to the Company.

(2) ESA – Matthew Lahood

(A) **Remuneration**

(i) Mr Lahood will receive a salary of $650,000 per year, exclusive of superannuation, which will be reviewed annually by the Company (**Salary**).

(ii) In addition, the Company may at any time during the term of the ESA pay Mr Lahood a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the key performance indicators of Mr Lahood and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.

(iii) The Company will make employer superannuation contributions on behalf of Mr Lahood.

(iv) The Company will reimburse Mr Lahood for all reasonable travelling intra/interstate or overseas, accommodation, and general expenses incurred in the performance of all duties in connection with the business of the Company and its related bodies corporate.

(v) Mr Lahood is entitled to all leave in accordance with the NES.

(B) **Termination by the Company without reason**

The Company may at its sole discretion terminate employment by giving three months' written notice and, at the end of that notice period, making a payment to Mr Lahood equal to the salary payable over a five-month period. The Company may elect to pay Mr Lahood the equivalent of the six months' salary and dispense with the notice period

(C) **Termination by Mr Lahood**

Mr Lahood may at his sole discretion terminate the Employment in the following manner:

(i) if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of written notice from Mr Lahood to the Company to do so, by giving notice effective immediately; or

(ii) by giving three months' written notice to the Company.

(3) Letter of Appointment – Adam Davey

On 16 August 2016, Mr Davey executed a letter of appointment as non-executive Director of the Company:

(A) **Term**

Mr Davey's service commenced on the date of completion of the acquisition of Ausnet Real Estate Services Pty Ltd by the Company and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the *Corporations Act 2001* (Cth).

(B) **Fee**

Mr Davey will be paid a fee of $48,000 per annum for his role as a non-executive Director of the Company. Any fees paid to Mr Davey will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Davey for all reasonable expenses incurred in performing his duties

(4) Letter of Appointment – Andrew Jensen

On 15 February 2019, Mr Jensen executed a letter of appointment as non-executive Director of the Company.

(A) **Term**

Mr Jensen's service commenced from 18 February 2019, and will cease when he resigns, retires or is removed from office in accordance with the Company's constitution or the *Corporations Act 2001* (Cth).

(B) **Fee**

Mr Jensen will be paid a fee of $60,000 per annum for his role as a Director of the Company. Any fees paid to Mr Jensen will in any event be subject to annual review by the Board of the Company and approval by Shareholders (if required). The Company will reimburse Mr Jensen for all reasonable expenses incurred in performing his duties.

14. Remuneration report (audited)

(5) Executive Services Agreement (**ESA**) – Andrew Jensen

Mr Andrew Jensen entered into an ESA with the Company to be employed as Chief Operating Officer upon and subject to the terms and conditions of the ESA. The key terms of this agreement are disclosed below:

(A) **Remuneration**

(i) Mr Jensen will receive a salary of $350,000 per year, exclusive of superannuation, which will be reviewed annually by the Company (**Salary**). The Company will make employer superannuation contributions on behalf of Mr Jensen.

(ii) Mr Jensen will continue to receive director's fee as detailed in (4) above.

(iii) In addition, the Company may at any time during the term of the ESA pay Mr Jensen a performance-based bonus over and above his salary. In determining the extent of any performance-based bonus, the Company shall take into consideration the key performance indicators of Mr Jensen and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.

(iii) The Company will reimburse Mr Jensen for all reasonable travelling intra/interstate or overseas, accommodation, and general expenses incurred in the performance of all duties in connection with the business of the Company and its related bodies corporate.

(iv) Mr Jensen is entitled to all leave in line with the NES and Western Australian long service leave legislation.

(B) **Termination by the Company without reason**

The Company may at its sole discretion terminate employment by giving three months' written notice and, at the end of that notice period, making a payment to Mr Jensen equal to the salary payable over a three-month period. The Company may elect to pay Mr Jensen six months' salary and dispense with the notice period

(C) **Termination by Mr Jensen**

Mr Jensen may at his sole discretion terminate the Employment in the following manner:

(i) if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of written notice from Mr Jensen to the Company to do so, by giving notice effective immediately; or

(ii) by giving two months' written notice to the Company.

(6) Executive Services Agreement (**ESA**) – Arjan Van Ameyde *(Resigned 1 February 2022)*

Mr Van Ameyde entered into an ESA, revised on 11 December 2019 (commencing 1 February 2020), with the Company as Chief Financial Officer subject to the terms and conditions of the ESA. Mr Van Ameyde resigned on 1 February 2022. The key terms of his agreement are applicable to the reporting periods are disclosed below:

(A) **Remuneration**

(i) Mr Van Ameyde will receive a salary of $250,000 per year, exclusive of superannuation, which will be reviewed annually by the Company (**Salary**).

(ii) Mr Van Ameyde shall be entitled to payment of $10,000 following the one-year anniversary of the 1 February 2020, subject to achievement by the CFO of key performance indicators.

(iii) In addition, the Company may at any time during the Term pay to Mr Van Ameyde a performance-based bonus over and above the Salary

(iv) Mr Van Ameyde shall be entitled to participate in an Executive Share Scheme

(v) The Company will make employer superannuation contributions on behalf of Mr Van Ameyde and will reimburse Mr Van Ameyde for all reasonable travelling, accommodation, and general expenses incurred in the performance of all duties.

(vi) Mr Van Ameyde is entitled to all leave in line with the NES and Western Australian long service leave legislation.

(B) **Termination by the Company without reason**

The Company may at its sole discretion terminate employment by giving three months' written notice and at the end of that notice period, making a payment to Mr Van Ameyde of one month's salary. The Company may elect to pay Mr Van Ameyde the equivalent of the four months' salary and dispense with the notice period.

(C) **Termination by Mr Van Ameyde**

Mr Van Ameyde may at his sole discretion terminate the Employment in the following manner:

(i) if at any time the Company commits any serious or persistent breach of any of the provisions contained in the ESA and the breach is not remedied within 28 days of receipt of written notice from Mr Van Ameyde to the Company to do so, by giving notice effective immediately; or

(ii) by giving three months' written notice to the Company.

14. Remuneration report (audited)

(7) Employment Agreement (**EA**) – Geoff Lucas

Mr Geoff Lucas entered into an EA, commencing on 29 March 2021, with the Company to be employed as Chief Executive Officer upon and subject to the terms and conditions of the EA. On 28 January 2022, Mr Lucas was appointed Managing Director of the Company. The key terms of this agreement are disclosed below:

(A) **Salary Package**

$550,000 inclusive of superannuation (not to increase for first 2 years of employment), plus short term and long-term incentive payments which will be subject to achievement of key performance indicators to be set and approved with and by the Board.

(B) **Leave provisions**

In accordance with applicable legislation.

(C) **Equity issues**

Upon commencement, the Company will issue Mr Lucas with 30 million unlisted options to acquire fully paid ordinary shares of the Company with the following terms:

- 10 million exercisable at 5 cents each, vesting 60 days after conclusion of a 6-month probationary period (**Probationary Period**) and are exercisable on or before 12 months after conclusion of the probationary period (approx. September 2022).
- 10 million exercisable at 7.5 cents each, vesting on the 12-month anniversary date of conclusion of the Probationary Period and are exercisable on or before 12 months from vesting (approx. September 2023).
- 10 million exercisable at 10 cents each, vesting on the 24-month anniversary date of conclusion of the Probationary Period and are exercisable on or before 12 months from vesting (approx. September 2024).

If the employment is terminated by either party, the Unlisted Options will be cancelled or lapsed.

If all Unlisted Options are exercised the total payable by Mr Lucas will be $2.25 million.

(D) **Termination**

Following the Probationary Period, the Company may terminate the employment without cause, or Mr Lucas may resign from the employment, with six months' written notice to the other party. The employment agreement also contains summary termination provisions considered standard for an agreement of this type.

e. Voting and comments made at the Company's 2021 Annual General Meeting (**AGM**)

At the AGM held on 28 January 2022, on a poll the Company received 246,658,294 (99.40%) *For* votes and 1,495,512 (0.06%) *Against* votes and no abstentions on its remuneration report for the 2021 financial year. The Group did not employ a remuneration consultant during the year.

14.3. Performance-based remuneration

a. The following table provides employment details of persons who were, during the financial year, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance based and the proportion of remuneration received in the form of options.

Group KMP	Position Held as at 30 June 2022 and any change during the year	Contract Commencement / Termination Date	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration Not Related to Performance		Total
			Non-salary Cash-based Incentives %	Shares %	Options / Rights %	Fixed Salary/ Fees – cash based %	Fixed Salary/ Fees – share-based %	%
Andrew Jensen	Executive Chairman and COO	Appt. 18.02.2019 (Dir) Appt. 1.02.2020 (COO)	7	-	-	93	-	100
Paul Niardone	Executive Director	11.01.2019	7	-	16	77	-	100
Adam Davey	Non-Executive Director	16.08.2016	-	-	-	100	-	100
Geoff Lucas	Managing Director and CEO	Appt. 28.01.2022 (MD) Appt. 29.03.2021 (CEO)	6	-	-	46	48	100
Matthew Lahood[1]	CEO – Real estate	Appt 17.02.2019	13	-	-	87	-	100
Arjan van Ameyde	Chief Financial Officer	Appt. 1.02.2020 Resigned 1.02.2022	-	-	-	100	-	100

[1] Mr Lahood stepped down as Executive Director on 28 January 2022; however, he remains a key management person in the position as CEO – Real Estate.

14. Remuneration report (audited)

b. Statutory performance indicators

The Group aims to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. Reported below are measures of the Group's financial performance over the last five years as required by the Corporations Act 2001 (Cth). However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	2021	2020	2019	2018
Profit / (loss) for the year attributable to owners of the Company ($'000)	1,588	(1,856)	(9,065)	(7,831)	(3,742)
Basic earnings per share (cents)	0.37	(0.53)	(3.60)	(12.71)	(17.58)
Dividend payments ($)	Nil	Nil	Nil	Nil	Nil
Dividend payout ratio (%)	N/A	N/A	N/A	N/A	N/A
Share price ($)	0.037	0.050	0.043	0.070	0.148
Increase/(decrease) in share price (%)	(26.00)	16.28	(38.57)	(52.70)	(65.34)

14.4. Directors and KMP remuneration

Details of the nature and amount of each element of the remuneration of each of the KMP of the Company (the Directors) for the year ended 30 June 2022 are set out in the following tables:

Bonuses paid during the year were based on the achievement of agreed key performance indicators.

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

2022 – Group *Group KMP*	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
	Salary, fees and leave	Profit share & bonuses[(4)]	Non-monetary	Other	Super-annuation	Other		Shares	Options / Perf. equity	
	$	$	$	$	$	$	$	$	$	$
Andrew Jensen	410,002	33,621	-	-	23,568	-	-	-	-	467,191
Paul Niardone[(2)(3)]	469,216	44,041	-	24,297	23,568	-	-	-	110,558	671,680
Adam Davey	48,000	-	-	-	-	-	-	-	-	48,000
Geoff Lucas[(2)]	526,427	68,064	-	-	23,568	-	-	-	563,995	1,182,054
Matthew Lahood	613,995	97,668	-	36,000	23,568	-	-	-	-	771,231
Arjan van Ameyde[(1)]	147,754	-	-	-	15,502	-	122,993	-	-	286,249
	2,215,394	243,394	-	60,297	109,774	-	122,993	-	674,553	3,426,405

(1) Mr Ameyde resigned 1 February 2022.

(2) Included in *Salary, fees and leave* for Mr Niardone is an amount of $59,216 relating to a payout of leave entitlements, and director fees of $20,000.

(3) Mr Niardone was issued performance rights in accordance with his ESA. For further details, refer 18.2.1. Mr Lucas' options were issued in accordance with his employment agreement. For further details refer to the financial statements note 18.2.2a.

(4) Bonuses for the current year are accrued but unpaid as at 30 June 2022. Bonuses are subject to final Board approval.

14. Remuneration report (audited)

2021 – Group *Group KMP*	Short-term benefits Salary, fees and leave $	Profit share & bonuses[(3)] $	Non-monetary $	Other $	Post-employment benefits Super-annuation $	Long-term benefits Other $	Termination benefits $	Equity-settled share-based payments Share $	Options / Perf. equity $	Total $
Andrew Jensen	410,000	111,508	-	-	21,694	-	-	-	-	543,202
Paul Niardone	399,000	123,508	-	25,576	21,694	-	-	-	-	569,778
Adam Davey	48,000	-	-	-	-	-	-	-	-	48,000
Matthew Lahood	563,181	86,940	-	25,500	21,694	-	-	-	-	697,315
Geoff Lucas[(1) (2)]	116,498	-	-	-	5,424	-	-	-	215,946	337,868
Arjan van Ameyde	250,000	10,000	-	-	21,694	-	-	-	-	281,694
	1,786,679	331,956	-	51,076	92,200	-	-	-	215,946	2,477,857

(1) Appointed 29 March 2021

(2) On the commencement of employment, the Company granted Mr Lucas 30,000,000 options in accordance with his employment agreement. Of the 30,000,000 options, 10,000,000 options have vested and are exercisable, as detailed in statements note 18.2.2a.

(3) Bonuses for the 2021 financial year have been restated to reflect an accrual basis of accounting. Previously report amounts in the remuneration report had been presented on a cash basis. The change only affects the remuneration report and related notes and has no effect on profit and loss which was presented including these amounts.

14.5. KMP Loans

As a 30 June 2022, an amount outstanding of $345,009 was advanced to Mr Lahood (2021: nil), with the following terms:

- **Principal Sum** Up to $400,000
- **Loan Commencement** 27 October 2021
- **Interest Rate** 8% per annum (after 12 months interest free period from final advance date).
- **Default Interest Rate** Interest Rate plus 5% per annum.
- **Securities** Any future sales commissions and future income and wages as per EA entitlements.
- **Instalment Date** Amount is due on final repayment date or when any due amounts are payable on STI payments and sales commissions from property sales that are due. Discretional payments during the term can also be paid.
- **Repayment Date** 31 March 2023

14.6. Other transactions with KMP and or their Related Parties

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided services to the Group.

Entity	Nature of transactions	KMP	Total Transactions 2022 $	Total Transactions 2021 $	Receivable/(Payable) Balance 2022 $	Receivable/(Payable) Balance 2021 $
Chapter One Advisers[16a]	Public Relations	Paul Niardone	-	7,000	N/A	N/A
Matt Lahood	Advance commissions / Future fund	Matt Lahood	(26,704)	90,000	57,370	84,074

(1) Chapter One Advisers discontinued to be a related entity in July 2020 as Mr Niardone ceased to have any control or significantly influence the financial or operating policies of Chapter One Advisers.

There have been no other transactions in addition to those described in the tables above or as detailed in note 16 *Related party transactions*.

14. Remuneration report (audited)

14.7. Share-based compensation

The Group believes that encouraging its directors and executives to become shareholders is the best way of aligning their interests with those of its shareholders. At present the Group does not have an active employee share option plan.

There were no equity instruments issued during the year to Directors as a result of options exercised that had previously been granted as compensation.

a. Securities received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

b. Options and Rights Granted as Remuneration

No options were granted during the current financial year. During 2021 financial year, 30,000,000 options were granted to Mr Geoff Lucas as share-based compensation, as detailed below and in note 18.2.2a.

Number under Option	Grant Date	Vesting Date	Expiry Date	Exercise Price $	Value per option at Grant Date $	Vested during the year No.	Exercised during the year No.
10,000,000	29.03.21	28.11.21	29.09.22	0.050	0.0320	10,000,000	nil
10,000,000	29.03.21	29.09.22	29.09.23	0.075	0.0333	-	nil
10,000,000	29.03.21	29.09.23	29.09.24	0.100	0.036	-	nil

c. Rights Granted as Remuneration

At the Company's 2021 AGM, shareholder approval was obtained to issue 11,000,000 performance rights that will convert into shares upon milestones being achieved, to Mr Paul Niardone under his ESA. These performance rights have been issued on terms as detailed below and valued in accordance with note 18.3.

Class of Performance Right	Performance Condition	Performance rights No.	Milestone Date	Expiry Date	Probability of milestones met %	Performance Condition Satisfied
A	24 months continuous service to the Company	8,000,000	28.01.2024	28.01.2024	100	No
B	Achievement of one of the following: (i) recruitment by The Agency (WA) and the Company's Sell Lease Property Model of 85 Agents by 30 June 2024; **or** (ii) achievement of GCI of $50,000,000 for the financial year ending 30 June 2024 by The Agency (WA).	3,000,000	30.06.2024	30.06.2024	85	No

14.8. KMP equity holdings

a. Fully paid ordinary shares of The Agency Group Australia Ltd held by each KMP

The number of ordinary shares of The Agency Group Australia Ltd held, directly, indirectly or beneficially, by each KMP, including their personally-related entities for the year ended 30 June 2022 is as follows:

2022 – Group *Group KMP*	Balance at start of year or appointment No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year or resignation No.
Andrew Jensen	1,903,492	-	-	-	1,903,492
Paul Niardone[(2)]	3,187,007	-	-	1	3,187,008
Adam Davey[(2)]	1,154,307	-	-	1	1,154,308
Geoff Lucas	-	-	-	-	-
Matthew Lahood	24,804,398	-	-	-	24,804,398
Arjan van Ameyde[(1)]	-	-	-	-	-
	31,049,204	-	-	2	31,049,206

(1) Mr Ameyde resigned 1 February 2022.
(2) Other changes relate to performance shares that failed to vest and converted to two only ordinary shares during the year.

14. Remuneration report (audited)

b. Options in The Agency Group Australia Ltd held by each KMP

The number of options over ordinary shares in The Agency Group Australia Ltd held, directly, indirectly or beneficially, by each KMP, including their personally-related entities for the year ended 30 June 2022 is as follows:

2022 – Group *Group KMP*	Balance at start of year or appointments No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year[2] No.	Balance at end of year or resignation No.	Vested and Exercisable No.	Not Vested No.
Andrew Jensen	-	-	-	-	-	-	-
Paul Niardone	-	-	-	-	-	-	-
Adam Davey	333,333	-	-	(333,333)	-	-	-
Geoff Lucas	30,000,000	-	-	-	30,000,000	10,000,000	20,000,000
Matthew Lahood	-	-	-	-	-		-
Arjan van Ameyde[1]	-	-	-	-	-	-	-
	30,333,333	-	-	(333,333)	30,000,000	10,000,000	20,000,000

(1) Mr Ameyde resigned 1 February 2022.

(2) Other changes relate to the expiration of options

c. Performance Shares / Rights of The Agency Group Australia Ltd held by each KMP

The number of Performance Shares in The Agency Group Australia Ltd held, directly, indirectly or beneficially, by each KMP, including their personally-related entities for the year ended 30 June 2022 is as follows:

2022 – Group *Group KMP*	Balance at start of year or appointments No.	Received during the year as compensation No.	Conversion to ordinary share during the year No.	Other changes during the year[1] No.	Balance at end of year or resignation No.	Maximum value yet to vest No.
Andrew Jensen	-	-	-	-	-	-
Paul Niardone[2]	411,111	11,000,000	-	(411,111)	11,000,000	11,000,000
Adam Davey	266,667	-	-	(266,667)	-	-
Geoff Lucas	-	-	-	-	-	-
Matthew Lahood	-	-	-	-	-	-
Arjan van Ameyde[3]	-	-	-	-	-	-
	677,778	11,000,000	-	(677,778)	11,000,000	11,000,000

(1) Other changes related to performance shares that failed to vest and expired in a prior period. These performance shares converted to two only ordinary shares during the year.

(2) Mr Niarodone was issued performance rights (8 million Class A and 3 million Class B) in accordance with his ESA. For further details, refer 18.2.1.

(3) Mr Ameyde resigned 1 February 2022.

14. Remuneration report (audited)

14.9. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights, and shareholdings.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).

GEOFF LUCAS
Managing Director and CEO
Dated this Wednesday, 24 August 2022

HALL CHADWICK

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of The Agency Group Australia Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 24th day of August 2022
Perth, Western Australia

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Continuing operations			
Revenue	1.1	72,656	58,380
Cost of sales		(47,432)	(35,654)
Gross profit		25,224	22,726
Other income	1.2	776	1,511
Administrative and other expenses		(26,263)	(23,332)
Impairment losses recovered / (expensed)	2.3	400	(400)
Profit before tax and finance costs		137	505
Interest and finance costs		(816)	(2,011)
Embedded derivative non-cash financing gains / (costs)	2.2	1,140	(2,244)
Profit / (loss) before tax	2.1	461	(3,750)
Income tax benefit	4.1	1,127	1,894
Net profit / (loss) for the year		1,588	(1,856)
Other comprehensive income, net of income tax			
■ Items that will not be reclassified subsequently to profit or loss:		-	-
■ Items that may be reclassified subsequently to profit or loss:		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		1,588	(1,856)
Earnings per share:		¢	¢
Basic earnings per share (cents per share)	17.4	0.37	(0.53)
Diluted earnings per share (cents per share)	17.4	0.37	N/A

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2022

	Note	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents	5.1	8,216	5,096
Trade and other receivables	5.2.1	11,103	8,354
Other current assets	5.4.1	497	324
Total current assets		19,816	13,774
Non-current assets			
Trade and other receivables	5.2.2	145	163
Financial assets	5.3.1	836	613
Property, plant, and equipment	6.1	1,936	1,578
Right of use assets	6.2.1	3,605	4,894
Intangible assets	6.3	21,315	24,240
Total non-current assets		27,837	31,488
Total assets		47,653	45,262
Current liabilities			
Trade and other payables	5.5.1	14,918	11,194
Borrowings	5.6.1	5,000	-
Financial liabilities	5.7.1	4,021	-
Provisions	6.4	2,472	2,565
Leases	6.2.2	1,836	1,828
Total current liabilities		28,247	15,587
Non-current liabilities			
Borrowings	5.6.2	-	5,000
Financial liabilities	5.7.2	-	4,883
Provisions	6.4	221	281
Leases	6.2.2	2,555	4,017
Deferred tax liabilities	4.6	230	1,357
Total non-current liabilities		3,006	15,538
Total liabilities		31,253	31,125
Net assets		16,400	14,137
Equity			
Issued capital	7.1.1	43,635	43,635
Reserves	7.4	890	1,072
Accumulated losses		(28,125)	(30,570)
Total equity		16,400	14,137

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2022

	Note	Contributed equity $'000	Accumulated Losses $'000	Share-based payment Reserve $'000	Total equity $'000
Balance at 1 July 2020		39,396	(28,714)	929	11,611
Loss for the year attributable owners of the parent		-	(1,856)	-	(1,856)
Other comprehensive income for the year attributable owners of the parent		-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	(1,856)	-	(1,856)
Transaction with owners, directly in equity					
Shares issued during the year (net of costs)	7.1.1	3,553	-	-	3,553
Options granted during the year	7.3	-	-	438	438
Options exercised during the year	7.1.1,7.3	686	-	(295)	391
Balance at 30 June 2021		43,635	(30,570)	1,072	14,137
Balance at 1 July 2021		43,635	(30,570)	1,072	14,137
Profit for the year attributable owners of the parent		-	1,588	-	1,588
Other comprehensive income- for the year attributable owners of the parent		-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	1,588	-	1,588
Transaction with owners, directly in equity					
Shares issued during the year (net of costs)		-	-	-	-
Share-based payments granted during the year	18	-	-	675	675
Transfers to / from reserves		-	857	(857)	-
Balance at 30 June 2022		43,635	(28,125)	890	16,400

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows
for the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		78,861	71,571
Payments to suppliers and employees		(71,827)	(65,947)
Interest received		37	18
Finance costs		(471)	(999)
Net cash provided by operating activities	5.1.2a	6,600	4,643
Cash flows from investing activities			
Purchase of property, plant, and equipment		(965)	(242)
Deposit for bank guarantees		(11)	-
Purchase of intangibles		(319)	-
Loans to other entities		(715)	(225)
Net cash received on disposal of asset group		486	2,623
Net (cash used) / provided by investing activities		(1,524)	2,156
Cash flows from financing activities			
Proceeds from exercise of options		-	392
Share issue costs		-	(60)
Repayments of borrowings	5.1.2b	-	(7,843)
Proceeds from borrowings	5.1.2b	-	5,000
Payment of principal portion of lease liabilities		(1,956)	(1,916)
Net cash used in financing activities		(1,956)	(4,427)
Net increase in cash and cash equivalents held		3,120	2,372
Cash and cash equivalents at the beginning of the year		5,096	2,724
Cash and cash equivalents at the end of the year	5.1	8,216	5,096

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements
for the year ended 30 June 2022

In preparing the 2022 financial statements, The Agency Group Australia Ltd has grouped notes into sections under five key categories:

- Section A: How the numbers are calculated 28
- Section B: Risk 54
- Section C: Group structure 58
- Section D: Unrecognised items 61
- Section E: Other Information 62

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

The amounts contained in these financial statements have been rounded to the nearest thousand dollars under the option available to the Group under Australian Securities and Investments Commission (**ASIC**) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016.

Change in Presentation

During the financial year the Group changed the presentation of the statement of profit and loss to classify expenses based on their function. This change has not affected reported profit or loss and is a change in presentation only. In accordance with accounting standards, the Group will continue to report expenditure classified by nature in the notes to the consolidated financial statements, as disclosed in 2.1 *Expenses by nature.* Comparative information has been updated to reflect this change.

Notes to the consolidated financial statements
for the year ended 30 June 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction.

(b) analysis and sub-totals.

(c) information about estimates and judgements made in relation to particular items.

Note 1 Revenue and other income		Note	2022 $'000	2021 $'000
1.1 Revenue				
Residential Sales commissions			60,682	46,443
Mortgage and Settlement revenue			5,115	4,422
Property Management revenue:	*Management fees*	1.1.1	5,116	5,732
	Other	1.1.1	1,743	1,783
			72,656	58,380

1.1.1 As detailed in note 1.2.1, in September 2020, the Group sold its WA rent roll business. This contributed $399K to *Management Fees* and $176K to *Other* fees of the comparative period's Property Management revenue.

1.2 Other Income	Note	2022 $'000	2021 $'000
Interest income		37	19
Profit on sale of net assets disposed	1.2.1	-	124
Gain on exit of lease		5	77
Gain financial assets at FVPL		123	-
Other income		611	567
Government grants received – Cash Flow Boost		-	724
		776	1,511

1.2.1 In September 2020, the Group sold *The Agency Property Management WA Pty Ltd* that held the Group's West Coast rent roll net assets resulting in the following gain:

	2021 $'000
Consideration:	
Cash payment	2,777
Retention receivable	335
Total consideration	3,112
Less:	
Costs associated with sale	(51)
Net assets disposed	(2,937)
Profit on sale of net assets disposed	124

1.3 Accounting policies

1.3.1 ***Revenue from contracts with customers***

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when performance obligations have been met.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties.

Note 1 Revenue and other income (cont.)

1.3.2 Revenue is recognised for major business activities based on the following performance obligations:

a. **Settlement fee revenue** .... *on settlement of real estate transaction.*
b. **Upfront commissions for mortgage origination** ...... *on approval of finance to clients and settlement of real estate transaction.*
c. **Trail commissions** .... *on receipt, based on maintaining clientele.*
d. **Real estate commissions**.. *when the sale of the property becomes unconditional.*
e. **Training seminars and functions** .... *on date function is held*

All revenue is stated net of the amounts of goods and services tax (**GST**).

1.3.3 ***Interest income***

Interest revenue is recognised in accordance with note 3.1 Finance income and expenses.

1.3.4 ***Government Grants***

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

a. The Group received government grants from the Australian Government's *JobKeeper Payment* and *Cash Flow Boost* schemes. There are no unfulfilled conditions or other contingencies attaching to these grants. Grants related to income are presented as part of profit or loss as a deduction in reporting the related expense (refer note 2.4).

1.3.5 ***Critical judgements – Recognition of trailing commission revenue & trailing commission expense***

The Group receives trailing commissions from lenders on loans they have settled that were originated by the Group. The trailing commissions are received over the life of the loans based on the individual loan balance outstanding. The Group also makes trailing commission payments to brokers based on the individual loan balance outstanding.).

As disclosed in note 1.3.2c above, revenue from trailing commission is recognised on receipt. The Directors considered the detailed criteria for the recognition of revenue from the rendering of services set out in AASB 15 *Revenue from contracts with customers*, in particular, whether the recognition of revenue on the trail satisfied the probability requirements. The Directors determined that at the contract level, the Group cannot reliably determine the likelihood of that individual remaining with the Group or the period that they will continue for, resulting in revenue only being recognised upon receipt.

Trailing commission expenditure is recognised on the same basis as trailing commission revenue and is recognised upon receipt of trailing commission revenue.

Note 2 Expenses

	Note	2022 $'000	2021 $'000
2.1 Expenses by nature			
Advertising and promotion expenses		2,282	1,640
Computers and information technology expenses		1,864	1,407
Consultancy fees		1,265	2,048
Depreciation and amortisation	2.5	5,440	5,466
Embedded derivative non-cash financing (gains) / costs	2.2	(1,140)	2,244
Impairment (recovery) / expense	2.3	(400)	400
Interest and finance costs		816	2,011
Legal and professional fees		918	1,328
Occupancy costs		818	571
Salaries and employment costs	2.4	58,227	44,398
Other expenses		2,881	2,128
Total expenses by nature		72,971	63,641

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 2 Expenses (cont.)

2.1 Expenses by nature (cont.)	Note	2022 $'000	2021 $'000
2.1.1 ***Reconciliation to net profit or loss before tax***			
Total revenue and other income		73,432	59,891
Less: Total expenses by nature		(72,971)	(63,641)
Net profit before tax		461	(3,750)
2.2 Embedded derivative non-cash financing (gains)/costs:			
▪ Embedded Derivative – Finance cost		866	257
▪ Embedded Derivative – Fair value adjustment	5.7.3	(2,006)	1,987
		(1,140)	2,244
2.3 Impairment:			
▪ Doubtful debts expense / (recovered)	5.4.1	(400)	400
		(400)	400

2.3.1 ***Accounting policy***

a. *Impairment of financial assets*
Refer to note 5.8.1d

b. *Impairment of non-financial assets*
Refer to note 6.5.1

2.4 Salaries and employment costs	Note	2022 $'000	2021 $'000
▪ Commissions		39,118	31,656
▪ Director fees		149	144
▪ Salary and wages		11,340	7,899
▪ Share-based payments expense	18	675	216
▪ Superannuation *(on commissions, director fees, and salary and wages)*		2,672	2,147
▪ Other employment related costs		4,273	3,746
▪ Government grants received in connection with employment costs	1.3.4a	-	(1,410)
		58,227	44,398

2.4.1 ***Accounting policy***

a. *Short-term benefits*

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

b. *Other long-term benefits*

The Group's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Note 2 Expenses (cont.)

2.4 Salaries and employment costs (cont.)

c. *Retirement benefit obligations: Defined contribution superannuation funds*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

d. *Termination benefits*

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured based on the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

e. *Equity-settled compensation*

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, considering the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

2.5 Depreciation and amortisation

	Note	2022 $'000	2021 $'000
Depreciation – plant and equipment	6.1.1	607	595
Depreciation – right-of-use assets	6.2.4	1,589	1,523
Amortisation – intangible assets	6.3.2	3,244	3,348
		5,440	5,466

2.5.1 *Accounting policy*

a. *Impairment of financial assets*

Refer to note 5.8.1d

b. *Impairment of non-financial assets*

Refer to note 6.5.1

THE AGENCY GROUP AUST LTD

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 3 Other Significant Accounting Policies related to items of profit and loss

3.1 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

Note 4 Income tax

		Note	2022 $'000	2021 $'000
4.1	**Income tax benefit**			
	Current tax		-	-
	Deferred tax		(1,127)	(1,894)
			(1,127)	(1,894)
	Deferred income tax expense included in income tax expense comprises:			
	■ Increase in deferred tax assets (**DTAs**)	4.5	(301)	(1,243)
	■ Decrease in deferred tax liabilities (**DTLs**)	4.6	(826)	(651)
			(1,127)	(1,894)
4.2	**Reconciliation of income tax expense to prima facie tax payable**			
	The prima facie tax benefit on profit or loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
	Accounting profit / (loss) before tax		461	(3,750)
	Prima facie tax on operating profit at 30% (2021 loss: 30%)		138	(1,125)
	Add / (Less) tax effect of:			
	■ Non-deductible expenses		(190)	796
	■ Non-assessable income and gains		(1)	(16)
	■ Recognition of DTA on revenue losses, not previously recognised		(1,045)	(1,802)
	■ Other deductible expenses		(29)	(39)
	■ Impact of change in tax rate	4.3a	-	295
	■ Unrecognised income tax benefit in respect of current year losses and timing differences		-	(3)
	Income tax benefit attributable to operating profit / (loss)		(1,127)	(1,894)

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 4	Income tax (cont.)		2022 %	2021 %
4.3	The applicable weighted average effective tax rates attributable to operating profit are as follows:		(244.47)	50.51
	a. The tax rates used in the above reconciliations is the corporate tax rate of 30% payable by the Australian corporate entity on taxable profits under Australian tax law.			
4.4	Balance of franking account at year end of the parent company		$nil	$nil

		Note	2022 $'000	2021 $'000
4.5	**Deferred tax assets**			
	Employee benefits		612	559
	Accrued expenses		2,014	1,747
	Provisions		274	177
	AASB 16 *Leases* - Lease Liability		213	182
	Other		162	309
			3,275	2,974
	Set-off deferred tax liabilities	4.6	(3,275)	(2,974)
	Net deferred tax assets		-	-
4.6	**Deferred tax liabilities**			
	Intangible Asset - Rent Roll		3,380	4,331
	Property, plant, and equipment (deprecation)		88	-
	Financial assets – investments (fair valuation)		37	-
			3,505	4,331
	Set-off deferred tax assets	4.5	(3,275)	(2,974)
	Net deferred tax liabilities		230	1,357
4.7	**Tax losses and deductible temporary differences**			
	Unused tax losses and deductible temporary differences for which no DTA has been recognised, that may be utilised to offset tax liabilities:			
	■ Revenue losses attributable to Australia		3,712	5,064
			3,712	5,064

4.8 Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

ii. the Company continues to comply with conditions for deductibility imposed by law; and

iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of the Directors. These estimates consider both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that Directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

The parent company has accumulated tax losses of $12,373K (2021: $16,880K) which may be available for offset against future taxable profits of the parent company in which the losses arose. The recoupment of these losses is subject to assessment by the Australian Taxation Office.

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 4 Income tax (cont.)

4.9 Accounting policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated based on the Australian tax laws enacted or substantively enacted at the end of the reporting period being where the Group and its associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date, in Australia.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities (**DTL**) are recognised for all taxable temporary differences except:

- when the DTL arises from the initial recognition of goodwill or of 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 profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets (**DTA**) are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the DTA relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a DTA is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of DTA is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the DTA to be utilised.

Unrecognised DTA are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. DTAs and DTLs are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. DTAs and DTLs are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the DTAs and DTLs relate to the same taxable entity and the same taxation authority.

4.9.1 ***Tax consolidation***

The Agency Group Australia Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group (the **Tax Group**) under the tax consolidation legislation. Each entity in the Tax Group recognises its own current and deferred tax liabilities, except for any DTLs resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The Group notified the Australian Tax Office that it had formed a Tax Group to apply from 1 July 2019. The Tax Group has entered a tax sharing agreement whereby each company in the Tax Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the Tax Group.

Note 5 Financial assets and financial liabilities

5.1 Cash and cash equivalents

	2022 $'000	2021 $'000
Cash at bank	8,216	5,096
	8,216	5,096

5.1.1 The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 8 *Financial risk management*.

5.1.2 ***Cash Flow Information***

	2022 $'000	2021 $'000
a. *Reconciliation of cash flow from operations to loss after income tax*		
Profit / (loss) after income tax	1,588	(1,856)
■ *Cash flows excluded from loss attributable to operating activities*	-	-
■ *Non-cash flows in loss from ordinary activities:*		
☐ Depreciation and amortisation	5,440	5,466
☐ Impairment (recovery) / expense	(400)	400
☐ Income tax benefit	(1,127)	(1,894)
☐ Non-cash interest adjustments	519	541
☐ Embedded derivative non-cash financing (gain) / costs	(1,140)	2,244
☐ Share-based payments expense	675	216
☐ Profit or loss on disposal of assets	(5)	-
☐ Fair value adjustments through profit and loss	(123)	-
■ *Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:*		
☐ (Increase) in receivables	(2,905)	(2,785)
☐ (Increase)/decrease in financial assets	(11)	1,157
☐ Increase in trade and other payables	3,737	932
☐ Increase in provisions	352	222
Cash flow from operations	6,600	4,643

b. *Reconciliation of liabilities arising from financing activities*

			Non-cash changes				
	2020 $'000	Cash flows $'000	Additions $'000	Other Changes $'000	Embedded Derivative $'000	Converted to equity $'000	2021 $'000
Short-term borrowings	13,843	(7,843)	-	(6,000)	-	-	-
Long-term borrowings and financial liabilities	-	5,000	-	6,000	2,496	(3,613)	9,883
Leases	5,875	(1,916)	1,695	191	-	-	5,845
Total liabilities from financing activities	19,718	(4,759)	1,695	191	2,496	(3,613)	15,728

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)

5.1 Cash and cash equivalents (cont.)

5.1.2 ***Cash Flow Information** (cont.)*

			Non-cash changes				
	2021 $'000	Cash flows $'000	Additions $'000	Other Changes $'000	Embedded Derivative $'000	Converted to equity $'000	2022 $'000
Short-term borrowings	-	-	-	7,039	1,982	-	9,021
Long-term borrowings and financial liabilities	9,883	-	-	(5,895)	(3,988)	-	-
Leases	5,845	(1,956)	238	264	-	-	4,391
Total liabilities from financing activities	15,728	(1,956)	238	1,408	(2,006)	-	13,412

c. *Credit and loan standby arrangement with banks*

Refer note 5.6.5 Financing facilities available.

d. *Non-cash investing and financing activities*

2022

- Reclassification of borrowings and financial liabilities to current. Subsequent to balance date, the terms of both the borrowing and financial liabilities were renegotiated, as disclosed in note 14.2 and 14.3.

2021

During the prior year, non-cash investing and financing activities consisted of:

- Issue of 115,621,485 shares upon the conversion of $3,612,768 of convertible notes as described in notes 5.7.4 and 7.1.1.
- Reclassification of borrowings to non-current upon renegotiation of terms with Macquarie Bank Limited.
- The recognition of an embedded derivative in connection with convertible notes as described in notes 5.7.3 consisting of interest of $623,557, fair value adjustments of $1,986,988, and transaction costs of ($115,105).

5.1.3 ***Accounting policy***

For *Statement of Cash Flow* presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid instruments 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 5 Financial assets and financial liabilities (cont.)

5.2 Trade and other receivables

			2022 $'000	2021 $'000
5.2.1	***Current***			
	Trade debtors	5.2.4	7,957	6,673
	Recoverable commissions and wages		1,373	1,125
	Other receivables		1,665	856
	Provision for non-recovery of trade debtor and commissions / wages		(237)	(300)
	Loan to KMP	16b	345	-
			11,103	8,354
5.2.2	**Non-current**			
	Trade debtors		145	163
			145	163

5.2.3 The Group's exposure to credit rate risk is disclosed in note 8 *Financial risk management*.

5.2.4 The average credit period on rendering of services ranges from current to 30 days. Interest is not charged. No allowance has been made for estimated irrecoverable trade receivable amounts arising from past sale of goods and rendering of services, determined by reference to past default experience. Amounts are considered as *past due* when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction.

5.2.5 ***Accounting policy***

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement within no more than 30 days. Marketing allowances and upfront commissions paid to employees and agents are recovered against future sales commissions received by the employee or agent.

a. *Determining the stage for impairment*

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the expected credit loss (**ECL**) stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the *Consolidated Statement of Profit or Loss and Other Comprehensive Income*.

The Group assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are accompanied on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors

Note 5 Financial assets and financial liabilities (cont.)

5.3 Financial assets

		Note	2022 $'000	2021 $'000
5.3.1	***Non-current***			
	Bank guarantees and restricted cash		624	613
	Financial assets at FVPL	5.3.2	212	-
			836	613

5.3.2 ***Accounting policy***

a. *Recognition and Measurement*

The Group classifies the equity investments for which the entity has not elected to recognise fair value gains and losses through OCI as financial assets at fair value through profit or loss (**FVPL**). Refer to note 5.8.1c

5.4 Other assets

		Note	2022 $'000	2021 $'000
5.4.1	***Current***			
	Prepayments		490	306
	Other deposits	5.4.2	7	418
	Less: provision for impairment	5.4.3	-	(400)
			497	324

5.4.2 *Other deposits* at 30 June 2021 relate to an advance payment of $400,000 made to the Federal Court regarding the Magnolia case and other amounts of $17,690. This value was impaired for the same period.

5.4.3 During the year, the $400,000 provision for impairment was reversed following the favourable decision of the Federal Court (announced 23 November 2021), costs were awarded to The Agency and the $400,000 was returned to the Company.

5.5 Trade and other payables

		2022 $'000	2021 $'000
5.5.1	***Current***		
	Trade payables	5,143	2,552
	Employees' remuneration – commissions payable	4,677	3,706
	Payroll tax	487	354
	Superannuation – employees	174	393
	Sundry creditors and accrued expenses	2,927	2,512
	GST and PAYG payable	1,510	1,677
		14,918	11,194

5.5.2 Trade payables are unsecured, non-interest bearing and are normally settled on 30-day terms. Other payables are unsecured non-trade payables, are non-interest bearing and have an average term of 1 month.

5.5.3 ***Accounting policy***

a. *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Note 5 Financial assets and financial liabilities (cont.)

5.6 Borrowings	Note	2022 $'000	2021 $'000
5.6.1 *Current*			
Bank loans	5.6.3	5,000	-
		5,000	-
5.6.2 *Non-current*			
Bank loans	5.6.3	-	5,000
		-	5,000

5.6.3 On 4 August 2021 the Company executed an amendment deed to its loan agreement with Macquarie Bank Limited (**MBL**). Pursuant to the terms of the amendment deed, the revised terms of the loan include:

- **Loan amount** $5,000,000
- **Interest rate** Base Rate (BBSW) + margin of 3.75%. The Base Rate (determined monthly) has ranged between 0.10% to 0.85% during the period
- **Repayment date** On or before 4 January 2023
- **Covenants** The Company has covenanted to MBL that it will maintain an EBITDA interest cover ratio of at least 3 times. The definition of interest expense does not include financial indebtedness owed by the Company to Peters Investments Pty Ltd, in accordance with the convertible notes issued on 15 May 2020 and 4 January 2021 respectively.
- **Termination/Default** It is an event of default under the loan agreement if the total number of sales agents employed by the Company's wholly owned subsidiary, Top Level Real Estate Pty Ltd, is less than, or falls to less than 59. The Loan Agreement otherwise contains default and termination provisions considered standard for a bank facility of this nature.

On 25 July 2022, the Company announced that it has executed an amendment deed to its loan agreement with MBL. The revised terms of the loan are detailed in note 14.2.

5.6.4 ***Assets pledged as security***

Security is held over all the Group companies.

5.6.5 ***Financing facilities available***

At balance date, the following financing facilities had been negotiated and were available:	Total facilities		Facilities used		Facilities unused	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Bank and other loans	5,000	5,000	(5,000)	(5,000)	-	-
Total facilities at balance date	5,000	5,000	(5,000)	(5,000)	-	-

5.6.6 ***Accounting policy***

a. *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 5 Financial assets and financial liabilities (cont.)

5.7 Financial liabilities	Note	2022 $'000	2021 $'000
5.7.1 ***Current***			
Convertible note:	5.7.3,5.7.4		
■ Debt component		2,039	-
■ Derivative financial liability conversion option		1,982	-
		4,021	-
5.7.2 ***Non-current***			
Convertible note:	5.7.3,5.7.4		
■ Debt component		-	895
■ Derivative financial liability conversion option		-	3,988
		-	4,883
5.7.3 *Reconciliation of convertible notes*			
Opening balance:			
■ *from Borrowings*		-	1,000
■ Debt component		895	-
■ Derivative financial liability conversion option		3,988	-
Proceeds on issue of convertible notes		-	5,000
		4,883	6,000
■ Fair value of derivative liabilities		-	4,988
■ Host debt liability		-	897
■ Convertible loan notes converted to equity		-	(3,613)
■ Interest charged		1,144	624
■ Fair value movement		(2,006)	1,987
Carrying value of liabilities at reporting date		4,021	4,883

5.7.4 On 5 January 2021, following shareholder approval, the Company issued 5,000,000 convertible notes to Peters Investments Pty Ltd to raise $5,000,000. In addition, the terms of the 1,000,000 convertible notes issued to Peters Investments in May 2020 were amended to be consistent with those of the 5,000,000 convertible notes:

- **Interest rate** higher of 8% per annum and the interest rate on the Macquarie Bank Limited (**MBL**) loan
- **Facilitation fee** 3% fee equalling $150,000 which is capitalised and added to the face value of the note.
- **Security** Second security ranking behind MBL.
- **Options** 12,000,000 Options exercisable at the $0.027 on or before 31 March 2023. These options were exercised on 28 January 2021.
- **Term/Maturity Date** Unless converted to shares the notes will be repaid in cash on the earlier of 31 March 2023 or when all amounts owing by the Company to MBL have been repaid.
- **Conversion** At the noteholders election the notes can be converted into shares in The Agency at the lower of $0.027 per share and the issue price of shares offered under any subsequent capital raising completed by the Company to raise over $1,000,000 on or before maturity date.
- **Other Conditions** The Noteholder will have the first right of refusal to replace the MBL loan on commercial terms and conditions to be reasonably agreed between the Noteholder and The Agency.

On 28 January 2021, Peter Investments converted $3,612,768 of debt and interest into 115,621,485 shares.

Subsequent to balance date the Company executed an amendment deed for the convertible notes. The revised terms are detailed in note 14.3, and are subject to shareholder approval.

Note 5 Financial assets and financial liabilities (cont.)

5.7 Financial liabilities (cont.)

5.7.5 ***Accounting policies and Critical Estimates - Convertible notes***

a. *Debt component*

The conversion feature of convertible notes (**notes**) is required to be separated from the notes and is accounted for separately as a derivative financial liability. As a result, the notes are initially recognised at a discounted amount. The discount is amortised as interest expense using the effective interest method over the terms of the notes.

b. *Embedded derivative – Conversion feature*

The conversion feature in the notes represents the embedded derivative financial instrument in the host debt contract. The conversion feature represents the Group's obligation to issue Company shares at a fixed price should noteholders exercise their conversion option.

The embedded derivatives are carried in the Statement of Financial Position at their estimated fair value taking market participant assumptions into consideration, with any changes in fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

These values were calculated using the Black-Scholes option pricing model, applying the following inputs:

	Grant Date	*Balance Date*
Face Value:	$5,150,000	$3,630,079
Share price:	$0.035	$0.037
Conversion price:	$0.027	$0.027
Expiry date	31 March 2023	31 March 2023
Expected share price volatility:	100.00	92.00
Risk-free interest rate:	1.90%	3.20%
Value per conversion right	$0.0219	$0.0160

c. *Settlement of Convertible Notes*

Where notes are settled by issue of shares, the related financial liabilities are derecognised at their carrying value with the corresponding increase to share capital. Any costs incurred are recognised in profit or loss.

Where notes are settled by payment of cash, the related financial liabilities are derecognised at their carrying value and the difference between total cash consideration paid and the carrying value of the financial liabilities derecognised is recognised in profit or loss.

d. *Capitalised transaction costs*

The Company incurred transaction costs upon the issuance of the notes. Transaction costs relating to the notes have been allocated between the debt component and the conversion derivatives using the relating proportions of these on initial measurement of the instruments. Costs attributed to the debt component are amortised to finance expense over the term of the notes using the effective interest method. Costs allocated to the conversion derivatives are immediately recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Note 5 Financial assets and financial liabilities (cont.)

5.8 Other Significant Accounting Policies related to Financial Assets and Liabilities

5.8.1 ***Investments and other financial assets***

a. *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (**FVOCI**).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b. *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c. *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (**FVPL**), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss.
- *FVOCI*: Assets held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When a financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented separately in the statement of profit or loss.
- *FVPL*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Note 5 Financial assets and financial liabilities (cont.)

5.8 Other Significant Accounting Policies related to Financial Assets and Liabilities (cont.)

ii. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d. *Impairment*

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Note 6 Non-financial assets and financial liabilities

6.1 Property, plant, and equipment

	2022 $'000	2021 $'000
Plant and equipment – at cost	1,525	1,253
Accumulated depreciation	(893)	(725)
	632	528
Leasehold improvements – at cost	4,141	3,448
Accumulated amortisation	(2,837)	(2,398)
	1,304	1,050
Total plant and equipment	1,936	1,578

6.1.1 ***Movements in Carrying Amounts***

	Plant and Equipment $'000	Leasehold improvements $'000	Total $'000
Carrying amount at 1 July 2020	573	1,467	2,040
Additions	96	41	137
Disposals / write-offs	(4)	-	(4)
Depreciation expense	(137)	(458)	(595)
Carrying amount at 30 June 2021	528	1,050	1,578
Carrying amount at 1 July 2021	528	1,050	1,578
Additions	271	694	965
Disposals / write-offs	-	-	-
Depreciation expense	(167)	(440)	(607)
Carrying amount at 30 June 2022	632	1,304	1,936

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)

6.1 Property, plant, and equipment (cont.)

6.1.2 *Accounting policy*

a. *Recognition and measurement*

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 6.5.1 *Impairment of non-financial assets*).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Where considered material, the carrying amount of property, plant, and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Where parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

b. *Subsequent costs*

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

c. *Depreciation*

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on either a straight-line basis or diminishing balance basis, whichever is considered most appropriate, over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the remaining term of the lease.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

Class	2022 %	2021 %
■ Leasehold Improvements	Over term of lease	Over term of lease
■ Plant and equipment:		
☐ Office furniture and fittings	10	10
☐ Office equipment	25	25
☐ Motor vehicle	25	25

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected

net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

d. *Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Note 6 Non-financial assets and financial liabilities (cont.)

6.2 Leases

		2022 $'000	2021 $'000
6.2.1	***Right of use assets***		
	Properties	2,684	3,704
	Printing equipment	921	1,190
		3,605	4,894
6.2.2	***Lease liabilities***		
	Current	1,836	1,828
	Non-current	2,555	4,017
		4,391	5,845
6.2.3	***Additions to the right-of-use assets***	238	3,125
6.2.4	***Amounts recognised in the statement of profit or loss:***		
	■ Depreciation charge of right-of-use assets:		
	□ Properties	269	1,244
	□ Printing equipment	1,320	279
		1,589	1,523
	■ Interest expense (included in finance cost)	264	218
6.2.5	***Total cash outflow for leases***	1,956	1,916

6.2.6 ***Accounting policy***

a. *Recognition and measurement*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

i. Right of Use Asset

The Group recognises a right of use asset at the commencement date of the lease. The right of use asset is initially measured at cost. The cost of right of use assets includes the amount of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus initial direct costs incurred and an estimate of costs to dismantle, remove or restore the leased asset, less any lease incentives received.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Subsequent to initial measurement, the right of use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life as follows:

- Properties 36 – 60 months
- Printing equipment 60 months

Right of use assets are subject to impairment and are adjusted for any remeasurement of lease liabilities.

Note 6 Non-financial assets and financial liabilities (cont.)

6.2 Leases (cont.)

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payment to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the assessment of lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payments occurs. The present value of lease payments is discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The amount of lease liability 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The Group has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and do not contain a purchase option, and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

b. *Extension and termination options*

Extension options are included in the property leases of the Group.

6.2.7 *Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties and printing equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)

6.3 Intangible assets	Note	2022 $'000	2021 $'000
Goodwill	6.3.3	10,704	10,704
		10,704	10,704
Rent Roll and trail book	6.3.5a	21,135	21,135
Accumulated amortisation		(11,022)	(7,852)
		10,113	13,283
Others		611	292
Accumulated amortisation and impairment		(113)	(39)
		498	253
Total intangibles		21,315	24,240

6.3.1 As disclosed in note 1.2.1, in 2021 the Company sold its West Coast rent roll business, resulting in the disposal of goodwill of $1,069,001 and rent roll asset of $1,843,907.

6.3.2 *Movements in Carrying Amounts*	Note	Goodwill $'000	Rent Roll $'000	Other $'000	Total $'000
Carrying amount at 1 July 2020		11,773	18,418	186	30,377
Additions		-	-	104	104
Disposals	1.2.1	(1,069)	(1,824)	-	(2,893)
Amortisation expense		-	(3,311)	(37)	(3,348)
Carrying amount at 30 June 2021		10,704	13,283	253	24,240
Carrying amount at 1 July 2021		10,704	13,283	253	24,240
Additions		-	-	319	319
Disposals		-	-	-	-
Amortisation expense		-	(3,170)	(74)	(3,244)
Carrying amount at 30 June 2022		10,704	10,113	498	21,315

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 6 Non-financial assets and financial liabilities (cont.)

6.3 Intangible assets (cont.)

6.3.3 ***Allocation of goodwill to cash-generating units (CGU)***

Goodwill has been allocated for impairment testing purposes to the CGU. Before recognition of impairment losses, the carrying amount of goodwill was allocated to CGU as follows.

	2022 $'000	2021 $'000
■ Top Level Real Estate - Residential sales	10,658	10,658
■ Settlements	46	46
Carrying amount as at 30 June	10,704	10,704

The recoverable amount of the Group's Top Level Real Estate CGU has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by Directors utilising the following key assumptions:

- Revenue has been extrapolated at a growth rate of 5.00% from the 2-year budget, with nil% growth rate applied from year 3;
- Discount rate is based upon a weighted average cost of capital of 15%.

The Directors believe that any reasonably possible further change in the key assumptions on which recoverable amount is based would not cause Top Level Real Estate CGU carrying amount to exceed its recoverable amount.

6.3.4 ***Accounting policy***

a. *Intangible assets acquired separately*

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

b. *Intangible assets acquired in a business combination*

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

c. *Trail Book intangible assets*

Trail book contracts and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trail book and licences over their estimated useful lives.

d. *Property Management intangible assets*

The property management rights are expected to have a finite life and are therefore amortised over their useful lives. The investment is carried at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of the rent roll over its estimated useful lives which is based on comparable market evidence.

e. *Business and domain names*

Business and domain names are recognised at cost of acquisition. They have a finite useful life and are amortised on a systematic basis based on the future economic benefits to be obtained over its useful life. Amortisation is calculated using the straight-line method.

Note 6 Non-financial assets and financial liabilities (cont.)

6.3 Intangible assets (cont.)

f. *Subsequent measurement*

The following useful lives are used in the calculation of amortisation:

Class	2022 %	2021 %
■ Trail Book and Rent Roll intangible assets	15	15
■ Business and domain names	10	10

g. *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see note 11.1.1) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

6.3.5 *Key estimates and Critical Judgements– Impairment of intangibles*

a. *Impairment of goodwill and rent roll*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

Included within the Top Level CGU is a rent roll asset of $10,013K (2021: $13,140K). These same CGU also included goodwill of $10,658K (2021: $10,658K).

For the rent roll assets, the recoverable amounts of these CGU's are derived from market transactional evidence in relation to their fair value. The Directors have determined that a multiple of 4 for the Top Level CGU (based on an independent expert opinion), multiplied by the annual rent roll income is an appropriate measure of the fair value of the rent roll assets. Fair value less cost to sell of the CGU was classified on a level 2 basis. No impairment resulted.

Management performed a goodwill impairment test of the Top Level Real Estate Sales CGU (acquired in 2019) taking a conservative approach in preparing its value in use calculation in light of market uncertainty resulting from COVID.

Management applied a discount rate of 15.5% resulting in no impairment loss for 2022 (2021: $nil).

The Mortgage CGU was tested for impairment and the result far exceeded the carrying value. All value-in-use calculations were performed using Board approved budgets.

Note 6 Non-financial assets and financial liabilities (cont.)

6.4 Provisions

	2022 $'000	2021 $'000
6.4.1 *Current*		
Employee entitlements	1,814	1,406
Future fund referrals	658	1,159
	2,472	2,565
6.4.2 *Non-current*		
Employee entitlements	53	63
Make good provisions	148	150
Future fund referrals	20	68
	221	281

6.4.3 ***Movements in Carrying Amounts***	Employee entitlements $'000	Make good provisions $'000	Future fund referrals $'000	Total $'000
Carrying amount at 1 July 2021	1,469	150	1,227	2,846
Additions	1,139	-	-	1,139
Disposals	-	-	(510)	(510)
Amounts used during the year	(741)	(2)	(39)	(782)
Carrying amount at 30 June 2022	1,867	148	678	2,693

6.4.4 ***Description of provisions***

a. *Provision for employee benefits* represents amounts accrued for annual leave (**AL**) and long service leave (**LSL**). The current portion for this provision includes the total amount accrued for AL entitlements and the amounts accrued for LSL entitlements that have vested due to employees having completed the required period of service. The Group does not expect the full amount of AL or LSL balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

b. *Make good provision.* The Company is required to restore the leased premises to their original condition at the end of the respective lease terms. A make good provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. The Directors valued the make good provision based upon a third-party cost estimate provided to the Company.

c. *Provision for Future fund referrals* is an incentive scheme provided to property partners for successfully referring property management and mortgage broking transactions. The referral fees are transferred into an asset growth model which creates an interest for the future benefit of the Property Partner, maturing after two years, which also assists to retain staff. The company estimates the value of the future fund referral provision using a probability weighting model which is based on historic information.

6.4.5 ***Accounting policy***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Note 6 Non-financial assets and financial liabilities (cont.)

6.4 Provisions (cont.)

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting date

6.5 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

6.5.1 ***Impairment of non-financial assets***

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (see accounting policy at note 4.9) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements
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Note 7 Equity

7.1 Issued capital

	Note	2022 No.	2021 No.	2022 $'000	2021 $'000
Fully paid ordinary shares		428,575,921	428,575,916	43,635	43,635

7.1.1 **Ordinary shares**		2022 No.	2021 No.	2022 $'000	2021 $'000
At the beginning of the year		428,575,916	298,954,431	43,635	39,396
Shares issued during the year:					
■ Convertible note conversion	5.7.4	-	115,621,485	-	3,613
■ Exercise of $0.027 options	7.3	-	12,000,000	-	546
■ Exercise of $0.0338 options	7.3	-	2,000,000	-	140
■ Conversion of cancelled performance shares	7.2.2	5	-	-	-
Transaction costs relating to share issues		-	-	-	(60)
At reporting date		428,575,921	428,575,916	43,635	43,635

7.1.2 Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

7.1.3 ***Accounting policy***

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

7.2 Performance equity

	Note	2022 No.	2021 No.	2022 $'000	2021 $'000
Performance equity		11,000,000	1,555,558	111	-

7.2.1 **Performance equity movement**		2022 No.	2021 No.	2022 $'000	2021 $'000
At the beginning of the year		1,555,558	1,555,558	-	-
Performance equity changes during the year:					
■ Conversion of cancelled performance shares	7.2.2	(1,555,558)	-	-	-
■ Issue of performance rights	18.2.1	11,000,000	-	111	-
At reporting date		11,000,000	1,555,558	111	-

7.2.2 During the 2020 financial year, 2,222,251 performance shares converted into 2,222,251 ordinary shares upon achieving a 10% growth in the mortgage and finance business loan book within 18 months of settlement. The remaining 1,555,558 performance shares failed to vest (by achieving a 20-day volume VWAP on the ASX which equals or exceeds 3 times the re-quotation price of $0.02, at any time within 24 months of settlement) and expired. These performance shares converted to five only ordinary shares, during the year.

7.2.3 Performance rights will vest and convert into ordinary shares on a one for one basis on achievement of the milestones described at note 18.2.1. If a milestone is not achieved by the applicable date, the relevant performance rights will automatically lapse

Note 7 Equity (cont.)

7.3 Options

	Note	2022 No.	2021 No.	2022 $'000	2021 $'000
Options		30,000,000	333,333	779	1,072

7.3.1 **Options equity movement**		2022 No.	2021 No.	2022 $'000	2021 $'000
At the beginning of the year		333,333	104,181,760	1,072	929
Options issued/(lapsed) during the year:					
■ Issued in connection with Convertible notes	5.7.4	-	12,000,000	-	222
■ Exercise of $0.027 options		-	(12,000,000)	-	(222)
■ Exercise of $0.0338 options		-	(2,000,000)	-	(73)
■ Granted (and to be issued) to CEO in accordance with employment agreements	18.2.2a	30,000,000	-	564	216
■ Expiry of options		(333,333)	(101,848,427)	(17)	-
■ Expired legacy option values		-	-	(840)	-
At reporting date		30,000,000	333,333	779	1,072

7.3.2 During the prior year, 12,000,000 options were issued as part of the convertible note.

7.4 Reserves

	Note	2022 $'000	2021 $'000
Share-based payment reserve:			
■ Performance rights	7.2	111	-
■ Options	7.3	779	1,072
		890	1,072

7.4.1 ***Share-based payment reserve***

The share-based payment reserve records the value of options and performance shares or rights issued by the Company to its employees or consultants.

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

Note 8 Financial risk management

8.1 Financial Risk Management Policies

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts payable and receivable.

The Group does not speculate in the trading of derivative instruments.

A summary of the Group's financial assets and liabilities is shown below:

	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non-interest Bearing $'000	2022 Total $'000	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non-interest Bearing $'000	2021 Total $'000
Financial Assets								
■ Cash and cash equivalents	8,216	-	-	8,216	5,096	-	-	5,096
■ Trade and other receivables	-	-	11,248	11,248	-	-	8,517	8,517
■ Bank guarantees and restricted cash	-	624	-	624	-	613	-	613
■ Investments	-	-	212	212	-	-	-	-
Total Financial Assets	8,216	624	11,460	20,300	5,096	613	8,517	14,226
Financial Liabilities at amortised cost								
■ Trade and other payables	-	-	14,918	14,918	-	-	11,194	11,194
■ Borrowings	5,000	-	-	5,000	5,000	-	-	5,000
■ Leases	-	4,391	-	4,391	-	5,845	-	5,845
■ Financial liabilities - Convertible notes	-	4,021	-	4,021	-	4,883	-	4,883
Total Financial Liabilities	5,000	8,412	14,918	28,330	5,000	10,728	11,194	26,922
Net Financial Assets / (Liabilities)	3,216	(7,788)	(3,458)	(8,030)	96	(10,115)	(2,677)	(12,696)

8.2 Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk. The Group'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 Group.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Group's risk profile. This includes assessing, monitoring and managing risks for the Group and setting appropriate risk limits and controls. The Group is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Risk management is carried out by the full Board as the Group believes that it is crucial for all board members to be involved in this process. The Chairman, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

Note 8 Financial risk management (cont.)

8.2.1 ***Credit risk***

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

- *Credit risk exposures*

  The maximum exposure to credit risk, arising from cash and cash equivalents and trade receivables, is limited to 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.

  Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, wherever possible. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

- *Impairment losses*

  The ageing of the Group's current trade and other receivables at reporting date was as follows:

	Gross 2022 $'000	Impaired 2022 $'000	Net 2022 $'000	Past due but not impaired 2022 $'000
Trade receivables				
Not past due	6,432	-	6,432	-
Past due up to 30 days	512	-	512	512
Past due 31 days to 90 days	208	-	208	208
Past due over 90 days	950	(187)	763	763
	8,102	(187)	7,915	1,483
Other receivables				
Not past due	3,383	(50)	3,333	-
Total	11,485	(237)	11,248	1,483

Included in the aged trade receivables are invoices raised for commission on property developments which are unconditional however are payable upon completion.

8.2.2 ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's ability to raise debt and / or equity funding in the market is paramount in this regard.

Note 8 Financial risk management (cont.)

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place. The non-interest bearing financial liabilities the Group had at the end of the reporting period were trade and other payables incurred in the normal course of the business. These were and were due within the normal 30-60 days terms of creditor payments. Interest-bearing liabilities of the Group comprised borrowings (note 5.6), convertible notes (note 5.7), and leases (note 6.2).

- *Contractual Maturities*

  The table below analyses the Group's financial liabilities and assets into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 Year		Greater Than 1 Year		Total	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities due for payment						
Trade and other payables	14,918	11,194	-	-	14,918	11,194
Borrowings	5,000	-	-	5,000	5,000	5,000
Financial liabilities - convertible notes	4,021	-	-	4,883	4,021	4,883
Leases	1,836	1,828	2,555	4,017	4,391	5,845
Total contractual outflows	25,775	13,022	2,555	13,900	28,330	26,922
Financial assets						
Cash and cash equivalents	8,216	5,096	-	-	8,216	5,096
Trade and other receivables	11,103	8,354	145	163	11,248	8,517
Bank guarantees and restricted cash	-	-	624	613	624	613
Investments	-	-	212	-	212	-
Total anticipated inflows	19,319	13,450	981	776	20,300	14,226
Net (outflow) / inflow on financial instruments	(6,456)	428	(1,574)	(13,124)	(8,030)	(12,696)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

8.2.3 *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's activities minimally expose it to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates. The Group does not enter into derivative financial instruments including foreign exchange forward contracts to hedge against financial risk. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

a. *Interest rate risk*

The Group are exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The Group does not have any receivables or payables that may be affected by interest rate risk.

b. *Foreign exchange risk*

The Group is not exposed to any material foreign exchange risk.

Note 8 Financial risk management (cont.)

c. *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group does not presently hold material amounts subject to price risk. As such the Board considers price risk as a low risk to the Group.

8.2.4 ***Sensitivity Analyses***

The Group is not exposed to any material sensitivities.

8.2.5 ***Net Fair Values***

a. *Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the table in note 8.1 and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 9 Capital Management

9.1.1 ***Capital***

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Capital is defined as the combination of contributed equity, reserves and net debt (borrowings less cash). The Board is responsible for monitoring and approving the capital management framework within which management operates. The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders such as employees. The Group focuses on interrelated financial parameters, including its gearing ratio, earnings growth, average cost of debt, gearing, weighted average debt maturity and borrowing capacity. These are taken into account when the Group makes decisions on how to invest its capital and evaluate its existing investments.

The capital structure of the Group can be changed by paying distributions to shareholders, returning capital to shareholders, issuing new shares or selling assets.

9.1.2 ***Working Capital***

The working capital position of the Group was as follows:	Note	2022 $'000	2021 $'000
Cash and cash equivalents	5.1	8,216	5,096
Trade and other receivables	5.2.1	11,103	8,354
Other current assets	5.4.1	497	324
Trade and other payables	5.5.1	(14,918)	(11,194)
Borrowings	5.6.1	(5,000)	-
Financial liabilities	5.7.1	(4,021)	-
Leases	6.2.2	(1,836)	(1,828)
Current provisions	6.4	(2,472)	(2,565)
Working capital position		(8,431)	(1,813)

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for the year ended 30 June 2022

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

(a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation.

(b) transactions with non-controlling interests, and

(c) interests in joint operations.

A list of significant subsidiaries is provided in note 10 below. This note also discloses details about the Group's equity accounted investments.

Note 10 Interest in subsidiaries

10.1 Information about principal subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at cost. Each subsidiaries' country of incorporation is also its principal place of business, being Australia:

Entity name	Class of Shares	Percentage Owned 2022	Percentage Owned 2021
Agency Partners WA Pty Ltd	Ord.	100	100
Ausnet Financial Planning Services Pty Ltd	Ord.	100	100
Ausnet Financial Pty Ltd	Ord.	100	100
Ausnet Property Investment Fund Pty Ltd	Ord.	100	100
Ausnet Real Estate Services Pty Ltd	Ord.	100	100
Courtesy Real Estate (NSW) Pty Ltd	Ord.	100	100
Jelina Holdings Pty Ltd	Ord.	100	100
Move Property Solutions Pty Ltd	Ord.	100	100
S.J. Laing & Son Pty Ltd	Ord.	100	100
The Agency Auctions NSW Pty Ltd	Ord.	100	100
The Agency Canberra Pty Ltd *formerly The Agency Auctions VIC Pty Ltd*	Ord.	100	100
The Agency Commercial Real Estate Pty Ltd	Ord.	100	100
The Agency Marketing Pty Ltd	Ord.	100	100
The Agency Project Sales NSW Pty Ltd	Ord.	100	100
The Agency Project Sales QLD Pty Ltd	Ord.	100	100
The Agency Project Sales VIC Pty Ltd	Ord.	100	100
The Agency Property Management NSW Pty Ltd	Ord.	100	100
The Agency MDC QLD Pty Ltd *formerly The Agency Property Management QLD Pty Ltd*	Ord.	100	100
The Agency MDC Pty Ltd *formerly The Agency Property Management VIC Pty Ltd*	Ord.	100	100
The Agency Real Estate Pty Ltd	Ord.	100	100
The Agency Sales NSW Pty Ltd	Ord.	100	100
The Agency Sales QLD Pty Ltd	Ord.	100	100
The Agency Sales VIC Pty Ltd	Ord.	100	100
The Agency Strata Pty Ltd *formerly The Agency Auctions QLD Pty Ltd*	Ord.	100	100
The Real Estate Group Australia Pty Ltd	Ord.	100	100
Top Level Real Estate Holdings Pty Ltd	Ord.	100	100
Top Level Real Estate Pty Ltd	Ord.	100	100
Top Level Real Estate Sales Pty Ltd	Ord.	100	100
Value Partner Program Pty Ltd	Ord.	100	100
Vision Capital Management Ltd	Ord.	100	100
Westvalley Corporation Pty Ltd	Ord.	100	100

Note 11 Other Significant Accounting Policies related to Group Structure

11.1 Basis of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

11.1.1 *Business combinations*

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 *Share-Based Payments* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

a. *Goodwill*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the *measurement period* (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

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Note 11 Other Significant Accounting Policies related to Group Structure

b. *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

c. *Contingent liabilities acquired in a business combination*

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of AASB 15 *Revenue from Contracts with Customers*.

11.1.2 ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in note 10 *Interest in subsidiaries* of the financial statements.

11.1.3 ***Loss of control***

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interests are measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

11.1.4 ***Transactions eliminated on consolidation***

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

SECTION D. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. In addition to the items and transactions disclosed below, there are also unrecognised tax amounts – see note 4 Income tax.

Note 12 Commitments

There are no material commitments to the Group as at 2022 (2021: Nil).

Note 13 Contingent liabilities

There are no contingent liabilities as at 30 June 2022.

Note 14 Events subsequent to reporting date

Other than the following, there have not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

14.1 Acquisition of Bushby & Co Pty Ltd

On 25 July 2022, the Company completed a share sale and purchase agreement (**SPA**) with the owners of Bushby & Co. Pty. Ltd. (**Bushby & Co**) pursuant to which The Agency acquired all the issued share capital of Bushby & Co.

14.1.1 *Consideration*

The consideration for the acquisition will be funded via a financing facility with the Company's primary funder Macquarie Bank and out of existing cash reserves. The consideration for the Acquisition consists of:

a. a cash deposit of $210K which was paid on the date of the SPA, followed by a cash payment of $4.19M at completion, and a cash payment of $400K which consists of a retention payment payable by The Agency 90 days after the completion date subject to a retention adjustment;
b. any management fee uplift in relation to rent roll properties, which (if payable) will be paid by The Agency six months after the completion date;
c. any incentive payments, which (if payable) will be paid by The Agency in the first 2 years following completion; and
d. any exchanged contract commissions in relation to pre-completion property contracts commission, which (if payable) will be paid by The Agency at the end of each calendar month.

14.2 Macquarie Bank Limited ("MBL") Facility Amendment

On 25 July 2022 the Company announced that it entered into an Amendment Deed in respect of its primary secured debt facility with MBL (**the Facility**). Pursuant to the terms of the Amendment Deed the Facility has been amended to:

- **Facility** Increased to $8.4M ($3.4M to assist in funding the Bushby & Co acquisition)
- **Term** 3 years, expiring on 20 July 2025
- **Interest Rate** To remain at 3.75% p.a. + 30-day BBSW
- **Establishment / Extension Fee** 1.5% of total limits paid on settlement
- **Financial Covenants** MBL loan to rent roll valuation ratio: 40% and Cash Interest Cover > 3.0x
- **Permitted Distributions** Cash payment of interest on the Peters Investments Convertible Notes (quarterly), following evidence of covenant compliance
- **Permitted Acquisitions** Up to $500K per acquisition and no more than $1M in any 12-month period
- **Investment Account** The Agency will invest $3.8M into a MBL Investment Account for 120 days. The Agency agrees to not drawdown on the account until the approval date (if before this period) of the extension of the Convertible Notes by shareholders. Once approved, or if Peters Investments converts, The Agency can continue its investment with MBL or transfer into any other bank account facilities.

All other terms remain the same as disclosed in note 5.6.3

14.3 Variation to terms of financial liabilities – Convertible notes

On 22 July 2022, the Company signed a Deed of Variation to Convertible Note Agreement, to extend the terms of the convertible note to 22 January 2026, subject to subject to the Company obtaining all shareholder, statutory, third-party and regulatory approvals and/or waivers.

All other terms and conditions of the Convertible Note Agreement, as detailed in note 5.7.4, remain in full force and effect.

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 15 Key Management Personnel compensation (KMP)

The names and positions of KMP are as follows:

- Andrew Jensen — Executive Chairman and Chief Operating Officer
- Geoff Lucas — Managing Directors and Chief Executive Officer (**CEO**) *(appointed 29 March 2021)*
- Paul Niardone — Executive Director
- Adam Davey — Non-Executive Director
- *Other KMP:*
  - Matt Lahood — CEO – Real Estate
- *Former KMP included in current and comparative information:*
  - Arjan van Ameyde — Chief Financial Officer — *Appointed 1 February 2020, resigned 1 February 2022*

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the *Remuneration report* table on page 17.

	2022 $	2021 $
Short-term employee benefits	2,519,085	2,169,711
Post-employment benefits	109,774	92,200
Equity-settled share-based payments	674,553	215,946
Other long-term benefits	-	-
Termination benefits	122,993	-
Total	3,426,405	2,477,857

Note 16 Related party transactions

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided services to the Group.

Entity	Nature of transactions	KMP	Total Transactions 2022 $	Total Transactions 2021 $	Receivable/(Payable) Balance 2022 $	Receivable/(Payable) Balance 2021 $
Chapter One Advisers[16a]	Public Relations	Paul Niardone	-	7,000	N/A	N/A
Matt Lahood	Advance commissions / Future fund	Matt Lahood	(26,704)	90,000	57,370	84,074
Matt Lahood[16b]	Loans	Matt Lahood	345,009	-	345,009	-

a. Chapter One Advisers discontinued to be a related entity in July 2020 as Mr Niardone ceased to have any control or significantly influence the financial or operating policies of Chapter One Advisers.

b. As a 30 June 2022, an amount of $345,009 was advanced to Mr Lahood (2021: nil). The terms of the advance include:
   - **Principal Sum** — Up to $400,000
   - **Loan Commencement** — 27 October 2021
   - **Interest Rate** — 8% per annum (after 12 months interest free period from final advance date).
   - **Default Interest Rate** — Interest Rate plus 5% per annum.
   - **Securities** — Any future sales commissions and future income and wages as per EA entitlements.
   - **Instalment Date** — Amount is due on final repayment date or when any due amounts are payable on STI payments and sales commissions from property sales that are due. Discretional payments during the term can also be paid.
   - **Repayment** Date — 31 March 2023

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Note 17	**Earnings per share (EPS)**	**Note**	**2022 $'000**	**2021 $'000**
17.1	**Reconciliation of earnings to profit or loss**			
	Profit / (loss) for the year		1,588	(1,856)
	Less: profit attributable to non-controlling equity interest		-	-
	Profit / (loss) used in the calculation of basic and diluted EPS		1,588	(1,856)

			2022 No.	**2021 No.**
17.2	**Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS**		428,575,917	353,288,916
	Weighted average number of dilutive equity instruments outstanding	17.5	5,808,219	N/A
17.3	**Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS**		434,384,136	353,288,916

			2022 ¢	**2021 ¢**
17.4	**Earnings per share**			
	Basic EPS (cents per share)	17.5	0.37	(0.53)
	Diluted EPS (cents per share)	17.5	0.37	N/A

17.5 As at 30 June 2022, the Group has 30,000,000 unissued shares under options (2021: 333,333) and 11,000,000 performance shares on issue (30 June 2021: 1,555,558). As at 30 June 2022, of the 30,000,000 options granted and issued, 10,000,000 options have vested and are exercisable. No performance rights have vested. Unvested options and performance rights are not considered to be dilutive. In addition, the Group does not report diluted EPS on losses. During the 2021 year, the Group's unissued shares under option and performance shares were anti-dilutive.

Note 18	**Share-based payments**	**Note**	**2022 $**	**2021 $**
18.1	**Share-based payments:**			
	■ Recognised in profit and loss:			
	□ Share-based payment expense – Performance rights	18.2.1,18.3	110,559	-
	□ Share-based payment expense – Options	18.2.2a,18.5	563,994	215,946
			674,553	215,946
	■ Recognised in net assets in Embedded Derivatives	18.2.2b	-	222,000
	Gross share-based payments		674,553	437,946

18.2 Share-based payment arrangements in effect during the period

18.2.1 ***Issued during the current year***

At the Company's AGM, held 28 January 2022, shareholder approval was obtained to issue 11,000,000 performance rights that will convert into shares upon Performance Milestones being achieved, to Mr Paul Niardone under his Executive Services Agreement. These performance rights have been valued and issued on terms as detailed below and in note 18.3.

Class of Performance Right	Performance Condition	Performance rights No.	Milestone Date	Expiry Date	Probability of milestones met %	Performance Condition Satisfied
A	24 months continuous Company service	8,000,000	28.01.2024	28.01.2024	100	No
B	Achievement of one of the following: (iii) recruitment by The Agency (WA) and the Company's Sell Lease Property Model of 85 Agents by 30 June 2024; **or** (iv) achievement of GCI of $50,000,000 for the financial year ending 30 June 2024 by The Agency (WA).	3,000,000	30.06.2024	30.06.2024	85	No

Note 18 Share-based payments (cont.)

18.2.2 ***Issued in prior year, remaining in effect***

a. *Chief Executive Officer – Remuneration Options*

On the commencement of employment, the Company granted Mr Geoff Lucas 30,000,000 options (to be issued) in accordance with his employment agreement, on the following terms:

Number under Option	Date of Expiry	Consideration	Exercise Price	Vesting Terms
10,000,000	29 September 2022	nil	$0.050	60 days after 6-month probationary period *28 November 2021*
10,000,000	29 September 2023	nil	$0.075	12 months after 6-month probationary period *29 September 2022*
10,000,000	29 September 2024	nil	$0.100	24 months after 6-month probationary period *29 September 2023*

b. *Convertible note – attaching options*

As detailed in note 5.7.4, 12,000,000 options were issued to Peters Investments Pty Ltd in connection with the provision of a convertible note.

Number under Option	Date of Expiry	Consideration	Exercise Price	Vesting Terms
12,000,000	31 March 2023	nil	$0.027	Immediately upon issue

18.3 Fair value of performance rights granted

The fair value of the rights granted to employees is deemed to represent the value of the employee services received over the vesting period.

Note reference	*18.2.1*	*18.2.1*	
Grant date:	28 January 2022	28 January 2022	
Grant date share price:	$0.045	$0.045	
Milestone date	28 January 2024	30 June 2024	
Performance right conversion price:	$nil	$nil	
Number of rights issued:	8,000,000	3,000,000	
Remaining life (years):	1.57	2.00	
Value per right	$0.045	$0.045	
Probability of milestone being met (%):	100	85	
Fair values:			Total
Total fair value	$360,000	$114,750	$474,750
Recognised in the period	$83,836	$26,723	$110,559

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 18 Share-based payments (cont.)

18.4 Movement in Company options share-based payment arrangements during the period

A summary of the movements of all Company options issued as share-based payments is as follows:

	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	30,333,333	$0.077	104,181,760	$0.068
Granted *(refer 18.4a below)*	-	-	42,000,000	$0.061
Exercised	-	-	(14,000,000)	$0.028
Expired	(333,333)	$0.300	(101,848,427)	$0.068
Outstanding at year-end *(refer 18.4a below)*	30,000,000	$0.075	30,333,333	$0.077
Exercisable at year-end	10,000,000	$0.050	333,333	$0.300

a. Included in 2021 *Granted* and *Outstanding at year-end* are 30,000,000 options granted to Mr Geoff Lucas that are subject to vesting conditions and were issued on 30 November 2021.

b. The weighted average remaining contractual life of options outstanding at year end was 1.25 years (2021: 2.23 years).

c. The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

18.5 Fair value of options granted in prior period, remaining in effect

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $nil (2021: $0.0338). These values were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

Note reference	*18.2.2a*	*18.2.2a*	*18.2.2a*	
Grant date:	29 March 2021	29 March 2021	29 March 2021	
Grant date share price:	$0.060	$0.060	$0.060	
Option exercise price:	$0.050	$0.075	$0.100	
Number of options issued:	10,000,000	10,000,000	10,000,000	
Remaining life (years):	0.25	1.25	2.25	
Expected share price volatility:	106.60	106.60	106.60	
Risk-free interest rate:	0.08%	0.08%	0.66%	
Value per option	$0.0320	$0.0333	$0.0360	
Fair values:				Total
Total fair value	$320,000	$333,000	$360,000	$1,013,000
Recognised in the period	$198,078	222,092	$143,824	$563,994

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 18 Share-based payments (cont.)

18.5.1 ***Accounting policy***

The Group has provided payment to service providers and related parties in the form of share-based compensation whereby services are rendered in exchange for shares or rights over shares, *equity-settled transactions*. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model for services provided by employees or where the fair value of the goods or services received cannot be reliably estimated.

For goods and services received where the fair value can be determined reliably the goods and services and the corresponding increase in equity are measured at that fair value. The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance date, the entity revises its estimates of the number of options with non-market vesting conditions that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award, *vesting date*.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

18.5.2 ***Key estimate***

a. *Share-based payments*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of options granted is measured using the Black-Scholes option pricing model. The model uses assumptions and estimates as inputs. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 18.5.

Note 19 Auditor's remuneration

	2022 $	2021 $
Remuneration of the auditor for:		
■ Auditing or reviewing the financial reports:		
□ Hall Chadwick WA Audit Pty Ltd	151,000	146,000
■ Non-audit services provided by a related practice of the Auditor	-	4,700
	151,000	150,700

Note 20 Operating segments

20.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (**the Board**) monthly and in determining the allocation of resources.

The Group is managed primarily based on service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Note 20 Operating segments (cont.)

20.2 Types of services by segment

20.2.1 ***Real Estate and Property Services***

This represents revenue received for provision of real estate services including selling of property, settlement agent services, and property management.

20.2.2 ***Mortgage Origination Services***

This represents revenue received for provision of mortgage broking services.

20.2.3 ***Other (includes financial planning, head office etc)***

This represents non-reportable segments including head office, property investments, and other services.

20.3 Basis of accounting for purposes of reporting by operating segments

20.3.1 ***Accounting policies adopted***

Unless stated otherwise, all amounts reported to the Board, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

20.3.2 ***Inter-segment transactions***

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

20.3.3 ***Segment assets***

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

20.3.4 ***Segment liabilities***

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

20.3.5 ***Unallocated items***

The following items of revenue, expenses, assets, and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Head office and corporate costs;
- Net gains on disposal of available-for-sale investments;
- Impairment of assets and other non-recurring items of revenue and expense;
- Income tax expense;
- Current and deferred tax assets and liabilities;
- Other financial assets;
- Intangibles assets; and
- Discontinued operations.

20.3.6 ***Segment information***

a. The Group’s operations are from Australian sources and therefore no geographical segments are disclosed.
b. Assets and liabilities have not been reported on a segmented basis as the Board of Directors is provided with consolidated information.

20.4 Major customers

The Group has a diversified range of customers across various geographic locations and businesses, and is not dependant on any one customer above 5%.

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 20 Operating segments (cont.)

20.5 Segment Financial Performance

30 June 2022	Real Estate Property Services $'000	Mortgage Origination Services $'000	Total Reportable Segments $'000	Other Segments $'000	Total $'000
Revenue					
External revenues	69,376	3,233	72,609	47	72,656
Inter-segment revenues	-	-	-	-	-
Total segment revenue	69,376	3,233	72,609	47	72,656
Reconciliation of segment revenue to Group revenue:					
Eliminations					-
Total group revenue and other income					72,656
Segment earnings before interest, tax, depreciation, and amortisation (**EBITDA**)	12,811	701	13,512	-	13,512
Unallocated corporate costs					(7,825)
EBITDA					5,687
Reconciliation of segment loss to Group profit:					
(i) Allocated items:					
Gain on disposal of assets	5	-	5	1	6
Depreciation and amortisation	(4,653)	(49)	(4,702)	(737)	(5,439)
Net finance costs	(449)	4	(445)	(1,201)	(1646)
(ii) Unallocated items:					
Impairment reversal	-	-	-	400	400
Fair value adjustments	123	-	123	2,005	2,128
Share-based payments	-	-	-	(675)	(675)
Profit before income tax					461
30 June 2021					
Revenue					
External revenues	55,315	3,052	58,367	13	58,380
Inter-segment revenues	-	-	-	-	-
Total segment revenue	55,315	3,052	58,367	13	58,380
Reconciliation of segment revenue to Group revenue:					
Eliminations					-
Total group revenue and other income					58,380
Segment earnings before interest, tax, depreciation and amortisation (**EBITDA**)	10,871	1,019	11,890	181	12,071
Unallocated corporate costs					(5,704)
EBITDA					6,367
Reconciliation of segment loss to Group loss:					
(iii) Allocated items:					
Gain on disposal of assets	77	-	77	123	200
Depreciation and amortisation	(5,204)	(43)	(5,247)	(219)	(5,466)
Net finance costs	(1,106)	(3)	(1,109)	(1,139)	(2,248)
(iv) Unallocated items:					
Impairment reversal	-	-	-	(400)	(400)
Fair value adjustments	-	-	-	(1,987)	(1,987)
Share-based payments	-	-	-	(216)	(216)
Loss before income tax					(3,750)

Note 21 Parent entity disclosures

The Agency Group Australia Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

The Agency Group Australia Ltd did not enter into any trading transactions with any related party during the year.

21.1 Financial Position of The Agency Group Australia Ltd

	2022 $'000	2021 $'000
Current assets	729	269
Non-current assets	4,239	6,768
Total assets	4,968	7,037
Current liabilities	4,968	1,181
Non-current liabilities	-	5,856
Total liabilities	4,968	7,037
Net assets	-	-
Equity		
Issued capital	43,635	43,635
Share-based payment reserve	890	1,072
Accumulated losses	(44,525)	(44,707)
Total equity	-	-

21.2 Financial performance of The Agency Group Australia Ltd

	2022 $'000	2021 $'000
Loss for the year	(675)	(1,524)
Other comprehensive income	-	-
Total comprehensive income	(675)	(1,524)

21.3 Contractual commitments

The parent company has no capital commitments at 2022 (2021: $nil). The parent company other commitments are disclosed in note 12 *Commitments*.

21.4 Contingent liabilities and guarantees

There are no guarantees entered into by The Agency Group Australia Ltd for the debts of its subsidiaries as at 2022 (2021: none). The parent company other contingencies are disclosed in note 13 *Contingent liabilities*.

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 22 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

22.1 Basis of preparation

22.1.1 ***Reporting Entity***

The Agency Group Australia Ltd (**The Agency** or the **Company**) is a listed public company limited by shares, domiciled and incorporated in Australia. These are the consolidated financial statements and notes of The Agency and controlled entities (collectively the **Group**). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the integrated real estate services.

The separate financial statements of The Agency, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001* (Cth).

22.1.2 ***Basis of accounting***

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 24 August 2022 by the Directors of the Company.

22.1.3 ***Going Concern***

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a profit for the year of $1.59 million (2021: $1.86 million loss) and a net cash in-flow from operating activities of $6.60 million (2021: $4.64 million in-flow). Included in profit for during the year was depreciation and amortisation of $5.44 million, embedded derivative non-cash financing gain of $1.14 million, and impairment recovery of $0.40 million.

As at 30 June 2022, the Company had a working capital deficit of $8.43 million (2021: $1.81 million working capital deficit). Subsequent to balance date, the terms of both the borrowing and financial liabilities were renegotiated, as disclosed in note 14.2 and 14.3.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet commitments and working capital requirements for the 12-month period from the date of signing this financial report.

The ability of the Group to continue as a going concern is principally dependent on the following:

- The Group continuing to generate cash flows from profitable operations; and
- The Group being in compliance with all terms of its debt facilities and not breaching the terms of its borrowing facilities.

In the event the above are not achieved the Group will need to raise funds from issued capital and/or alternative financing arrangements.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group’s history of raising capital to date, the directors are confident of the Group’s ability to raise additional funds as and when they are required.

22.1.4 ***Comparative figures***

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

Note 22 Statement of significant accounting policies

22.1.5 ***New and Amended Standards Adopted by the Group***

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2021:

- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

22.2 Goods and Services Tax

Goods and Services Tax (**GST**) is and Australian broad-based consumption taxes that the Group is exposed to.

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (or jurisdictional equivalent) is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

22.3 Foreign currency transactions and balances

22.3.1 ***Functional and presentation currency***

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the legal parent entity's functional and presentation currency. The functional currency of the Group is the Australian Dollar.

22.4 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 22.4.1.

22.4.1 ***Critical Accounting Estimates and Judgments***

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. *Key estimate – Taxation*..Refer note 4.8 of the *Income tax* note.
b. *Key judgement and keys estimate – Impairment of goodwill and rent roll* .....Refer note 6.3 *Intangible assets*.
c. *Key judgement – determining the lease term* ....Refer note 6.2 *Leases*.
d. *Key estimate – determining convertible note embedded derivative* ....Refer note 5.7 *Financial liabilities*.
e. *Key estimate – Share-base payments* ....Refer note 18 *Share-based payments*.

Note 22 Statement of significant accounting policies

22.4.2 ***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the 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 COVID-19 pandemic.

22.5 Fair Value

22.5.1 ***Fair Value of Assets and Liabilities***

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable, and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

22.5.2 ***Fair value hierarchy***

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 22 Statement of significant accounting policies

22.5.3 ***Valuation techniques***

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 23 Company details

The registered office and head office of the Company is:

Street:	68 Milligan Street Perth WA 6000 Australia	*Postal:*	PO Box 7768 CLOISTERS SQUARE WA 6850 Australia

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 23 to 73, are in accordance with the *Corporations Act 2001* (Cth) and:

    (a) comply with Accounting Standards;

    (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 22.1 to the financial statements; and

    (c) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.

    (d) the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth);

2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

GEOFF LUCAS
Managing Director and CEO
Dated this Wednesday, 24 August 2022

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AGENCY GROUP AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Agency Group Australia Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2022, 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:

a. 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 2022 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 22.1.2.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

HALL CHADWICK

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Intangible assets As disclosed in note 6.3 to the financial statements, the Consolidated Entity had intangible assets with a carrying amount of $21,315,000 as at 30 June 2022 consisting of goodwill and acquired rent rolls and trail books. The impairment assessment of the Consolidated Entity's intangible assets is a Key Audit Matter due to: • The significance of the balance to the Consolidated Entity's financial position; and • The presence of impairment indicators and judgement required in assessing the value in use of the cash generating units ("CGU's") to which the intangible assets relate.	Our procedures amongst others included: • Assessed the Consolidated Entity's determination of CGU's; • Obtained an understanding of management's basis for determining the fair value less costs to sell of the rent roll intangible assets; • Assessed the basis of the property management multiples used with reference to a report prepared by an independent expert; • Assessed management's value in use calculations including analysis of key assumptions and inputs such as discount rates and assessing the reasonableness of the forecasts prepared; and • Review of the disclosures included in note 6.3 to the financial report.
Borrowings and financial liabilities As disclosed in notes 5.6 and 5.7 to the financial statements, the Consolidated Entity had borrowings of $5,000,000 and financial liabilities of $4,021,000 as at 30 June 2022. Borrowings and financial liabilities are considered to be a key audit matter due to the significance of the balances to the Consolidated Entity's financial position and the complexities involved in assessing the terms of the agreements.	Our procedures amongst others included: • Analysing the agreements to identify the terms and conditions for each facility; • Obtaining confirmations for a sample of the balances outstanding; • Reviewing the loan covenant submissions; • Checking the calculation of interest during the year; and • Assessing the accounting treatment of the financial instruments in accordance with the recognition and measurement as well as the disclosure requirements of the relevant Australian Accounting Standards.

HALL CHADWICK

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition During the year ended 30 June 2022, the Consolidated Entity generated revenue of $72,656,000. Revenue recognition is considered a key audit matter due to its financial significance.	Our procedures amongst others included: • We reviewed the Consolidated Entity's revenue accounting policy and their contracts with customers and assessed its compliance with *AASB 15 Revenue from Contracts with Customers*; • Performed substantive audit procedures on a sample basis by verifying revenue to relevant supporting documentation including verification contractual terms of the relevant agreements, verification of receipts and ensuring the revenue was recognised at the appropriate time and classified correctly; and • Performed cutoff procedures to assess whether revenue is recorded in the correct period.

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 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the 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 Note 22.1.2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

HALL CHADWICK

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

HALL CHADWICK

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion, the Remuneration Report of The Agency Group Australia Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 24th day of August 2022
Perth, Western Australia

Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's governance-related documents can be found on its website at www.investors.theagency.com.au/corporate-governance.

Additional Information for Listed Public Companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital as at 11 August 2022.

a. Ordinary share capital

428,575,921 ordinary fully paid shares held by 978 shareholders.

b. Options over Unissued Shares

Number of Options	Exercise Price $	Expiry Date	ASX Status
10,000,000	0.050	30 Sept 2022	Unlisted
10,000,000	0.075	29 Sept 2023	Unlisted
10,000,000	0.100	29 Sept 2024	Unlisted
30,000,000			

c. Performance Rights over Unissued Shares

Class of Performance Right	Performance Condition	Performance rights No.	Milestone Date	Expiry Date
Class A	24 months continuous service to the Company	8,000,000	28 January 2024	28 January 2024
Class B	Achievement of one of the following: (i) recruitment by The Agency (WA) and the Company's Sell Lease Property Model of 85 Agents by 30 June 2024; **or** (ii) achievement of gross commission income of $50,000,000 for the financial year ending 30 June 2024 by The Agency (WA).	3,000,000	30 June 2024	30 June 2024
		11,000,000		

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Options**: Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.
- **Performance Rights**: A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company. A Performance Right does not entitle a Holder to any dividends. A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company. A Performance Right is not transferable.

e. Substantial Shareholders as at 11 August 2022.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Peters Investments Pty Ltd	129,621,485	30.24
Ben Collier Investments Pty Ltd <Ben Collier Investments Pty Ltd>	27,060,515	6.31
MAK Property Group Pty Ltd <MAK A/C>	25,690,547	5.99
Teldar Real Estate Pty Ltd <MJ Lahood Family A/C>	24,349,790	5.68

Additional Information for Listed Public Companies

f. **Distribution of Shareholders as at 11 August 2022.**

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	223	36,998	0.01
1,001 – 5,000	107	291,321	0.07
5,001 – 10,000	104	808,223	0.19
10,001 – 100,000	344	13,067,600	3.05
100,001 – and over	200	414,371,779	96.68
	978	**428,575,921**	**100.00**

g. **Unmarketable Parcels as at 11 August 2022.**

There were 467 shareholders who held less than a marketable parcel of shares, holding 1,502,139 shares.

h. **On-Market Buy-Back**

There is no current on-market buy-back.

i. **Restricted Securities**

The Company has currently no restricted securities. However, ordinary shares issued upon conversion of the Performance Rights will be voluntarily escrowed for one year from the date of issue of the Shares.

j. **20 Largest Shareholders — Ordinary Shares as at 11 August 2022.**

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Peters Investments Pty Ltd	129,621,485	30.24
2.	Ben Collier Investments Pty Ltd <Ben Collier Investments P/L>	27,060,515	6.31
3.	MAK Property Group Pty Ltd <MAK A/C>	25,690,547	5.99
4.	Teldar Real Estate Pty Ltd <Mj Lahood Family A/C>	24,349,790	5.68
5.	SEMC 2 Pty Limited <The Chen Asset A/C>	17,475,530	4.08
6.	Hanzheng KSW Pty Ltd <Hanzheng KSW Unit A/C>	16,666,667	3.89
7.	Daring Investments Pty Ltd	13,770,150	3.21
8.	Mr Andrew Ernest Goodall	8,000,000	1.87
9.	Honan Insurance Group Pty Ltd	7,692,308	1.79
10.	Dawney & Co Ltd	7,500,000	1.75
11.	Mr Irwin David Klotz	7,314,032	1.71
12.	Nutsville Pty Ltd <Indust Electric Co S/F A/C>	6,763,230	1.58
13.	Daring Investments Pty Ltd <Kolenda Family A/C>	5,853,980	1.37
14.	BNP Paribas Nominees Pty Ltd *grouped*	5,012,759	1.17
15.	Martianne Pty Ltd <Crabb Family Invest No 2 A/C>	5,000,000	1.17
16.	Profess Investments Pty Ltd <Brutus Superannuation A/C>	4,886,026	1.14
17.	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	4,856,168	1.13
18.	Crossbay Pty Ltd	4,218,934	0.98
19.	Big Leap Super Pty Ltd <Big Leap Super A/C>	3,536,976	0.83
20.	Trindis Pty Ltd	3,186,951	0.74
	Total	**328,456,048**	**76.63**

Additional Information for Listed Public Companies

k. **Unquoted Securities Holders Holding More than 20% of the Class as at 11 August 2022.**

- *Unlisted Options (Exercise price $0.05, Expiry Date: 30.09.22)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
G & N Lucas Investments Pty Ltd	10,000,000	100.00
Total	**10,000,000**	**100.00**
Total Unlisted Options (Exercise Price $0.05, Expiry Date: 30.09.22)	**10,000,000**	

- *Unlisted Options (Exercise price $0.075, Expiry Date: 29.09.23)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
G & N Lucas Investments Pty Ltd	10,000,000	100.00
Total	**10,000,000**	**100.00**
Total Unlisted Options (Exercise Price $0.075, Expiry Date: 29.09.23)	**10,000,000**	

- *Unlisted Options (Exercise price $0.10, Expiry Date: 29.09.24)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
G & N Lucas Investments Pty Ltd	10,000,000	100.00
Total	**10,000,000**	**100.00**
Total Unlisted Options (Exercise Price $0.10, Expiry Date: 29.09.24)	**10,000,000**	

- *Class A Performance Rights Holders*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Paul Niardone	8,000,000	100.00
Total	**8,000,000**	**100.00**
Total Performance Shares	**8,000,000**	

- *Class B Performance Rights Holders*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Paul Niardone	3,000,000	100.00
Total	**3,000,000**	**100.00**
Total Performance Shares	**3,000,000**	

2 The Company Secretary is Stuart Usher.

3 Principal registered office

As disclosed in note 23 *Company details* on page 73 of this Annual Report.

4 Registers of securities

As disclosed in the *Corporate directory* on page i of this Annual Report.

5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the *Corporate directory* on page i of this Annual Report.

THE AGENCY
GROUP AUST LTD