EAST 72 HOLDINGS LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

30 JUNE 2021

DIRECTORY

Directors

Wayne Adsett	Non Executive Chairman
Andrew Brown	Executive Director
Richard Ochojski	Non Executive Director

Company Secretary
Andrew Brown

Registered Office
Level 12
95 Pitt Street
SYDNEY
NSW 2000

Communications
telephone: 0418 215 255

email: admin@east72.com.au
website: **www.east72.com.au**

Share Registry
Boardroom Limited
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225 George Street
SYDNEY NSW 2000

Shareholder Enquiries: 1 300 737 760 / (02) 9290 9600
Shareholders requiring clarification of holdings, or requesting changes of name or address should contact Boardroom Limited directly. A variety of requisite forms may be downloaded from www.boardroomlimited.com.au

Public listing
National Stock Exchange of Australia - ticker code: E72

Auditors
PKF(NS) Audit and Assurance Limited Partnership
755 Hunter Street
NEWCASTLE WEST
NSW 2302

Controlled Entities
East 72 Investments Pty. Limited
Stiletto Investments Pty. Limited

Bankers & Custodians
Bendigo and Adelaide Bank Limited
Interactive Brokers Australia Pty. Limited
Invast Global
Westpac Banking Corporation Limited

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In this Annual Report a reference to "Group", "we", "us" "E72" or "our" is a reference to East 72 Holdings Limited ABN 85 099 912 044 and the entities that it controls unless otherwise stated.

DIRECTORS' REPORT

The Directors present their annual report, together with the financial statements on the consolidated entity East 72 Holdings Limited ("**E72**", "**the Company**") and its controlled entities ("**Group**" or "**Economic Entity**") for the financial year ended 30 June 2021.

DIRECTORS

The names and details of the Directors of the Company in office at the date of this report are:

Wayne Adsett *(Chairman)* (Appointed 9 March 2010)
Wayne was a founding partner of Adsett & Braddock Chartered Accountants. Wayne practiced for some 25 years before retiring from the practice and the profession. He specialized in management and taxation of medium sized businesses. He now oversees the management of a number of companies' activities in his role of investor, consultant and director.

Andrew Brown *(Executive Director and Company Secretary)* (Appointed 22 April 2016)
Andrew has 41 years experience in the Australian equity market as a stockbroker, corporate investor and funds manager. Andrew has an honours degree majoring in economics and econometrics from the University of Manchester, England and is a Graduate of the Australian Institute of Company Directors.

Richard Ochojski *(Non Executive Director)* (Appointed 22 April 2016)
Richard is an experienced finance executive having been employed within the Banking and Finance industry for more than 30 years. For almost 20 years, until the end of 2005, he worked at Macquarie Bank as a Director of the Banking Division within the Banking and Property Group. Whilst at Macquarie, Richard had a pivotal role in realestate.com.au's public listing on the Australian Stock Exchange and is a former director of Realestate.com.au Limited.

Prior to this he was employed by a number of International Banks in London including The Bank of New York, Swiss Bank Corporation and Sumitomo Bank.

Richard has broad knowledge across a number of industries and in particular he has worked extensively with clients in the services sector. He has an extensive corporate finance and lending background specialising in cash flow lending.

Since leaving Macquarie, Richard has been employed in a number of consulting roles across a broad range of industries and has served on a number of Public Company Boards usually as a Non-Executive Director but also as Executive Chairman.

Interests in the Shares of the Company and Related Bodies Corporate
The relevant interests of each director in the share capital of the Company shown in the Register of Directors' Shareholding as at the date of this report is:

	Ordinary Shares
Wayne Adsett	49,064
Andrew Brown	6,918,826
Richard Ochojski	8,433

Interests in Contracts or Proposed Contracts with the Company
Nil

PRINCIPAL ACTIVITIES

The group's primary activities are investment in listed corporations, contracts for difference, futures, other derivatives and other financial assets.

RESULTS AND DIVIDENDS

The net profit after income tax for the financial year to 30 June 2021 was $278,703 (2020: loss $2,870,526). A dividend of 1c per share, fully franked was paid on 11 January 2021 (2020: nil).

TRADING IN COMPANY SHARES

During the 12 months to 30 June 2021 and to 30 June 2020, the Company's shares were listed on the National Stock Exchange of Australia (www.nsx.com.au). There were no trades in the years to 30 June 2021 and 30 June 2020.

REVIEW OF OPERATIONS

The operations of the Economic Entity were reviewed in four quarterly reports (numbers 17 – 20) issued on 12 October 2020, 5 January 2021, 6 April 2021 and 7 July 2021 respectively, together with a company update dated 2 December 2020 and the Executive Directors presentation to the Annual General Meeting dated 14 January 2021.

SIGNIFICANT EVENTS DURING THE YEAR

In the year to 30 June 2021, the Company issued 1,480,577 new shares via a dividend reinvestment plan to raise $108,597 (2020: issued 798,555 new shares via placement to raise $131,142).

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of a committee of Directors) attended by each of the Directors of the Company for the 12 months to 30 June 2021 was:

	Directors' Meetings held during period in office	
	No. of meetings eligible to attend	**No. of meetings attended**
Wayne Adsett	6	6
Andrew Brown	6	6
Richard Ochojski	6	6

REMUNERATION REPORT (AUDITED)

(A) Key Management Personnel

The names and positions of key management personnel of the Company who have held office during the financial year are:

Directors

Wayne Adsett	Non Executive Chairman
Andrew Brown	Executive Director
Richard Ochojski	Non Executive Director

(B) Directors Remuneration for the financial years ended 30 June 2021 and 30 June 2020

	Short-Term Benefits			*Post Employment Benefits*		*Share Based Payments*	
2021	**Salaries & fees**	**Cash bonuses**	**Non Monetary Benefits**	**Super-annuation**	**Other**	**Options**	**Total**
Wayne Adsett	20,000	-	-	-	-	-	20,000
Andrew Brown	20,000	-	-	-	-	-	20,000
Richard Ochojski	20,000	-	-	-	-	-	20,000
TOTAL	**60,000**	**-**	**-**	**-**	**-**	**-**	**60,000**
2020							
Wayne Adsett	20,000	-	-	-	-	-	20,000
Andrew Brown	16,667	-	-	3,333	-	-	20,000
Richard Ochojski	20,000	-	-	-	-	-	20,000
TOTAL	**56,667**	**-**	**-**	**3,333**	**-**	**-**	**60,000**

(C) Specified Executives Remuneration for the years ended 30 June 2021 and 30 June 2020

	Short-Term Benefits			*Post Employment Benefits*		*Share Based Payments*	
2021	**Salaries & fees**	**Cash bonuses**	**Non Monetary Benefits**	**Super-annuation**	**Other**	**Options**	**Total**
No specified executives				-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2020							
Marc Lerner[1]	65,625	-	-	6,563	15,000	-	87,188
TOTAL	**65,625**	**-**	**-**	**6,563**	**15,000**	**-**	**87,188**
1: Investment Analyst, resigned 3 February 2020							

REMUNERATION REPORT (AUDITED) (continued)

(D) Remuneration Policy

The Non Executive Directors will annually review and recommend the remuneration packages of any members of senior management. The payment of bonuses, options and other incentive payments are annually reviewed by the Non Executive Directors as part of the review of Executive Directors and any future Specified Executives.

The Non Executive Directors can exercise their discretion in relation to approving bonuses, options and incentives but will do so by reference to measurable performance criteria, and are able to seek independent advice on the appropriateness of remuneration packages.

A remuneration policy has yet to be developed by the new board of the Company in light of the Company's small size.

(E) Service Agreements

Nil

(F) Options held by Specified Directors and Specified Executives

By approval of a General Meeting held on 22 April 2016, Wayne Adsett and Richard Ochojski were each granted 50,000 options and Andrew Brown was granted 100,000 options. These options vested on approval and can be exercised at $0.35 per share until 30 April 2021. Andrew Brown exercised his 100,000 options on 27 April 2018. The remaining options expired unexercised on 30 April 2021.

(G) Shareholdings by Specified Directors and Specified Executives

Directors	Balance at 1/7/20	Received as Remuneration	Options Exercised	Net change – other [a]	Balance at 30/6/21
Wayne Adsett	43,188	-	-	5,876	49,064
Andrew Brown	6,057,726	-	-	575,385	6,633,111
Richard Ochojski	7,423	-	-	1,010	8,433
TOTAL	6,108,337	-	-	582,271	6,690,608

a: net change – other refers to shares purchased or sold during the financial year

(H) Performance of East 72 Holdings Limited

NSX Listing Rules 6.9(9) and (10) require an analysis of the Economic Entity over the past five financial years.

$	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Sales Revenue	468,571	2,065,662	n/a	n/a	n/a
EBITDA	310,478	(720,127)	(1,114,033)	(2,942,354)	287,249
EBIT	310,478	(720,127)	(1,114,033)	(2,942,354)	287,249
Profit/(loss) for the year	197,437	(664,715)	(936,761)	(2,870,526)	278,703

REMUNERATION REPORT (AUDITED) (continued)

(H) Performance of East 72 Holdings Limited (continued)

The Company's aim of generating shareholder wealth through the provision of finance in the automotive industry did not provide the requisite return to shareholders as a result of an inability to diversify sources of finance to facilitate provision of loans to the Company's customer base. As a consequence, the Company was not able to adequately amortise overheads across the book of business. In the year to 30 June 2015, the Company arrived at the conclusion that the finance business was better run in privately held hands and organised the divestment to an experienced Director. Between November 2014 and April 2016, the Company was dormant and merely incurred administrative expenses. From late May 2016, the Company has invested in equity securities and derivative instruments.

The table below shows the performance for the Company as measured by its share price, distributions via dividends and capital returns and profit from all operations (discontinued or ongoing) over the last five financial years.

	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021
Share price (year end)	$0.35	No trades	$0.30	No trades	No trades
Dividends paid ($000's)	-	-	-		199,486
Basic earnings per share (cents)[1]	4.8	(4.8)	(5.0)	(14.8)	1.4

1: adjusted for 350-1 consolidation effective 6 May 2016

This concludes the Remuneration Report, which has been audited.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Pursuant to Access and Indemnity deeds signed by the parties when each Director was appointed, the Company has agreed to indemnify each Director against any liability incurred by being a Director of the Company and to pay all of the Directors reasonable defence costs in relation to any claim alleging any liability on the part of the Director as a result of being a Director of the Company.

ENVIRONMENTAL REGULATION

No significant environmental regulations apply to the economic entity.

CHANGES IN STATE OF AFFAIRS

During the financial year, there were no significant changes in the state of affairs of the economic entity other than those noted under significant events during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no material legal or other proceedings being made on behalf of the Company or against the Company as at the date of this report.

IMPACT OF CORONAVIRUS (COVID-19) ON OPERATIONS

Other than being the direct cause of volatility in financial markets, COVID-19 has not had a direct impact on the Economic Entity's operations. The Economic Entity maintains its financial and investment records in cloud based storage, with additional back-ups by third party providers who directly supply services such as financial platforms (Leveraged Equities Limited, IG Markets Limited, Interactive Brokers Australia Pty Limited and Invast Financial Services Pty Limited) and accounting providers (Xero Limited). Hence, the Economic Entity was able to continue operating remotely as required at certain times in the year to 30 June 2021 and 30 June 2020.

SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors expect to continue to work towards investing the Company's capital. It is likely that the Company will seek to raise additional equity funds over the course of the next twelve months to more appropriately amortise the cost of administering a publicly listed company structure.

NON AUDIT SERVICES

The auditors of the Company did not provide any non-audit related services to the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 10.

Dated at Sydney this 30th day of August 2021.

Signed in accordance with a resolution of the Board of Directors of East 72 Holdings Limited.

R C Ochojski - Director *A J Brown – Director*

CORPORATE GOVERNANCE STATEMENT – 30 JUNE 2021

GOVERNANCE PROTOCOLS:

The Company’s full Governance Protocols – being Board Charter, Constitution, Code of Conduct and Share Trading Policy – are available at www.east72.com.au/governance

BOARD COMPOSITION AND MEMBERSHIP:

The number of directors must consist of no fewer than three and no more than seven. As at the date of this report the board consisted of two non-executive directors (Wayne Adsett and Richard Ochojski) and one executive director, Andrew Brown. The directors have elected Wayne Adsett as Chairman. Individual details of directors, including their skills and experience, are set out in the Directors' Report.

DIRECTORS' ARRANGEMENTS:

The Group's constitution provides that a director may hold office in any other entity that the Group deals with, with the exception of acting in the capacity of external auditor. Each director must disclose their interests in any other entities with whom the Group deals. It is the practice of the board that when a conflict of interest or a potential conflict of interest exists, the director concerned withdraws from that part of the meeting whilst the matter is being considered. At the discretion of the other board members and depending on the degree to which a conflict exists, the director concerned may be able to be present during discussions but cannot vote or exert influence over other members of the board.

REMUNERATION OF DIRECTORS:

The total remuneration of non executive directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total non executive directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each non executive director. Executive directors are not entitled to receive directors' fees. Any director who devotes special attention to the business of the Group, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine. All directors are entitled to be reimbursed for any out of pocket expenses incurred by them whilst engaged on the business of the Group. Further details regarding the Group's remuneration policy are dealt with in the Directors' Report.

SHARE TRADING POLICY:

The Group's share trading policy regulates dealings by the Group's directors, employees and personally related entities of directors and employees in any securities issued by the Group. The purpose of the policy is to ensure that the Group's directors and employees are aware of the legal restrictions on trading any securities issued by the Group while such a person is in possession of unpublished price sensitive information. Additionally, the policy is intended to minimise the chance that misunderstandings or suspicions may arise if the Group's directors or employees are trading in securities while it is reasonable to assume that they may be in possession of price sensitive information. The policy recognises that it may be illegal to trade in the Group's securities while in possession of unpublished price sensitive information.

E72 regards the the following as precluded periods, in which shares may not be traded, namely between:

- End of the calendar quarter and release of unaudited NTA/share for the relevant quarter;
- 30 June each year until a release of the full year results or definitive guidance; and
- 31 December each year until a release of the interim results or definitive guidance.

CORPORATE GOVERNANCE STATEMENT – 30 JUNE 2021 (continued)

AUDIT COMMITTEE:

The Group has not established an audit committee at 30 June 2021 due to the current size of the Group. Any matters of an audit nature are discussed with the external auditors. It is the intention of the board to establish an audit committee when the Group reaches a size for the establishment to be cost effective.

AUDIT:

The board is responsible for the selection and appointment of the external auditor. To ensure the independence of the auditor, the Group will not use the services of the external auditor in a capacity that may jeopardize this independence.

RISK MANAGEMENT:

The board is ultimately responsible for the management and performance of the Group. The board considers the management of risk as one of its key responsibilities. The following processes or procedures have been established to curtail or prevent the occurrence of risks within the Group's operations.

- Establishment of exposure limits across the Group's portfolio of investments;
- Establishment of position limits across the Group's portfolio of investments;
- Establishment of monthly financial reporting systems;
- Transparent dissemination of account information across the Group's directors in relation to stockbroking, banking and derivative accounts; and
- Periodic assessment of our information technology systems which includes the identification and rectification of any potential weaknesses that may exist within the constraints of an organisation of this size.

CONTINUOUS DISCLOSURE AND REPORTING:

The Group is aware of its responsibilities in relation to continuous disclosure as required by the Corporations Act 2001. Directors are also aware of their disclosure obligations at board meetings to keep the Group informed of any matters that are of a serious or significant nature that other directors should be aware of. The outcomes of discussions at board meeting are recorded in the Group's minutes.

During the year to 30 June 2021 the Company has released unaudited NTA/share calculations at the end of each quarter, together with a discussion of portfolio activity.

AUDITOR'S INDEPENDENCE DECLARATION

PKF

East 72 Holdings Limited
ACN: 099 912 044

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

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

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

PKF

PKF

P. Pearman.

PAUL PEARMAN
PARTNER

30 AUGUST 2021
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved under Professional Standards Legislation

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FINANCIAL REPORT FOR THE YEAR TO 30th JUNE 2021

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	Economic Entity 2021 $	2020 $
Continuing operations			
Investment Profits/(Losses)	2	445,184	(2,541,622)
Other expenses	3	(157,934)	(257,076)
Finance costs	4	(8,547)	(71,828)
Profit/(Loss) before income tax		278,703	(2,870,526)
Income tax (expense)/benefit	6	-	-
Profit/(Loss) after income tax		278,703	(2,870,526)
Profit/(Loss) attributable to non-controlling interests		-	-
Profit/(Loss) after income tax and non-controlling interests		278,703	(2,870,526)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive profit/(loss) attributable to owners of East 72 Holdings Limited		278,703	(2,870,526)
Basic profit/(loss) (cents) per share from continuing operations	8	1.4	(14.8)
Diluted profit/(loss) (cents) per share from continuing operations	8	1.4	(14.8)
Dividends (cents) per share	7	1.0	-

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	9	15,174	5,530
Due from brokers	9	77,532	454,084
Trade and other receivables	10	32,931	33,538
Prepayments	11	2,180	17,693
Financial assets	12, 28	2,259,232	1,787,176
Right of use lease asset	15	11,322	18,925
TOTAL CURRENT ASSETS		2,398,371	2,316,946
NON CURRENT ASSETS			
Deferred tax assets	6	679,739	675,595
TOTAL NON CURRENT ASSETS		679,739	675,595
TOTAL ASSETS		3,078,110	2,992,541
CURRENT LIABILITIES			
Financial liabilities – equity securities sold short for future repurchase	28	198,471	262,991
Financial liabilities - derivatives at fair value		98,893	5,794
Financial liabilities – margin loan	13, 28	34,331	65,828
Financial liabilities – broker loan	9	427,397	513,528
Trade and other payables	14	5,811	717
Accruals	14	14,227	30,212
Provision for unpaid dividends		7,030	-
Office lease liability	15	11,349	18,993
TOTAL CURRENT LIABILITIES		797,509	898,063
TOTAL LIABILITIES		797,509	898,063
NET ASSETS		2,280,601	2,094,478
EQUITY			
Issued Capital	19	6,788,290	6,681,384
Share based payments reserve	20	43,280	43,280
Accumulated Losses		(4,550,969)	(4,630,186)
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF EAST 72 HOLDINGS LIMITED		2,280,601	2,094,478

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

ECONOMIC ENTITY	Issued Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
As at 30 June 2019	**6,551,794**	**43,280**	**(1,759,660)**	**4,835,414**
Total comprehensive loss for the year	-	-	(2,870,526)	(2,870,526)
Contribution of equity (net)	129,590	-	-	129,590
As at 30 June 2020	**6,681,384**	**43,280**	**(4,630,186)**	**2,094,478**
Total comprehensive profit for the year	-	-	278,703	278,703
Dividends declared			(199,486)	(199,486)
Contribution of equity (net)	106,906	-	-	106,906
As at 30 June 2021	**6,788,290**	**43,280**	**(4,550,969)**	**2,280,601**

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Economic Entity 2021 $	Economic Entity 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		-	-
Payments to suppliers and employees		(152,919)	(266,650)
Purchases of equity investments		(1,935,047)	(7,363,357)
Proceeds of sale of equity investments		2,542,709	10,140,020
Investment in derivative account†		(529,515)	(647,029)
Dividends received		19,175	73,859
Dividends paid away on short sales		(736)	(3,068)
Futures contracts mark to market		(64,873)	(22,156)
Interest received		16	2,155
Finance costs paid†		(8,547)	(64,031)
Foreign exchange translation losses		(33,823)	(200,872)
Taxation paid		-	-
NET CASH USED IN OPERATING ACTIVITIES	**27 (A)**	**(163,560)**	**1,648,872**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from equity issuance		108,597	131,142
Costs of equity issuance		(1,860)	(1,707)
Dividends paid		(192,457)	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		**(85,720)**	**129,435**
Net (decrease)/increase in cash held		(249,280)	1,778,307
Cash at the beginning of the financial year		(119,742)	(1,898,049)
Cash at the end of the financial year	**9**	**(369,022)**	**(119,742)**

† Dividends earned, dividends paid away, interest, fees, charges and commissions are capitalised to the derivative account.

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been approved for issue by the Board of Directors of East 72 Holdings Limited on 30 August 2021. The functional currency of the entity is measured using the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the economic entity's functional and presentation currency.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements cover the economic entity, consisting of East 72 Holdings Limited and its subsidiary and covers the financial year ended 30 June 2021. East 72 Holdings Limited is a publicly listed entity, incorporated and domiciled in Australia.

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Group. The principal accounting policies adopted in the preparation of this financial report are set out below.

A. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ("AASB's"), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures that the financial statements also comply with International Financial Reporting Standards.

The Group is a "for-profit" entity, the principal activities of which during the financial year ended 30 June 2021 included 'equity investment' and 'funds management and financial services'.

Historical cost convention

These financial statements have been prepared on an accruals basis and are based on historic costs as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Parent entity information

In accordance with Corporations Amendment (Corporate Reporting Reform) Act 2010, the economic entity has dispensed with the inclusion of parent company accounts but discloses the requisite information for the parent company as per note 17.

B. Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of East 72 Holdings Limited (''company'' or ''parent entity'') as at 30 June 2021 and the results of its subsidiary for the year then ended. East 72 Holdings Limited and its subsidiary together are referred to in these financial statements as "group" or "the economic entity".

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

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

Investments in subsidiaries are accounted for at the lower of cost or recoverable value in the individual financial statements of the parent entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

C. Operating Segments

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

D. Income Tax

The income tax (expense)/benefit for the year comprises current income tax (expense)/benefit and deferred tax (expense)/benefit.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax (liabilities)/assets are therefore measured at the amounts expected to be (paid to)/recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the financial year as well as unused tax losses.

Current and deferred income tax (expense)/benefit is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

East 72 Holdings Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as at 22 April 2016.

The wholly-owned entities have not compensated East 72 Holdings Limited since no deferred tax liabilities were assumed by East 72 Holdings Limited on the date of the implementation of the legislation.

E. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established, it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Revenue from the rendering of a service is recognised upon the satisfaction of the performance obligation. Net gains on investments are recognised when a contract note is issued in the case of a sale of shares or when a signed transfer agreement has been effected with the purchaser.

F. Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 9: Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in profit and loss in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation, using the effective interest rate method.

Fair value
Fair value is determined based on last sale prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

G. Trade and Other Receivables
Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at the reporting date plus accrued interest and less, where applicable, any unearned income or allowance for expected credit losses.

H. Trade and Other Payables
Accounts payable represent the principal amounts outstanding at the reporting date plus, where applicable, any accrued interest.

I. Finance Costs
Borrowing costs are expensed in the period in which they are incurred.

J. Employee Benefits

Share based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees and directors.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees and directors in exchange for the rendering of services.

Share based payments are expensed over the period that the payments vest to the employee and directors with a corresponding increase in equity over the vesting period. The most recent series of payments were options, valued by means of averaging (1) a six step binomial option calculation and (2) a Black-Scholes option calculation. Both option calculation methods use an exercise price of $0.35, underlying security price of $0.35, 75% volatility and risk-fee rate of 1.96% with no dividend payment assumptions.

K. Cash and Cash Equivalents
For the purpose of the Statement of Cash Flows, cash includes cash at bank and on hand and term deposits, offset by loans from a margin lending or overdraft facility.

L. Goods and Services Tax
Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australia Taxation Office. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position. Cash flows in the Statement of Cash Flows are included on a gross basis. The GST component of cash flows arising from investing and financing activities that are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

M. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the cost of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example, as part of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised in equity.

N. Earnings Per Share

Basic earnings per share

Basic earnings per share is determined by dividing net profit/(loss) after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

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

O. Impairment of Non-Financial Assets

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

P. Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

R. Business Combinations

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

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

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

S. Leases

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

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Economic Entity has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Economic Entity has the right to direct the use of the asset. The Economic Entity has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

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

The right of use lease asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use lease asset or the end of the lease term. The estimated useful life of the right of use lease asset was determined to be longer (ten years) than the lease term (two years). In addition, the right of use lease asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determine, the Economic Entity's incremental borrowing rate. The Economic Entity uses its incremental borrowing rate as the discount rate.

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

- Fixed payments, including in-substance fixed payments, and
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use lease asset, or is recorded in profit or loss if the carrying amount of the right of use lease asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

T. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group. The judgements, estimates and assumptions that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities is primarily in relation to Level 2 Financial Assets, which is discussed further in Note 28, share based payments, which is discussed further in Note 20, and the recoverability of the Deferred Tax Assets which is discussed further in Note 1(D).

U. Going Concern

Given that the Economic Entity can access liquidity from equity investments and derivatives in short order, if required, the Directors believe the financial statements can be prepared on the assumption that the Economic Entity is a going concern and will continue its operations for the forseeable future.

	Economic Entity 2021 $	Economic Entity 2020 $
2. INVESTMENT RETURNS		
Profit/(Loss) on investments held at fair value through profit and loss (A)	455,684	(2,425,504)
Interest received	16	2,178
Dividends received – other corporations	23,305	82,576
Foreign exchange translation losses	(33,821)	(200,872)
	445,184	(2,541,622)

(A) Loss on investments held at fair value through profit and loss is comprised of:

	2021 $	2020 $
Proceeds of sale of equity investments	2,634,851	10,100,400
Cost of sales of equity investments	(2,356,198)	(11,124,469)
	278,653	(1,024,069)
Change in fair value of investments retained - equities	236,825	(378,438)
Change in fair value of investments retained - derivatives	94,592	525,907
Dividends paid away on short sale equity positions	(736)	(3,068)
Loss on sale of derivatives	(88,777)	(1,523,632)
Mark to market – futures contracts	(64,873)	(22,204)
TOTAL	455,684	(2,425,504)

3. EXPENSES

	2021 $	2020 $
Auditor’s remuneration – audit and review of the financial report	27,139	26,441
Directors fees, employee benefits and costs	60,000	60,000
Employee benefits and costs	-	87,188
Legal, professional and accounting costs	1,720	1,605
Office lease expenses	21,446	21,513
Other expenses	47,629	60,329
TOTAL EXPENSES EXCLUDING FINANCE COSTS	**157,934**	**257,076**

	Economic Entity 2021 $	Economic Entity 2020 $
4. FINANCE COSTS		
External – financially leveraged margin loans	8,547	71,828
Total finance costs	8,547	71,828

5. AUDITOR'S REMUNERATION

	2021 $	2020 $
Remuneration of the auditors of the parent entity for:		
Auditing and reviewing the financial statements	27,139	26,441
	27,139	26,441

6. INCOME TAX

(A) INCOME TAX

The aggregate amount of income tax expense/(benefit) attributable to the year differs from the amount prima facie payable on the profit/(loss) from ordinary activities. The differences are reconciled as follows:

	2021 $	2020 $
Profit/(Loss) before tax	278,703	(2,870,526)
Prima facie income tax (benefit)/expense on the (loss)/profit before income tax at 30% (2020: 30%)	83,611	(861,158)
Add/(deduct) tax effect of:		
Franking credits	-	(12,105)
Deferred tax assets (used)/not brought to account	(74,738)	869,879
Overseas tax and withholding tax paid	(4,130)	-
Non deductible expenditure	(4,743)	1,237
Other timing differences	-	2,147
	(83,611)	861,158
Income tax benefit attributable to entity	-	-

The effective tax rate of nil% in 2021 mainly arises from recognition of past tax losses (2020: mainly arises from non recognition of deferred tax assets)

(B) DEFERRED TAX ASSETS

	2021 $	2020 $
Deferred tax assets comprise:		
Excess franking credits	65,985	65,985
Operating and realised investment losses	582,311	384,345
Unrealised losses	27,175	216,254
Temporary differences – accruals	4,268	9,011
	679,739	675,595

Unrecouped tax losses relating to the company's activities prior to April 2016 have been deemed as permanently unrecoverable as a result of a change of business and failure of "common ownership test" and have not been recognised.

	Economic Entity	
	2021	**2020**
	$	**$**

6. INCOME TAX (CONTINUED)

(C) TAX LOSSES

Unused tax losses for which no deferred tax asset has been recognised	2,899,596	2,899,596
Potential tax benefit at 30%	869,879	869,879

7. DIVIDENDS AND FRANKING CREDIT BALANCES

Franking Credits

Balance of franking account at the reporting date adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	318,470	403,963

A dividend of 1c per share fully franked was paid on 11 January 2021 absorbing $199,510 (2020: no dividends were declared or paid)

8. EARNINGS PER SHARE

Weighted average number of ordinary shares outstanding during the year used in calculation of EPS:

Basic and diluted EPS	20,636,711	19,445,140

Unlisted options currently issued are treated as anti-dilutive since their exercise price was above the net asset backing per share of the Company for most of the 2021 and 2020 years.

	$	**$**
Continuing operations		
Earnings used in the calculation of basic and diluted EPS	278,703	(2,870,526)
Basic and diluted (loss) per share (cents)	1.4	(14.8)

9. CASH AND CASH EQUIVALENTS

	$	**$**
Cash on hand and at bank	15,174	5,530
Cash in broking accounts	77,532	454,084
Net cash and cash equivalents as per statement of financial position	92,706	459,614
Margin lending account balance (note 13)	(34,331)	(65,828)
Broking account loans	(427,397)	(513,528)
Net cash and cash equivalents as per Statement of Cash Flows	(369,022)	(119,742)

10. TRADE AND OTHER RECEIVABLES

Trade debtors and receivables	1,426	2,033
Prepaid tax	31,505	31,505
	32,931	33,538

	Economic Entity	
	2021	**2020**
	$	**$**

11. PREPAYMENTS

Rental bonds	2,180	7,314
Prepaid expenses	-	10,379
	2,180	17,693

12. FINANCIAL ASSETS (CURRENT)

Fair value through profit or loss:		
Listed investments at fair value		
- shares in listed corporations (notes 28A, 28L)	1,597,522	1,749,671
- options over futures contracts (notes 28A, 28L)	-	4,552
Derivative securities held at fair value (notes 28B, 28L)	193,934	5,915
Funds in derivative account	467,776	27,038
	2,259,232	1,787,176

13. FINANCIAL LIABILITIES – BORROWINGS (SECURED)

Margin loan	34,331	65,828
	34,331	65,828

At 30 June 2021, East 72 Investments Pty. Limited ("**E72IPL**") had a margin loan facility of up to $1,500,000 (2020: $1,500,000) with a subsidiary of an ASX listed bank. At 30 June 2021, Stiletto Investments Pty. Limited ("**SIPL**") had a margin loan facility of up to $1,000,000 (2020: $1,000,000) with a subsidiary of an ASX listed bank. These facilities grant the bank a mortgage charge against all the equity investment assets of E72IPL and SIPL, and are guaranteed by Andrew Brown, the sole Director of E72IPL and SIPL and a Director of the Company.

14. TRADE AND OTHER PAYABLES

CURRENT (UNSECURED)		
Trade creditors	5,811	717
Other creditors and accruals	14,227	30,212
	20,038	30,929

15. OFFICE LEASE UNDER AASB 16

	Economic Entity 2021 $	Economic Entity 2020 $
Right of use lease asset		
Balance at start of year	18,925	33,946
Additions	13,444	18,924
Commutation of lease	-	(18,669)
Depreciation charge for the year	(21,047)	(19,286)
Balance at 30 June 2021	11,322	18,925
Office lease liability		
Current liability	11,349	18,993
Non current liability	-	-
	11,349	18,993
Maturity analysis – contractual undiscounted cash flows		
Less than one year	11,627	14,568
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	11,627	14,568
Amounts recognised in profit and loss		
Depreciation on right-of-use asset	21,047	19,286
Interest expense	399	1,227
Office lease expense	21,446	20,513

Amounts are recognised in expenses (note 3) for the years to 30 June 2021 and 30 June 2020.

On 29 January 2019, the parent entity entered into a two year office lease commencing on 1 March 2019 and ending on 28 February 2021 over the company's premises. There were no further renewal options and the rent payable increased by 3% from 1 March 2020. As at 30 June 2019, in calculating the right of use values and depreciation schedules, the relevant components of the right of use calculations have applied a 6% per annum discount rate, being the company's normal borrowing rates at the time of the lease being entered into, and straight-line depreciation over the 24 month lease period.

On 16 June 2020, the parent entity reached agreement with the landlord to reduce the rental payable over the remaining period and pre-paid the remaining rental up-front, reflected in the contractual undiscounted cash flows. The prepayment were amortised in line with requisite profit and loss calculations until 28 February 2021. The same parameters as previously were used to recalculate the right of use values and depreciation schedules over a ten month period.

In June 2020, the parent entity entered into a single year office lease commencing 1 July 2020, which was amended commencing 1 November 2020. In March 2021, the parent entity renewed the same office lease for a single year commencing on 1 July 2021. The same parameters have been used to recalculate the right of use values and depreciation schedules over a twelve month period.

16. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned 2021	2020
Parent Entity:			
East 72 Holdings Limited	Australia	-	-
Controlled Entities of East 72 Holdings Limited:			
Stiletto Investments Pty. Limited	Australia	100%	100%
East 72 Investments Pty Limited	Australia	100%	100%

17. PARENT ENTITY INFORMATION

Information relating to the parent entity, East 72 Holdings Limited:

	Economic Entity 2021 $	Economic Entity 2020 $
Current Assets	583,452	609,114
Total Assets	1,833,452	2,044,064
Current Liabilities	733,543	699,830
Total Liabilities	733,543	699,830
Issued Capital	6,788,290	6,681,384
Share Based Payments Reserve	43,280	43,280
Accumulated Losses	(5,731,661)	(5,380,429)
Total Shareholders' Equity	1,099,909	1,344,235
(Loss) of the parent entity	(151,743)	(2,878,336)
Total comprehensive loss of the parent entity	(151,743)	(2,878,336)

As at 30 June 2021 and 30 June 2020, the parent entity had not entered into any guarantees in relation to the debts of its subsidiaries, nor had entered into any contractual commitments for the acquisition of property, plant or equipment.

18. CONTINGENT LIABILITIES

The Economic Entity has no outstanding contingent liabilities (2020: nil).

19. ISSUED CAPITAL

	2021 $	2020 $
21,426,066 fully paid authorised ordinary shares (2020: 19,948,555 shares)	6,788,290	6,681,384

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

19. ISSUED CAPITAL (continued)

MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE YEAR

ORDINARY SHARES

Date	Details	Number of shares	$
1 July 2020	Opening balance	19,948,555	6,681,384
11 January 2021	Dividend reinvestment plan at $0.0735/share	1,477,511	108,597
	Capital raising costs	-	(1,691)
		21,426,066	6,788,290

The Economic Entity, after approval by shareholders at a General Meeting on 22 April 2016, issued 200,000 options to the Directors. These options expired on 30 April 2021.

20. SHARE BASED PAYMENTS

The economic entity issued nil options (2020: nil) as share based payments during the period.

Executive Remuneration
No share based payments were made in the year to 30 June 2021 or 30 June 2020.

There were no outstanding options at the end of the financial year. (2019: The weighted average remaining contractual life of 100,000 unlisted options exercisable at $0.35/share outstanding at the end of the financial year was 0.83 years).

21. KEY MANAGEMENT PERSONNEL

The names and positions held by Key Management Personnel of the economic entity who have held office during the financial year are:

Directors

Wayne Adsett	Chairman - Non Executive
Andrew Brown	Director – Executive
Richard Ochojski	Director – Non Executive

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

	Consolidated	
	2020 $	2019 $
Short-term employee benefits	60,000	122,292
Post-employment benefits	-	24,896
Share based payments	-	-
	60,000	147,188

Shareholding
The number of ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, is set out below:

2021	Balance at start of the year	Received as part of remuneration	Additions	Disposals / other	Balance at the end of the year
Wayne Adsett	43,188	-	5,876	-	49,064
Andrew Brown	6,057,726	-	575,385	-	6,633,111
Richard Ochojski	7,423	-	1,010	-	8,433
	6,108,337	-	582,271	-	6,690,608
2020					
Wayne Adsett	43,188	-	-	-	43,188
Andrew Brown	5,259,171	-	798,555	-	6,057,726
Richard Ochojski	7,423	-	-	-	7,423
	5,309,782	-	798,555	-	6,108,337

Related party transactions
Related party transactions are set out in note 23.

22. CAPITAL AND LEASING COMMITMENTS

(A) CAPITAL COMMITMENTS

The Economic Entity has no outstanding capital commitments (2020: nil).

(B) SUPERANNUATION

The Company makes superannuation contributions to Key Management personnel who are fully employed by the Company at a rate of 10% of pre tax salary.

23. RELATED PARTY TRANSACTIONS

(a) Related Parties

The Group's main related parties are as follows:

(i) Parent Entity

The Parent Entity is East 72 Holdings Limited, who holds a 100% interest in each of East 72 Investments Pty Limited and Stiletto Investments Pty. Limited.

(ii) Key Management Personnel

Any persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity are considered key management personnel.

(b) Transactions with Related Parties

Key management personnel remuneration

During the financial year, total remuneration of $60,000 (2020: $147,188) was paid to Directors and key management personnel by the economic entity, including partially owned controlled entities. Details of the payments and shareholdings in East 72 Holdings Limited of Directors and key management personnel are shown in the Remuneration Report contained as part of the Directors Report on pages 4 - 6 of this Financial Report.

Other related party transactions

In the years to 30 June 2021 and 30 June 2020 – nil.

24. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

25. COMPANY DETAILS

The Registered Office and Principal Place of Business of the Economic Entity is Level 12, 95 Pitt Street, SYDNEY, NSW 2000

26. SEGMENT REPORTING

The Economic Entity operates in only one segment being investment (listed securities and derivative and non-derivative financial assets).

27. CASH FLOW INFORMATION

(A) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING PROFIT/(LOSS) AFTER TAX

	Economic Entity 2021 $	Economic Entity 2020 $
Operating profit/(loss) after income tax	278,703	(2,870,526)
Cash flows excluded from loss attributable to operating activities:		
Purchases of equity investments	(1,935,047)	(7,363,357)
Sales of equity investments	2,542,709	10,140,020
Investment in derivatives account	(529,515)	(647,027)
Cash rental payments	(23,643)	(22,127)
Non cash flows in operating profit/(loss):		
Change in fair value of equity investments retained	(236,825)	378,438
Change in fair value of derivative investments retained	(95,100)	(525,907)
Loss/(profit) on sale of equities	(278,653)	1,024,026
Loss on sale of derivatives	88,777	1,523,632
Other amounts capitalised to derivative account	-	-
Depreciation on right-of-use asset	21,047	19,646
Gain on bargain purchase	-	-
Changes in assets and liabilities net of acquisitions:		
(Increase)/decrease in deferred tax balances	-	-
(Increase)/decrease in sundry debtors & prepayments	15,513	(6,389)
(Decrease)/increase in trade creditors & accruals	(10,891)	(5,127)
Other	(635)	3,570
Cash flows provided/(used in) by operations	**(163,560)**	**1,648,872**

(B) LOAN FACILITIES

	2021 $	2020 $
Margin lending facilities	2,500,000	2,500,000
Related party loan facilities	-	-
Amount utilised	(34,331)	(65,828)
Unused loan facilities	2,465,669	2,434,172

At 30 June 2021, controlled entity E72IPL had a margin lending facility with a maximum limit of $1,500,000 (2020: $1,500,000) with a controlled entity of an ASX listed bank. The facility is secured by mortgage over the CHESS sponsored equity investments held within the facility. At 30 June 2021, controlled entity Stiletto had a margin lending facility with a maximum limit of $1,000,000 (2020: $1,000,000) with a controlled entity of an ASX listed bank. The facility is secured by mortgage over the CHESS sponsored equity investments held within the facility.

	Economic Entity	
	2021	2020
	$	$

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT

(A) FINANCIAL ASSETS – SHARES IN LISTED CORPORATIONS

The Economic Entity's shares in listed corporations comprise the following interests:

Company	Industry	Value	Value
A2B Limited	Taxi management systems	-	56,700
Australian Rural Capital	Agribusiness investment	-	106,793
Baby Bunting	Childcare products	-	32,200
Bayer	Chemicals	80,990	-
Berkshire Hathaway	Conglomerate	-	77,613
Boral Limited	Construction materials	-	75,800
BNK Bank	Mortgage provision	35,395	-
BOWX Acquisition Corp	SPAC	30,671	-
Brookfield DTLA preference	Los Angeles office ownership	-	46,870
Discovery Inc	Media	57,968	-
Easton Investments	Financial advisory	-	15,000
E-L Financial Corp	Financial services	182,014	-
Enterprise Diversified	Funds management	-	24,377
EXOR NV	Investment Company	106,848	-
Cie. Financiere de L'Odet	Holding Company	33,307	-
Freedom Insurance Group	Run off insurer	24,000	32,000
Glennon Capital	Listed Investment Company	-	13,600
Gowings Limited	Investment	-	59,450
HAL Trust	Conglomerate	142,697	-
Madison Square Garden Co	Sports team ownership	-	53,221
Madison Sq. Garden Entertainment	Arena ownership	-	43,478
Namoi Cotton Co-operative	Cotton ginning & related	216,000	195,200
Perpetual Limited	Wealth management, trustee	-	14,835
Powerwrap	Financial services platform	-	53,625
Prime Media Group	Regional media	139,750	91,000
RENN Fund	Closed end US fund	-	110,435
Spotify	Streaming audio	73,500	-
Treasure ASA	Investment	128,145	58,503
Virtu Financial	Market making	92,112	187,321
Xplore Wealth	Financial services platforms	-	63,650
Yellow Brick Road	Mortgage aggregation	254,125	338,000
TOTAL		**1,597,522**	**1,750,466**

	Economic Entity	
	2021	2020
	$	$

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(B) FINANCIAL LIABILITIES – EQUITY SECURITIES SOLD SHORT FOR FUTURE PURCHASE

Company	Industry	Value	Value
Apple	Mobile devices & services	-	52,870
ARK Innovation ETF	Growth company ETF	129,402	
Banc of California	Financial institution	-	20,404
Splunk	Data analytics platform	-	37,436
Stifel Financial	Financial services	-	34,370
Tesla	Electric vehicles & related	-	62,598
Trupanion	Pet insurance	69,069	-
vanEck semi-conductor ETF	Technology ETF	-	44,290
TOTAL		**198,471**	**262,991**

(C) FINANCIAL ASSETS – DERIVATIVE SECURITIES HELD

The Economic Entity's derivative securities held comprise the following notional long exposures held through contracts for difference at fair value:

Company	Industry	Value	Value
Agency Group	Real estate agency	175,000	-
Appen Limited	Machine learning	74,800	-
Australian Rural Capital	Investment	15,518	-
BNK Bank	Mortgage provision	122,630	-
CIMIC Limited	Construction	63,296	-
Deterra Royalties	Iron ore royalty	117,000	-
Macerich	Shopping centre REIT	109,515	-
Namoi Cotton Limited	Cotton ginning	136,165	-
Praemium	Financial services platform	54,500	-
Yellow Brick Road	Mortgage aggregation	390,925	
TOTAL NOTIONAL		**1,259,348**	**-**
TOTAL FAIR VALUE		**149,508**	**-**

		Economic Entity	
		2021	2020
		$	$

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(D) FINANCIAL LIABILITIES – DERIVATIVE SECURITIES SOLD SHORT FOR FUTURE PURCHASE

The Economic Entity's derivative securities sold short comprise the following notional short exposures held through contracts for difference at fair value:

Company	Industry	Value	Value
A2Milk	Dairy products	-	-
Afterpay Touch	Consumer credit	-	36,954
DAX	German equity index	-	24,700
Freshpet	US petfood	43,462	
IDP Education	Online education provider	-	15,490
Kogan	Online retailing & services	-	22,080
Lululemon Athletica	Designer spandex	-	27,131
NASDAQ 100 index	US equity index	-	35,675
Paycomm Software	Human capital software	-	31,422
Penumbra	Medical devices	63,956	
Promedicus	Medical imaging software	46,976	-
Russell 2000 index	US small cap equity index	377,726	
S&P/ASX 200	Australian equity index	-	40,594
S&P500 index	US equity index	868,564	86,635
Sezzle Inc	US BNPL platform	123,340	
Wisetech Global	Logistics software	79,825	-
TOTAL NOTIONAL		**1,603,849**	**348,019**
TOTAL FAIR VALUE		**(54,466)**	**(59)**

(E) RISK MANAGEMENT - GENERAL

The economic entity undertakes transactions in a range of financial instruments including:

- listed shares and equity type securities in other corporations;
- contracts for difference and other derivatives;
- cash assets;
- receivables;
- payables;
- deposits; and
- bills of exchange and commercial paper.

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(E) RISK MANAGEMENT - GENERAL

As a consequence, the Economic Entity is exposed to a number of financial risks. The Directors believe that these risks fall into two categories:

- "largely controllable risks" including interest rate risk, credit risk, and liquidity and operational risks; and
- "partly controllable risks" mainly arising from financial market risk.

We seek to sensibly mitigate the controllable risks but recognise that our financial performance is likely to be highly volatile as a result of "mark-to-market" accounting conventions, and the economic entity's policy of using gearing, derivatives and margin loans to make investments.

The Board provides overall guidance in respect of risk management, mainly in the areas of approving overall exposures, and providing advice and guidance in respect of the economic entity's debt financing of its activities.

(F) CAPITAL RISK MANAGEMENT

We aim to manage equity and debt capital in order to provide returns for shareholders, whilst maintaining the Economic Entity's ability to pay its debts as and when they come due. As a smaller corporation, there is limited ability to manage the overall cost of capital, since equity capital may not always be accessible, and if so, only at significant theoretical cost. These costs may result in significant dilution to existing shareholders' percentage interest in the economic entity.

In addition, the supply of debt capital is also not always assured as a result of the economic entity's requirements to use specialist margin loan facilities, derivatives contracts and support from related interests of its major shareholder. Since the economic entity's business is of a specialist nature, commercial banks may not always be willing to lend to support its activities, or may do so on terms which are highly constraining. These constraints include not only the price of available credit – referenced by its margin over market based bank bill rates – but also the variable nature of covenants required to be observed by the economic entity.

The Company observed in the Notice of Meeting dated 22 March 2016 that it would maintain overall exposures – including the gross long positions and short positions held using derivatives to a maximum of six times equity, and single directional exposures to four times equity. Other restrictions were noted in relation to single security exposures. Further details are provided in note 28J below.

(G) LARGELY CONTROLLABLE RISKS – INTEREST RATE RISK AND EXPOSURES

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets, such as interest bearing bank accounts. The economic entity currently has access to loan facilities provided by margin loans.

At current interest rates, over the course of a full year, an increase of 100 basis points in borrowing rates with an accompanying change in deposit rates would decrease pre-tax profit by $344 (2020: $1,197).

Interest rate risk is not specifically managed since the economic entity has no fixed balance sheet inflow/outflow requirements which would require complex asset-liability management. Given the equity nature of the economic entity's investments, the Directors believe that any increases in the costs of debt finance could be mitigated by the sale of equity investments.

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(G) LARGELY CONTROLLABLE RISKS – INTEREST RATE RISK AND EXPOSURES

The following table summarises interest rate risk, for the economic entity with weighted average interest rates at reporting date:

	Interest Rate	Fixed Interest Rate $	Floating Interest Rate $	Non Interest Bearing $	Total $
ECONOMIC ENTITY 2021					
Financial assets:					
Cash and cash equivalents	0.00%	-	92,703	-	92,703
Trade and other receivables	-	-	-	35,111	35,111
Investments	-	-	-	2,259,232	2,259,232
		-	92,703	2,294,343	2,387,046
Financial Liabilities:					
Derivative account liabilities	2.88%	-	98,893	-	98,893
Margin and broker borrowings	5.88%	-	461,725	-	461,725
Securities sold short	-	-	-	198,471	198,471
Trade and other payables	-	-	-	27,068	27,068
		-	560,618	225,539	786,157
Net Financial Assets/(Liabilities)			(467,915)	2,068,804	1,600,889
ECONOMIC ENTITY 2020					
Financial assets:					
Cash and cash equivalents	0.58%	-	5,530	454,084	459,614
Trade and other receivables	-	-	-	51,231	51,231
Investments	-	-	-	1,787,176	1,787,176
		-	5,530	2,292,491	2,298,021
Financial Liabilities:					
Derivative account liabilities	-	-	-	5,794	5,794
Margin and broker borrowings	1.62%	-	579,356	-	579,356
Securities sold short	-	-	-	262,991	262,991
Trade and other payables	-	-	-	30,929	30,929
		-	579,356	299,714	879,070
Net Financial Assets/(Liabilities)		-	(573,826)	1,992,777	1,418,951

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(H) LARGELY CONTROLLABLE RISKS – CREDIT RISK

Credit risk is the risk that a contracting entity will not complete its obligations under an agreement or financial instrument and cause us to incur a financial loss. We have exposure to credit risk on various financial assets included in our statement of financial position.

The economic entity's three major credit risks relate to:

- its exposure to sold securities transactions where Clearing Members of Australian Securities Exchange are required to settle such transactions in the normal course of business on the Australian Securities Exchange. Clearing Members of ASX Limited are generally covered by the National Guarantee Fund for the types of transactions entered into by the Economic Entity. To help manage this risk, we monitor our exposures to individual entities. The maximum amount to which the economic entity is exposed as at 30 June 2021 is $nil (2020: $nil);

- its exposure to sold securities transactions where members of recognised overseas exchanges are required to settle such transactions in the normal course of business on the relevant exchange. The Economic Entity currently exclusively uses Interactive Brokers Group Inc., a NASDAQ listed online broker, which is required to maintain a strict segmentation of client monies from those of the broker itself. The maximum amount to which the economic entity is exposed as at 30 June 2021 is $nil (2020: $nil); and

- its exposure to providers of contracts for difference ("CFD") and other derivatives. The economic entity attempts to ensure it deals only with CFD providers who maintain a strict segmentation of client monies from those of the CFD provider itself. The economic entity will not transact business with CFD providers who knowingly co-mingle client and principal funds.

The economic entity is also exposed to credit risk through bank deposits and other simple money market instruments. These risks are managed by the economic entity placing short term deposits and bills only with highly rated major domestic commercial banks.

(I) LARGELY CONTROLLABLE RISKS – OPERATIONAL AND LIQUIDITY RISK

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the due date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial asset at all.

To help mitigate these risks we maintain constant monitoring of the economic entity's financial position through a series of cross-linked financial programs, and attempt to ensure the economic entity has accessible liquidity in the form of cash, readily saleable securities and access to line of credit and margin financing. The contracted cash flows of all financial liabilities (refer notes 9 & 13) are equal to their carrying value and will mature within twelve months of the reporting date.

(J) PARTLY CONTROLLABLE RISKS – FINANCIAL MARKET AND SECURITIES RISK

Financial market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. In the main, this occurs due to the economic entity's investments in listed ordinary shares whose share prices can fluctuate significantly over short periods of time.

In the event that the listed company portfolio increased or decreased in value by 10% from the levels of 30 June 2021, there would be a corresponding impact, <u>assuming perfect correlations between the securities</u>, on pre-tax profit of $13,990 (2020: $20,116).

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(J) PARTLY CONTROLLABLE RISKS – FINANCIAL MARKET AND SECURITIES RISK (continued)

The Board of Directors regard financial market risk as being only partly controllable, since investing in ordinary shares and derivatives is an inherent component of the economic entity's activities, from which it seeks to profit. The economic entity is subject to significant risks which it is largely unable to control. In addition, the economic entity will endure additional risk as a result of investing in smaller and "microcap" companies, together with companies which themselves hold financial assets.

Investments in these companies are subject to more volatile price fluctuations as a result of:

- illiquidity of trading in the investee company's securities;
- potential proprietorial conflict from large shareholdings owned by management or Directors;
- concentration of major shareholdings, which can lead to extreme negative fluctuations in share prices when single investors seek to sell their securities in the investee company, irrespective of the business performance of the investee;
- lack of diversification of business activities of the investee company, rendering the investee susceptible to volatility within a single industry; and
- non-voting or restricted voting securities or other restrictive mechanisms enshrined in investee constitutions.

In respect of individual securities, the Board of Directors monitors significant exposures to individual securities, other than controlled entities.

The Company observed in the Notice of Meeting dated 22 March 2016 that it would maintain overall exposures – including the gross long positions and short positions held using derivatives to a maximum of six times equity, and single directional exposures to four times equity. As at 30 June 2021 and 30 June 2020, the notional portfolio exposures exhibited the following characteristics in this respect:

As at 30 June 2021	**Exposure**	**Capital†**	**Ratio**	**Maximum**
Gross long and short notional exposures (physical, derivative, futures contracts, delta adjusted options)	$4,659,982	$1,569,157	2.97:1	6:1
Gross long exposures (physical and derivative)	$2,857,662	$1,569,157	1.82:1	4:1
Gross short exposures (physical, derivative, futures contracts, delta adjusted options)	$1,802,320	$1,569,157	1.15:1	4:1
Single largest non-index long position	$645,050	$1,569,157	41.1%	6%
Single largest non-index short position	$129,402	$1,569,157	8.2%	6%
As at 30 June 2020	**Exposure**	**Capital†**	**Ratio**	**Maximum**
Gross long and short notional exposures (physical, derivative, futures contracts, delta adjusted options)	$3,300,609	$1,418,878	2.33:1	6:1
Gross long exposures (physical and derivative)	$1,749,671	$1,418,878	1.23:1	4:1
Gross short exposures (physical, derivative, futures contracts, delta adjusted options)	$1,550,938	$1,418,878	1.09:1	4:1
Single largest non-index long position	$338,000	$1,418,878	23.8%	6%
Single largest non-index short position	$62,598	$1,418,878	4.4%	6%

† calculated before tax liabilities/assets

At 30 June 2021, the economic entity had eleven long positions (Agency Group, BNK Bank, Deterra Royalties, E-L Financial, EXOR NV, HAL Trust, Macerich, Namoi Cotton Limited, Prime Media, Treasure ASA, and Yellow Brick Road Limited) and two short positions (ARK Innovation ETF and Sezzle Inc.) which had grown to in excess of the intended portfolio limits.

At 30 June 2020, the economic entity had six long positions (Australian Rural Capital Limited; Namoi Cotton Limited, Prime Media Limited, Renn Fund Inc., Virtu Financial Inc and Yellow Brick Road Limited) which had grown to in excess of the intended portfolio limits.

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(K) RECONCILIATION OF NET FINANCIAL ASSETS TO NET ASSETS

	Economic Entity 2021 $	Economic Entity 2020 $
Net Financial Assets as above (note 28G)	1,600,889	1,418,951
Non financial assets and liabilities:		
Right of use lease asset	11,322	18,925
Office lease liability	(11,349)	(18,993)
Deferred tax assets	679,739	675,595
Deferred tax liabilities	-	-
Net assets per statement of financial position	2,280,601	2,094,478

(L) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The group has adopted AASB 7 *Financial Instruments: Disclosures* which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

30 June 2021	Level 1 $	Level 2 $	Level 3 $	TOTAL $
Financial assets at fair value through profit or loss:				
Shares in other corporations	1,597,522	-	-	1,597,522
Shares in other corporations sold short	(198,471)	-	-	(198,471)
Derivative assets and put options	-	193,934	-	193,934
Derivative liabilities	-	(98,893)	-	(98,893)
TOTAL	1,399,051	95,041	-	1,494,092

30 June 2020	Level 1 $	Level 2 $	Level 3 $	TOTAL $
Financial assets at fair value through profit or loss:				
Shares in other corporations	1,749,671	-	-	1,749,671
Shares in other corporations sold short	(262,991)	-	-	(262,991)
Derivative assets and put options	-	10,467	-	10,467
Derivative liabilities	-	(5,794)	-	(5,794)
TOTAL	1,486,680	4,673	-	1,491,353

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

28. FINANCIAL INSTRUMENTS, RISK MANGEMENT AND CAPITAL RISK MANAGEMENT (continued)

(L) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used:

Financial assets/financial liabilities	**Fair value as at 30 June**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value**
	2021	2020				
Held for trading financial assets (see notes 12, 28A)	Listed equity securities:		Level 1	Quoted bid prices in an active market	N/A	N/A
	$1,597,522	$1,750,466				
Held for trading financial liabilities (see notes 12, 28B)	Listed equity securities:					
	$198,471	$262,991				
Held for trading derivative financial assets (notes 28C)	Contracts for difference:		Level 2	Third party provided prices based on active market	N/A	N/A
	$193,934	$5,915				
Held for trading derivative financial liabilities (notes 28D)	Contracts for difference:					
	$98,893	$5,974				

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values. Other data on net fair values of assets and liabilities is presented in notes 11, 12, 13, and 28 to the financial statements.

EAST 72 HOLDINGS LIMITED

DIRECTORS DECLARATION

In accordance with a resolution of the Board of directors of East 72 Holdings Limited, we declare that:

(a) The financial statements and notes of the Economic Entity are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Economic Entity's financial position as at 30 June 2021 and of its performance for the year ended on that date;
- (ii) complying with Accounting Standards and Corporations Regulations; and
- (iii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and

(b) In the opinion of the directors, there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable.

(c) The Executive Director has declared that:

- (i) the financial records of the Economic Entity for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- (ii) the financial statements and notes for the financial year comply with the Accounting Standards; and
- (iii) the financial statements and notes for the financial year give a true and fair view.

(d) The remuneration disclosures that are contained in pages 4 to 6 of the Directors' Report comply with Australian Accounting Standard AASB 124 Related Parties and Corporations Regulations 2001.

On behalf of the Board

R C Ochojski
Director

A J Brown
Director

Date: 30 August 2021

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EAST 72 HOLDINGS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of East 72 Holdings Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of East 72 Holdings Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

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 (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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. For the matter below, our description of how our audit addressed the matter is provided in that context.

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Key Audit Matters (cont'd)

1. Valuation & Existence of Securities Portfolio

Why significant	How our audit addressed the key audit matter
As at 30 June 2021, a significant proportion of the Company's assets (73%) and liabilities (37%) are made up of leveraged equities and derivative securities. The fair value of financial assets is \$2,259,232 (2020: \$1,787,176) and financial derivative liabilities are \$297,364 (2020: \$268,948) as disclosed in notes 12 and 28 of the financial report. As noted in note 1(F) of the financial report, securities are recognised initially at cost on trade date and are subsequently re-measured at fair value through the profit and loss in accordance with AASB 9. Based on the above, we have considered the valuation and existence of financial assets and financial liabilities to be a Key Audit Matter.	We used independent sources to perform substantive testing on the population of financial assets and financial liabilities. Our procedures included but were not limited to: • Agreeing the quantity of securities held by the consolidated entity as at 30 June 2021 and recognised in the financial report to external independent trading statements held in the consolidated entity's name and independent third party sources; • Confirming the market value as at 30 June 2021 using trading websites such as the Australian Securities Exchange ("ASX"), New York Stock Exchange ("NYSE") and London Stock Exchange ("LSE"), and Euronext; and • Reviewing reconciliations and supporting documentation to confirm market movements. This included calculating the gain/loss on a sample of shares sold by the consolidated entity during the year. We also assessed the appropriateness of the related disclosures in Notes 12 and 28.

2. Recognition and Valuation of Deferred Tax Assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 6 of the financial report, at 30 June 2021 the Company has recorded a deferred tax asset of \$679,739 relating to deductible temporary differences and tax losses incurred. As noted in Note 1(D) of the financial report, deferred tax assets are only recognised if the Company considers it probable that future taxable income will be generated to utilise these temporary differences and losses. Significant judgement is required in forecasting future taxable income. Based on the above, we have considered the recognition and valuation of deferred tax assets to be a Key Audit Matter.	We have assessed and challenged management's judgements relating to the Company's ability to generate future taxable income, and also the recognition criteria under AASB 112. Our procedures included but were not limited to: • assessing the reasonableness of key assumptions with respect to future income and expenditure; • reviewing the nature of the deferred tax asset (i.e. temporary differences or revenue / capital losses) and its probability of being realised. We have also assessed the appropriateness of the disclosures included in Note 6 in respect of the deferred tax balances.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the consolidated entity's Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

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.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 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.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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.
- 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 group financial report. We are responsible for the direction, supervision and performance of the group 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in 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

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of East 72 Holdings Limited for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

PKF

PAUL PEARMAN
PARTNER

30 AUGUST 2021
SYDNEY, NSW

EAST 72 HOLDINGS LIMITED.

OTHER REQUIRED INFORMATION – YEAR ENDED 30 JUNE 2021

A. Range of Shares Issued as at 9 July 2021

As at 18 August 2020 there were 21,426,066 shares held by 93 shareholders, all of which were quoted on the NSXA.

Range	Holders	Shares held	% of capital
1-1,000	13	938	0.0
1,001-5,000	3	6,178	0.0
5,001-10,000	13	93,330	0.4
10,001-100,000	26	919,948	4.3
100,001-9,999,999,999	38	20,405,672	95.2
Totals	**93**	**21,426,066**	**100.0**

B. Top Twenty shareholders as at 9 July 2021

Holder	Shares	%
J & S Rayner Pty Ltd <Rayner Super Fund A/C>	2,998,934	14.00%
Donna Ann Brown	2,497,126	11.66%
Abron Management Services Pty Ltd <Brown Family Super A/C>	2,357,187	11.00%
Garrett Smythe Limited	1,893,424	8.83%
Andrew John Brown	1,077,542	5.03%
WSB Super Pty Limited <WSB Dist Super Fund A/C>	921,797	4.30%
Stephen Murray Roberts & Megan Roberts <Dover Downs Super Fund A/C>	773,275	3.99%
Phillip Jason Stanway & Linda Jean Stanway <P & L Stanway Super Fund A/C>	763,466	3.56%
Pax Pasha Pty Limited	761,904	3.56%
David John Gallop & Katherine Mary Gallop <Gallop Super Fund A/C>	671,428	3.13%
Clapsy Pty Limited <Baron Super Fund A/C PY>	489,299	2.28%
Laufmann Longterm Investments Pty Ltd <Laufmann Super Fund A/C>	452,381	2.11%
John Charrington & Pamela McBride <Islington Retire Fund A/C>	350,000	1.63%
Kew Superannuation Fund Pty Ltd <KW Super Fund A/C>	285,715	1.33%
TCWH Pty Ltd <TCWH Super Fund A/C>	285,715	1.33%
Patrick James Dymock Elliott	284,333	1.33%
Katherine Mary Gallop	250,000	1.17%
Lauren Julia Brown	246,656	1.15%
Ruck & Maul Pty Ltd <John Eales Family A/C>	214,287	1.00%
Larsen family Pty Limited <The Larsen family A/C>	214,286	1.00%
TOP 20 SHAREHOLDERS	**17,788,755**	**74.56%**

C. Voting Rights

Shareholders are entitled to one vote for each share held. On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll, every shareholder so present shall have one vote for every share held.

D. Substantial Shareholders

The company is aware of three shareholders who holds relevant interests of in excess of 5% of the company's ordinary shares as at 9 July 2021:

Holder	Shares held	% of capital
Andrew John Brown and Donna Ann Brown (relevant interests)	6,633,111	31.0%
John Gordon Rayner & Sally Anne Rayner (relevant interests)	2,998,934	14.0%
Garrett Smythe Limited	1,893,424	8.8%