Resa Group Limited (formerly IBuyNew Group Limited)

ABN 20 108 958 274

Preliminary Report

For the Year Ended 30 June 2020

CORPORATE INFORMATION

Company Details

The registered office of the company is:
Resa Group Limited
1/45 Stirling Highway, Nedlands
WA 6009

Board of Directors and Management

CEO and Executive Director	Mr Bill Nikolouzakis
Non-Executive Director	Mr Stephen Quantrill
Non-Executive Director	Mr Andrew Jensen
Company Secretary	Abby Macnish

Auditors, Solicitors and Bankers

Auditors	HLB Mann Judd 4/130 Stirling St Perth WA 6000 *(appointed on 31 August 2020)*	Stantons International Level 2, 1 Walker Avenue West Perth WA 6005 *(for 30 June 2019 audit)*
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street, Perth WA 6000	Sunderaj & Ker Level 36/264 George St Sydney NSW 2000
Bankers	National Australia Bank Level 1, 105 Miller Street North Sydney, NSW 2060	

Share Registry

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

Stock Exchange Listing

The Company's shares are listed and quoted on the Australian Securities Exchange Limited ("ASX").

Home Exchange: Sydney, NSW, Australia

ASX Code: RE1 (previously IBN)

Website

www.resagrouplimited.com.au

CONTENTS

RESA GROUP LIMITED

Appendix 4E

Details of Reporting Period

ABN or equivalent company reference	20 108 958 274
Financial year end ("current period")	30 June 2020
Previous corresponding period	30 June 2019

Results for announcement to market

Financial Results				**June 2020 $**
Revenue*	Up	>100%	to	**22,127**
(Loss) after tax attributable to members	Down	85%	to	**(821,478)**
Net loss attributable to members	Down	85%	to	**(821,478)**

*Revenue reported for 30 June 2019 has been reclassified in the Group's net loss from discontinued operations.

Dividends
The Directors do not propose that Resa Group Limited will pay a dividend.

Earnings/(loss) per share	**June 2020**	**June 2019**
Basic and diluted loss per ordinary share	(1.55) cents	(24.95) cents

Net tangible asset backing	**June 2020**	**June 2019**
Net tangible asset backing per ordinary share	(0.02) cents	(7.79) cents

Financial Information	**June 2020**	**June 2019**
Revenue and other income	22,127	-
Operating expenses	(227,429)	(985,445)
Net finance costs	(240,835)	(250,052)
Net loss from continuing operations	(468,264)	(1,235,497)
Net loss from discontinued operations	(353,214)	(4,151,873)
Net loss after tax	(821,478)	(5,387,370)
*Revenue and expenses reported for 30 June 2019 has been reclassified in the Group's net loss from discontinued operations.		

Other explanatory notes
For further information refer to the review of operations and financial performance contained in the attached preliminary report.

Unaudited
The financial statements on which this preliminary report is based has not been audited. As the Group is currently reliant on raising capital to continue as a going concern, material uncertainty related to going concern may be included in the audit report.

The information required by listing rule 4.3A is contained in both this Appendix 4E and the attached preliminary report.

Principal activities and significant changes in nature of activities

RESA Group Limited (formerly IBuyNew Group Limited) ("RE1" or the "Company") is a group limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange. RE1 shares are currently in suspension from quotation pending the outcome of a broad-based strategic review.

During the year, the Group initiated a group wide strategic restructure to reduce operating costs and to improve the overall position of the Group due to the decline in new property sales. Forming part of the strategic restructure, several of the initiatives completed during the year:

- Group name change from iBuyNew Group Limited to RESA Group Limited with a change in ASX ticker code to RE1;
- Appointment of CEO Bill Nikolouzakis as executive director. Appointment of Andrew Jensen as non-executive director, and Abby Macnish Niven as Company Secretary;
- Disposal of iBuyNew and Nyko property brands, approved by way of shareholder vote at the FY19 AGM. Further to this, on 16 January 2020 the Group announced the completion of the asset sale where all conditions precedent to the transaction have been satisfied, waived or become conditions subsequent;
- Continued settlement and collection of the Group's future receivables commission book from the previous property sales;
- Reduction in fixed operating expenses as a result of the disposal of assets, services and subscriptions relating to the operations of the iBuyNew and Nyko Property which have either been assigned to the vendors or removed;
- Improvement to the health of Group's balance sheet. $400k of the asset sale proceeds have been used to repay the Group's secured loan facility. A further $31k from the asset sale proceeds was used to repay service providers of the Group;
- Restructure of the Company's secured loan facility where 66% of gross commissions received from property settlements repaid a portion of the interest and principal of the facility;
- Completion of Tranche 1 and Tranche 2 of the Group's placement shares of 124,598,022 fully paid ordinary shares, each issued at $0.02 per share in two components;
  1. Tranche 1 was completed on 22 January 2020 comprising of $800,000 cash and $86,767 debt to-equity and
  2. Tranche 2 was completed on 11 May 2020 comprising of $700,000 cash and $905,193 debt to-equity.
- RE1 has also converted $100,000 of existing loans into 5 million fully paid ordinary shares at $0.02 per share under its placement capacity; and
- RE1 utilised the debt-to-equity swap to pay down the secured loan in full, and no longer carries this liability.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Review of Financial Results

A summary of the statutory and underlying financial results from operations for FY20 is set out below:

Statutory Results	Jun-20	Jun-19	Change %
Revenue and other income	22,127	-	>100%
Net loss from continuing operations	(468,264)	(1,235,497)	62%
Net loss from discontinued operations	(353,214)	(4,151,873)	91%
Net loss after tax	(821,478)	(5,387,370)	85%

At the end of FY20 the Company held a consolidated cash balance of $240,871.

Operational Performance

During the year ended 30 June 2020 the Group continued to settle and collect funds from historical property sales in the Group's future receivables commission book. Over $1,417,000 of gross commissions has received and recorded under the cash flows from operating activities. Management remains committed to collecting commissions from as many settled properties as possible as the Group continues to navigate through the volatile markets.

The Company has repaid in full the secured debt facility which it first announced on 15 January 2019. The secured debt facility was reduced by $400,000 via the sale of selected iBuyNew and Nyko Property assets. The total drawn principle of $1,950,000, interest and costs up until the 31st of March 2020, and costs associated with managing the facility have now been repaid. As at 25 June 2020, the Company has confirmed that the security interest associated with the Security Facility has been released. The goodwill associated with the iBuyNew and Nyko Property assets had been written off by the Group in previous periods.

The balance sheet was further improved with a reduction of $991,960 via the debt-to-equity swap where creditors agreed to convert existing debt into placement shares. Further, on the 17 of February 2020 the Company announced changes to CEO and executive director Bill Nikolouzakis remuneration. Under the new arrangement, Mr Nikolouzakis reduced his hours from 38 to 8 hours per week representing a 78% reduction in annual remuneration from $240,000 plus superannuation per annum to $50,526 plus superannuation per annum.

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
Revenue			
Government grants - Jobkeeper		22,000	-
Other income		127	-
		22,127	**-**
Less Expenditure			
Administration expense		(158,310)	(167,701)
Depreciation and amortisation expense		(1,213)	(36,709)
Direct operating expense		(25,192)	(343,221)
Directors and consultant expense		(56,543)	(182,204)
Employee benefits expense		-	(37,694)
Impairment expense		-	-
Occupancy expenses		(636)	(13,638)
Share-based compensation		-	(35,000)
Loss on disposal of fixed assets		(7,662)	(169,278)
Operating loss before finance costs		**(227,429)**	**(985,445)**
Financial income		-	2
Financial expenses		(240,835)	(250,054)
Net financing costs		**(240,835)**	**(250,052)**
Loss from continuing operations before income tax		**(468,264)**	**(1,235,497)**
Income tax expense		-	-
Net loss from continuing operations after income tax		**(468,264)**	**(1,235,497)**
Net loss from discontinued operations		**(353,214)**	**(4,151,873)**
Total net loss for the year		**(821,478)**	**(5,387,370)**
Other comprehensive income, net of income tax			
Gain on revaluation of financial assets		17,877	155,231
Total comprehensive loss for the year		**(803,601)**	**(5,232,139)**
Total net loss for the year attributable to members of Resa Group Limited		**(803,601)**	**(5,387,370)**
Total comprehensive loss for the year attributable to members of Resa Group Limited		**(803,601)**	**(5,232,139)**
Loss per share from continuing operations attributable to the owners of RESA Group Limited			
Basic and diluted loss per share (cents)	3	(0.88)	(5.72)
Loss per share from continuing and discontinued operations attributable to the owners of RESA Group Limited			
Basic and diluted loss per share (cents)	3	(1.55)	(24.95)

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Financial Position
For the Year Ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 Restated $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	240,871	277,598
Trade and other receivables	5	759,333	122,431
Other assets	6	636,938	2,472,544
TOTAL CURRENT ASSETS		1,637,142	2,872,573
NON-CURRENT ASSETS			
Plant and equipment		-	24,112
Other non-current assets	6	-	310,008
Financial assets	7	42,140	31,925
TOTAL NON-CURRENT ASSETS		42,140	366,045
TOTAL ASSETS		1,679,282	3,238,618
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	1,342,206	1,870,205
Loans and borrowings	9	-	1,885,000
Other liabilities	10	343,348	1,037,112
Employee provisions	11	17,660	55,684
TOTAL CURRENT LIABILITIES		1,703,214	4,848,001
NON-CURRENT LIABILITIES			
Other liabilities	10	-	89,308
TOTAL NON-CURRENT LIABILITIES		-	89,308
TOTAL LIABILITIES		1,703,214	4,937,309
NET LIABILITIES		**(23,932)**	**(1,698,691)**
EQUITY			
Issued capital	12	55,858,654	53,380,294
Reserves	13	198,330	180,453
Accumulated losses		(56,080,916)	(55,259,438)
SHAREHOLDERS' FUNDS		**(23,932)**	**(1,698,691)**

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020

	Issued Capital $	Revaluation Reserve $	Share-Based Payments Reserves $	Accumulated Losses $	Shareholders' funds $
Consolidated					
Balance at 1 July 2019	**53,380,294**	**(14,046)**	**194,499**	**(55,582,564)**	**(2,021,817)**
Restatement amount	-	-	-	323,126	323,126
Restated total equity at the beginning of the financial year	**53,380,294**	**(14,046)**	**194,499**	**(55,259,438)**	**(1,698,691)**
Loss for the year after income tax	-	-	-	(821,478)	(821,478)
Other comprehensive income	-	17,877	-	-	17,877
Total comprehensive income for the year, net of tax	**-**	**17,877**	**-**	**(821,478)**	**(803,601)**
Transactions with equity holders					
Shares issued during the year	2,591,960	-	-	-	2,591,960
Shares issued during the year - net of transaction costs	(113,600)	-	-	-	(113,600)
Balance at 30 June 2020	**55,858,654**	**3,831**	**194,499**	**(56,080,916)**	**(23,932)**

Consolidated	Issued Capital $	Revaluation Reserve $	Share-Based Payments Reserves $	Accumulated Losses $	Shareholders' funds $
Balance at 1 July 2018	**53,292,740**	**(169,277)**	**159,499**	**(51,911,675)**	**1,371,287**
Change in accounting policy*	-	-	-	1,716,481	1,716,481
Restated total equity at the beginning of the financial year	**53,292,740**	**(169,277)**	**159,499**	**(50,195,194)**	**3,087,768**
Loss for the year after income tax	-	-	-	(5,387,370)	(5,387,370)
Other comprehensive income	-	155,231	-	-	155,231
Total comprehensive loss for the year, net of tax	**-**	**155,231**	**-**	**(5,387,370)**	**(5,232,139)**
Transactions with equity holders					
Share-based payments	-	-	35,000	-	**35,000**
Issue of ordinary shares during the year, net of transaction costs	87,554	-	-	-	**87,554**
Balance at 30 June 2019	**53,380,294**	**(14,046)**	**194,499**	**(55,582,564)**	**(2,021,817)**

*Due to the impact of AASB 15 *Revenue* as disclosed in Note 1(v) of the 2019 Annual Report.

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,417,746	3,820,286
Payments to suppliers and employees		(2,263,030)	(4,702,832)
Interest received		-	2,478
Finance costs		(236,311)	(277,984)
Government grants and tax incentives received		57,450	-
Net cash used in operating activities		(1,024,145)	(1,158,052)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(6,000)	(7,273)
Proceeds from disposal of other non-current assets		430,000	115,000
Net cash provided by investing activities		424,000	107,727
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		2,605,193	-
Transaction costs relating to issue of shares		(132,085)	(4,000)
Proceeds from Loans and borrowings		-	1,350,000
Transaction costs relating to issue of loans and borrowings		(24,690)	(95,000)
Repayment of Loans and borrowings		(1,885,000)	(1,100,000)
Net cash provided by financing activities		563,418	151,000
Net decrease in cash and cash equivalents held		(36,727)	(899,325)
Cash and cash equivalents at beginning of financial year		277,598	1,176,923
Cash and cash equivalents at end of financial year	4	**240,871**	**277,598**

The accompanying notes form an integral part of the financial statements.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

RESA Group Limited, formerly iBuyNew Group Limited (the "Company"), is a public company, listed on the Australian Stock Exchange, limited by shares and incorporated and domiciled in Australia. RE1 shares are currently in suspension from quotation pending the outcome of certain conditions associated with the acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd.

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

The financial statements cover RESA Group Limited as a Group, consisting of RESA Group Limited and the entities it controlled from time to time during or at the end of the year.

Basis of Preparation

Historical Cost Convention
The financial statements have been prepared on an accruals basis and are based on historical costs, except for certain non-current assets and financial instruments that are measured at re-valued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical Accounting Estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The area's involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Parent Entity Information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated group only. Supplementary information about the parent entity is included in Note 2.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current accounting period.

(a) Going concern

As announced on 12 June 2020, the Company has entered into an acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd (TIS) from the TIS Shareholders (the Acquisition).

TIS owns the high grade Tombador hematite iron ore deposit which is located in Bahia, Brazil (Project). The Project has a total combined JORC Mineral Resource of 10.1Mt1 2 which includes a high-grade hematite Mineral Resource of 8.0Mt at 67.3% Fe1 of direct shipping ore (DSO) hematite.

The Company presented a Prospectus on 7 August 2020, seeking to raise a minimum $10,000,000 and a maximum of $15,000,000 through the issue of Shares at an issue price of $0.025 per Share under the Public Offer in connection with the Acquisition.

Factors beyond the Company's control, including pandemic diseases such as COVID-19 (coronavirus), can affect the stock markets and in doing so impair the Company's ability to attract investors and lenders. This in turn could have an impact on any fund raising or financing arrangements that the Company may require to pursue.

The ability of the Group to continue as a going concern is dependent on the Company's success in raising capital for the Acquisition. Should the Directors not be successful in raising capital, this indicates a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2020 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the "Group".

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent. Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, is the Board of Directors.

(d) Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. 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.

Current tax assets and liabilities are offset only 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; and
- they relate to the same taxation authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the consolidated statement of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group writes off fully any amounts that are more than 90 days past due.

(g) Revenue

Revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. This involves following a five-step model of revenue recognition:

- Identifying the contract with a customer
- Identifying performance obligations under the contract
- Determining the transaction price
- Allocating the transaction price to performance obligations under the contract
- Recognising revenue when the Group satisfies its performance obligations

Revenue arises from the sale of real estate services.

Property transaction revenue
Property commission fees are recognised when the agreement to sell the property, or any part of it, becomes unconditional and binding on the purchaser. Generally 50% of the commissions are payable on the contracts becoming unconditional and 50% on settlement of the contract. Based on historic data, management estimate all unconditional contracts to have a high probability of settlement, thus recognise 100% of the commissions once the contracts are unconditional based on no further services needing to be performed.

(h) Plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

Depreciation
Depreciation is calculated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset are:

Class of asset	Estimated Useful Life
Furniture and fittings	2 – 13 years
Office equipment	2 – 5 years
Life of lease	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed when incurred.

Amortisation is recognised in the profit and loss on a straight-line basis over the estimated useful lives of the intangible assets. Goodwill and goodwill on consolidation are initially recorded at the amount by which the acquisition cost for a business combination exceeds the fair value attributed to the interest in the net fair value of net identifiable assets at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is impairment tested annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Group undertakes a review and assesses potential impairment on a regular basis for all its intangible assets.

(k) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Due to their short-term nature, they are measured at amortised cost and are not discounted.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Short term employee benefits
Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect ofemployees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations
Contributions for retirement benefit obligations are recognised as an expense as they become payable. Prepaidcontributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment isavailable. Contributions are paid into the fund nominated by the employee.

(o) Share-based payments

The fair value of options and performance rights granted is recognised as a benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the directors and executives become unconditionally entitled to the options and performance rights.

The fair value at grant date of options is determined using either the binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of option, the impact of dilution, the share price at grant date and expected price volatility of theunderlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of performance rights is determined based on the fair value of share price at the date of issue.

The fair value of the options and performance rights granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to become exercisable. The benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options and performance rights, the balance of the share-based payments reserve relating to those options and performance rights is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, and arecredited to share capital.

(p) Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve. The fair value of options is determined using either a Binominal pricing or Black-Scholes option pricing model. The fair value of performance rights is based on the fair value of share price at the date of issue.

The number of shares, options and performance rights expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

Upon the exercise of options and performance rights, the balance of the share-based payments reserve relating to those options and performance rights is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, and are credited to share capital.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Functional and presentation currency
The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(r) Goods and Services Tax (GST)
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 Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(s) Financial instruments

Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets
Except for those trade receivables and settlement books that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:
- amortised cost
- fair value through profit or loss (“FVPL”)
- equity instruments at fair value through other comprehensive income (“FVOCI”)
- debt instruments at fair value through other comprehensive income (“FVOCI”)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables and settlement books, which is presented within other expenses.

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):
- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.
Any gains or losses recognised in FVOCI will be reclassified to profit or loss upon derecognition of the asset.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Financial instruments (continued)

Impairment of financial assets
AASB 9's impairment requirements use more forward looking information to recognize expected credit losses i.e. the expected credit losses ("ECL") model. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans and borrowings.
For purposes of subsequent measurement, financial liabilities are classified in two categories:
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

(t) Earnings per share

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

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

(u) Government grant

Jobkeeper subsidy from the government is recognised when it is received or when the right to receive payment is established.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Comparative figures

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

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(w) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

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

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of receivables and settlement book assets
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor’s financial position.

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

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

Impairment of goodwill
The Group assesses impairment of goodwill each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Critical accounting estimates and judgements (continued)

Interest bearing liabilities
All loans and borrowings, including convertible notes, are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The component of the convertible notes that exhibit characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

On issuance of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent market instrument and this amount is carried as a long-term liability using the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fair value hierarchy
AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorizes fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorized into as follows:
- Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

(x) New accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended have been adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 *Leases*

As at 30 June 2019 and during the year ended 30 June 2020 the Group had no (outstanding and non-outstanding) leases and therefore AASB 16 has no impact on the Group's financial statements for the year ending 30 June 2020.

(y) Accounting standards issued but not yet effective

There are a number of new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements, however, none of these standards and interpretations are applicable to the Group and/or the directors have determined that these standards and interpretations will not have an impact on the Group in the future.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

2. PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the parent, Resa Group Limited, and has been prepared on the same basis as the consolidated financial statements, except as disclosed below. Investments in subsidiaries and intercompany loans are accounted for at cost (less any impairments) in the financial statements of the parent entity.

Statement of Financial Position	**2020 $**	**2019 $**
CURRENT ASSETS		
Cash and cash equivalents	19,414	8,720
Other current assets	-	46,131
TOTAL CURRENT ASSETS	19,414	54,851
NON-CURRENT ASSETS		
Financial assets	42,140	31,924
Property, plant and equipment	-	1,213
TOTAL NON-CURRENT ASSETS	42,140	33,137
TOTAL ASSETS	61,554	87,988
CURRENT LIABILITIES		
Trade and other payables	254,881	282,698
Other liabilities	122,694	220,812
Loans and borrowings	-	1,885,000
TOTAL CURRENT LIABILITIES	377,575	2,388,510
NET LIABILITIES	**(316,021)**	**(2,300,522)**
EQUITY		
Issued capital	55,858,654	53,380,294
Reserves	198,330	180,452
Accumulated losses	(56,373,005)	(55,861,268)
TOTAL EQUITY	**(316,021)**	**(2,300,522)**

Statement of Profit or Loss and Other Comprehensive Income

Loss of the parent entity	(511,737)	(3,426,704)
Other comprehensive income	17,878	155,231
Total comprehensive loss for the year	**(493,859)**	**(3,271,473)**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

The parent entity and its controlled entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others at 30 June 2020 and 30 June 2019.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

3. LOSS PER SHARE

	Consolidated 2020 cents	2019 cents
Basic and diluted loss per share (in cents)		
From continuing operations attributable to the owners of RESA Group Limited	(0.88)	(5.72)
From discontinued operations	(0.67)	(19.23)
Total basic and diluted loss per share attributable to the owners of RESA Group Limited	(1.55)	(24.95)
Reconciliation of loss used in calculating loss per share	**$**	**$**
Loss attributable to the owners of RESA Group Limited used in calculating basic and diluted loss per share:		
From continuing operations	(468,264)	(1,235,497)
From discontinued operations	(353,214)	(4,151,873)
Net loss for the year	(821,478)	(5,387,370)
Weighted Average Number of Shares Used as the Denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	52,945,131	21,590,332

For the year ended 30 June 2020 and 30 June 2019, performance rights and options are considered anti-dilutive, and consequently diluted loss per share is the same as basic loss per share. The performance rights have not been included in the determination of basic loss per share.

Details relating to performance rights are set out in Note 12.

4. CASH AND CASH EQUIVALENTS

	Consolidated 2020 $	2019 $
Cash at bank and on hand	240,871	120,930
Term deposit*	-	40,000
Restricted cash**	-	116,668
	240,871	**277,598**

* Term deposit held as guarantee against credit card facility.
**Restricted cash relates to clients' funds held on trust by the Group.

Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	**240,871**	**277,598**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

5. TRADE AND OTHER RECEIVABLES

	Consolidated 2020 $	Consolidated 2019 $
Current		
Trade receivables	968,185	253,370
Less: Provision for impairment	(208,852)	(140,348)
Other receivables	-	9,409
	759,333	**122,431**

Movements in the provision for impairment of receivables are as follows:

	2020	2019
Opening balance	(140,348)	(331,903)
Additional provisions recognised	(113,803)	(140,348)
Receivables written off during the year as uncollectable	45,299	331,903
Closing balance	**(208,852)**	**(140,348)**

Customers with balances past due but without provision for impairment of receivables amount to $NIL as at 30 June 2020 (30 June 2019: $NIL). The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices. There is no interest rate risk for the balances of trade and other receivables. There is no material credit risk associated with other receivables.

6. OTHER ASSETS

	Consolidated 2020 $	Consolidated Restated 2019 $
Current		
Prepayments	24,353	52,015
Asset acquired from Indo-Pacific Property*	217,334	265,920
Settlement book assets - Gross	727,813	2,407,564
Settlement book assets - Provision	(332,562)	(252,955)
	636,938	**2,472,544**
Non-Current		
Bank Guarantee	-	16,940
Asset acquired from Indo-Pacific Property*	-	66,480
Settlement book – Gross	-	257,288
Settlement book - Provision	-	(30,700)
	-	**310,008**

*The breakdown of the asset Acquired from the Indo-Pacific Property

	2020	2019
Current		
IPG Settlements & Other Assets	580,587	464,470
Less: IPG Amortisation	(311,976)	(198,550)
Less: IPG Impairment	(51,277)	-
Total IPG Settlements & Other Assets	**217,334**	**265,920**
Non-Current		
IPG Settlements & Other Assets	-	116,117
Less: IPG Amortisation	-	(49,637)
Total IPG Settlements & Other Assets	**-**	**66,480**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

7. FINANCIAL ASSETS

	Consolidated	
	2020	2019
	$	$
Australian listed equity securities*	**42,140**	**31,925**

8. TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	$	$
Trade payables	1,149,113	1,459,169
Other payables	193,093	411,036
	1,342,206	**1,870,205**

9. LOANS AND BORROWINGS

	Consolidated	
	2020	2019
	$	$
Current	-	1,885,000
Non-current	-	-
	-	**1,885,000**
Movement in financing facilities during the year is as follows:		
Opening balance	1,885,000	1,591,750
Repayment of loans and borrowings	(1,885,000)	(1,100,000)
Loan advanced during the year	-	1,350,000
Other movements	-	43,250
Closing balance	**-**	**1,885,000**

On 15 January 2019, the Group announced that the Company had entered into a $2,450,000 senior secured loan facility ("Secured Facility"). The Secured Facility is a first ranking secured loan facility against the Company, its settlement book and rent rolls for a term of 12 months. The Secured Facility attracted an interest rate of 18 percent per annum accruing daily with a minimum interest period of 6 months.

9. LOANS AND BORROWINGS

The Secured Facility is available to be drawn over two tranches:

- Tranche 1: Drawn $1,950,000 in January 2019 made up of a combination of new lenders and $600,000 of the Company's convertible bond holders rolling into the Secured Facility; and

- Tranche 2: Undrawn $500,000 commitment on arms' length terms with entities associated with Non-executive Director Stephen Quantrill, namely McRae Investments Pty Ltd. Tranche 2 of the facility will be drawn down at the election of IBN against settlement income payable to McRae in relation to past Indo Pacific property sales.

The proceeds from the drawn loan facility were used to repay all debt obligations to Mark Mendel and nominees; the vendors of Find Solutions Australia. Mark Mendel and nominees were repaid $250,000 on the 16 January 2019. The convertible bond balance of $1,100,000 was reduced as a further $500,000 from the drawn Secured Facility were used to repay a portion of the existing convertible bond holders on 24 January 2019. $600,000 of the remaining convertible bond holders elected to roll into the Secured Facility.

In addition to repaying debt obligations and convertible bonds, the remaining proceeds from the Secured Facility were allocated towards working capital to complete the strategic initiatives announced on the 8 October 2018.

On 16 April 2019, the Group entered into an arrangement to dispose of its Western Australia based rent roll asset. On 26 June 2020, the Company announced that it has repaid in full the Secured Facility. The repayment brings the Company's secured debt level to nil balance. The total drawn principle, interest and costs associated with managing the facility have now been repaid. As at 25 June 2020, the Company has confirmed that the security interest associated with the Security Facility has been released.

10. OTHER LIABILITIES

	Consolidated 2020 $	2019 $
Current		
Settlement Book liabilities	343,348	1,037,112
	343,348	**1,037,112**
Non-Current		
Settlement Book liabilities	-	89,308
	-	**89,308**
	-	**1,126,420**

11. EMPLOYEE PROVISIONS

	Consolidated 2020 $	2019 $
Provision for annual leave	**17,660**	**55,684**

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

12. ISSUED CAPITAL

	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares – fully paid	151,392,727	21,792,888	55,858,654	53,380,294

Ordinary shares

	2020 Shares	2019 Shares	2020 $	2019 $
At the beginning of the year	21,792,888	2,152,404,213	53,380,294	53,292,740
Initial share consideration for the acquisition of a rent roll consisting 54 properties in New South Wales – 26,884,539 shares issued at $0.0034 per share (Value of $91,407)	-	26,884,539	-	91,407
Consolidation of share capital 100:1 (a)	-	(2,157,495,864)	-	-
Historical error (d)	617	-	-	-
Share placement on 22 January 2020 (b)	40,000,000	-	800,000	-
Debt-to-equity swap on 22 January 2020 (b)	4,338,383	-	86,767	-
Share placement on 11 May 2020 (c)	35,000,000	-	700,000	-
Debt-to-equity swap on 11 May 2020 (c)	45,259,639	-	905,193	-
Share placement on 11 May 2020 (c)	5,000,000	-	100,000	-
Conversion of partly paid securities	1,200	-	-	-
Shares issue costs, net of tax	-	-	(113,600)	(3,853)
At the end of the year	**151,392,727**	**21,792,888**	**55,858,654**	**53,380,294**

(a) On 6 February 2019, the Company announced that shareholders approved the 100:1 Consolidation of Capital at the Extraordinary General Meeting held on 6 February 2019.

(b) On 22 January 2020, the Company completed Tranche 1 of its working capital placement and debt-to-equity swap, comprising $800,000 cash and $86,767 debt-to-equity. 44,338,383 fully paid ordinary shares were issued at $0.02 per share.

(c) On 11 May 2020, the Company completed Tranche 2 of its working capital placement and debt-to-equity swap, comprising $700,000 cash and $905,193 debt-to-equity. 80,259,639 fully paid ordinary shares were issued at $0.02 per share. The Company also converted $100,000 of existing loans into 5,000,000 fully paid ordinary shares at $0.02 per share under its placement capacity. The 85,259,639 placement shares came with 5,000,000 free-attaching unlisted options, each an exercise price of $0.05. The unlisted options expire two weeks after the issue of the Group's FY25 full year results.

(d) There was a historic error of 617 shares which has now been amended with the ASX.

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have a limited amount of authorised capital and the fully paid ordinary shares have no par value.

Unlisted Options and Performance Rights

At 30 June 2020, the following unlisted options and performance rights were on issue;

Class of Security	Number	Expiry
Unlisted options, each with an exercise price of $0.20	605,000	14/09/2020
Unlisted options, each with an exercise price of $0.05	5,000,000	Note (c) above

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

13. RESERVES

	Consolidated 2020 $	2019 $
Share-Based Payments Reserve		
Balance at the beginning of the year	194,499	159,499
Share-based payment expense	-	35,000
Balance at the end of the year	194,499	194,499
Revaluation Reserve		
Balance at the beginning of the year	(14,046)	(169,277)
Revaluation of investment in listed entity	17,877	155,231
Balance at the end of the year	3,831	(14,046)
Total Reserves	**198,330**	**180,453**

(a) Share-Based Payments Reserve

This reserve records the cumulative value of employee services received for the issue of performance rights.

(b) Revaluation Reserve

The movement in the reserve is as a result of revaluation of investment in a listed entity.

14. CORRECTION OF PRIOR PERIOD ERROR

During the year the Group reviewed the basis for calculating the balance of the future settlement books and determined that the books were understated as at 30 June 2019. The commissions payable relating to the futures settlements book to referrers and agents was overstated as at 30 June 2019. The majority of that understatement and overstatement respectively was related to commissions data and how it was captured and provided. The error has been adjusted retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. As a result of this:

- The balance of other assets (which includes the future settlement books asset) has been increased by $228,275 as at 30 June 2019 as a prior period adjustment;

- The balance of the other liabilities (which includes the future settlement books commissions liability) has been decreased by $94,851 as at 30 June 2019 as a prior period adjustment.

15. CONTINGENT LIABILITIES

The Group is subject to various legal proceedings by trade creditors which are currently under negotiations. The Company received a Writ and Statement of Claim filed in the County Court of Victoria from Mr Peter Scott, a former contractor of RESA IBN Pty Ltd, claiming unpaid commissions and expenses for services totalling $219,234.50 (plus GST) together with damages, interests and costs. The proceeding has been dismissed by consent without adjudication on the merits and with no right of reinstatement as the Company has settled on full and final payment of $90,000 (plus GST).

The Group had no other contingent liabilities or contingent assets at 30 June 2020. (30 June 2019: Nil).

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

16. SHARE BASED PAYMENTS

	Consolidated 2020 $	2019 $
Share-based payment expense	-	35,000

On 24 August 2018, 600,000 performance rights were issued to Mr Bill Nikolouzakis as long term incentives as CEO subject to certain performance hurdles. On 30 June 2019 300,000 performance rights lapsed as vesting conditions were not met. 300,000 performance rights stand with vesting conditional to expire 30 June 2020. The Performance Rights were cancelled on 2 June 2020 as the vesting conditions were not met.

17. COMMITMENTS

There are no lease commitments or any other commitments at 30 June 2020. The Melbourne office lease at $5,933 per month expired on 15 November 2019.

18. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policies described in Note 1:

Name	Country of Incorporation	Percentage Owned (%) 2020	Percentage Owned (%) 2019
Subsidiaries of Resa Group Limited:			
Resa FSA Pty Ltd (Formerly Find Solution Australia Pty Ltd)	Australia	100	100
Resa FIP Pty Ltd (Formerly Find Investment Property Pty Ltd)	Australia	100	100
Resa IBN Pty Ltd (Formerly iBuyNew Pty Ltd)	Australia	100	100
Resa IBNA Pty Ltd (Formerly iBuyNew Australia Pty Ltd)	Australia	100	100
Resa NP Pty Ltd (Formerly Nyko Property Pty Ltd)	Australia	100	100
Resa NPA Pty Ltd (Formerly Nyko Property Australia Pty Ltd)	Australia	100	100

19. DISCONTINUED OPERATIONS

On 3 December 2019 the Group announced the business asset licence agreement with Ibuildnew Agency Sales Pty Ltd (IBU) for the immediate rights to access the iBuyNew and Nyko Property platform and Brands. Subsequently, on 14 January 2020 the Group announced the completion of the iBuyNew and Nyko Property Australia asset sale, effectively disposing the Group's main undertaking. The Group is still managing the future receivables settlement book generated from sales historically made by the Group.

	Consolidated	
	2020	**2019**
	$	**$**
Revenue	288,711	2,474,832
Direct costs	343,424	(1,164,446)
Gross profit from discontinued operations	**632,135**	**1,310,386**
Other income	430,358	209,391
Administration expenses	(74,098)	(527,843)
Operating expenses	(102,739)	(372,972)
Employee expenses	(508,811)	(1,564,765)
Depreciation and amortisation expense	(86,688)	(226,454)
Directors and external consultant expenses	(139,107)	(357,084)
Occupancy expenses	(38,432)	(218,776)
Bad debts expense	(403,048)	(610,295)
Impairment expense	(36,400)	(1,718,226)
Operating loss before financing costs	**(326,830)**	**(4,076,638)**
Financial income	264	2,880
Financial expenses	(26,648)	(22,023)
Net financing costs	**(26,384)**	**(19,143)**
Loss before tax	**(353,214)**	**(4,095,781)**
Income tax expense	-	-
Net loss from discontinued operations	**(353,214)**	**(4,095,781)**

20. RELATED PARTY DISCLOSURES

Bill Nikolouzakis was paid remuneration, including redundancy and entitlements, of $277,411 (2019: $273,933) during the year.

An amount of $131,281 is owed to Mcrae Investments, an entity related to Director Stephen Quantrill, for directors' fees and management fees including the rental of office space and shared facilities and travel expenses. It has been proposed by way of shareholder vote that the amount of $131,281 are to be converted into Company shares at the 31 August 2020 EGM.

Aura Partners Pty Ltd, a company associated with former Director Calvin Ng (resigned September 2019), was paid $873 by the Group (2019: $56,318) for accounting services during the year. Aura Capital Pty Ltd, a company associated with former Director Calvin Ng, invoiced the Group $241 for travel related costs (2019: $30,000). An amount of $8,000 was paid to Aura Loan Management Pty Ltd, a company associated with former Director Calvin Ng, for consulting fees during the year (2019: nil).

All amounts are exclusive of GST unless otherwise stated.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

21. SUBSEQUENT EVENTS

As announced on 12 June 2020, the Company has entered into an acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd (TIS) from the TIS Shareholders (the Acquisition).

TIS owns the high grade Tombador hematite iron ore deposit which is located in Bahia, Brazil (Project). The Project has a total combined JORC Mineral Resource of 10.1Mt1 2 which includes a high-grade hematite Mineral Resource of 8.0Mt at 67.3% Fe1 of direct shipping ore (DSO) hematite.

The Company presented a Prospectus on 7 August 2020, seeking to raise a minimum $10,000,000 and a maximum of $15,000,000 through the issue of Shares at an issue price of $0.025 per Share under the Public Offer in connection with the Acquisition.

On 27 July 2020, the Company announced that the Writ and Statement of Claim filed in the County Court of Victoria from Mr Peter Scott, a former contractor of RESA IBN Pty Ltd, claiming unpaid commissions and expenses for services totalling $219,234.50 (plus GST) has been dismissed by consent without adjudication on the merits and with no right of reinstatement as the Company has settled on full and final payment of $90,000 (plus GST). In Addition, the Group has successfully resolved the matter with BEG Developments as announced on 26 June 2020. After the period ending 30 June 2020, the Company has received and settled for the sum of $296,611 in commissions with BEG developments.

On 12 August 2020, the Company received a confirmation from the ATO regarding remission of $38,674 relating to general interest charges under the RESA NPA Pty Ltd (formerly Nyko Property Australia Pty Ltd) entity. The ATO balance of $195,240 has also been repaid to the ATO.

On 19 August 2020 the Company was notified that three of its non-operational entities RESA FIP Pty Ltd (formerly Find Investment Property Pty Ltd), RESA NP Pty Ltd (formerly Nyko Property Pty Ltd) and RESA IBNP (formerly IBN Projects Pty Ltd) were successfully deregistered from ASIC.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

On 11 March 2020, COVID-19 (Coronavirus) was declared a pandemic by the World Health Organisation, with resulting significant impacts on local and word economies. COVID-19 (coronavirus) can affect the stock markets and in doing so impair the Company’s ability to attract investors and lenders. This in turn could have an impact on any fund raising or financing arrangements that the Company may require to pursue.