

# THE AGENCY

**THE AGENCY GROUP AUSTRALIA LTD**

ABN 52 118 913 232

and its controlled entities

## **APPENDIX 4E**

**Preliminary Final Report**

**30 June 2021**

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## Corporate directory

### Current Directors

Andrew Jensen	<i>Executive Chairman and Chief Operating Officer</i>
Paul Niardone	<i>Managing Director</i>
Matthew LaHood	<i>Executive Director</i>
Adam Davey	<i>Non-executive Director</i>

### Company Secretary

Stuart Usher

### Registered Office and Head Office

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PERTH WA 6000

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Email: [info@theagencygroup.com.au](mailto:info@theagencygroup.com.au)

Website: [theagencygroup.com.au](http://theagencygroup.com.au)

### Auditors

Hall Chadwick WA Audit Pty Ltd  
*(formerly known as Bentleys Audit & Corporate (WA) Pty Ltd)*  
283 Rokeby Road  
SUBIACO WA 6008  
Telephone: +61 (0)8 9426 0666

### Solicitors

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

### Share Registry

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NEDLANDS WA 6009

Telephone: 1300 113 258 (within Australia)  
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Facsimile: +61 (0)8 6370 4203

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## APPENDIX 4E

Preliminary final report

30 June 2021

## THE AGENCY GROUP AUSTRALIA LTD

AND CONTROLLED ENTITIES

ABN 52 118 913 232

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## Company Update

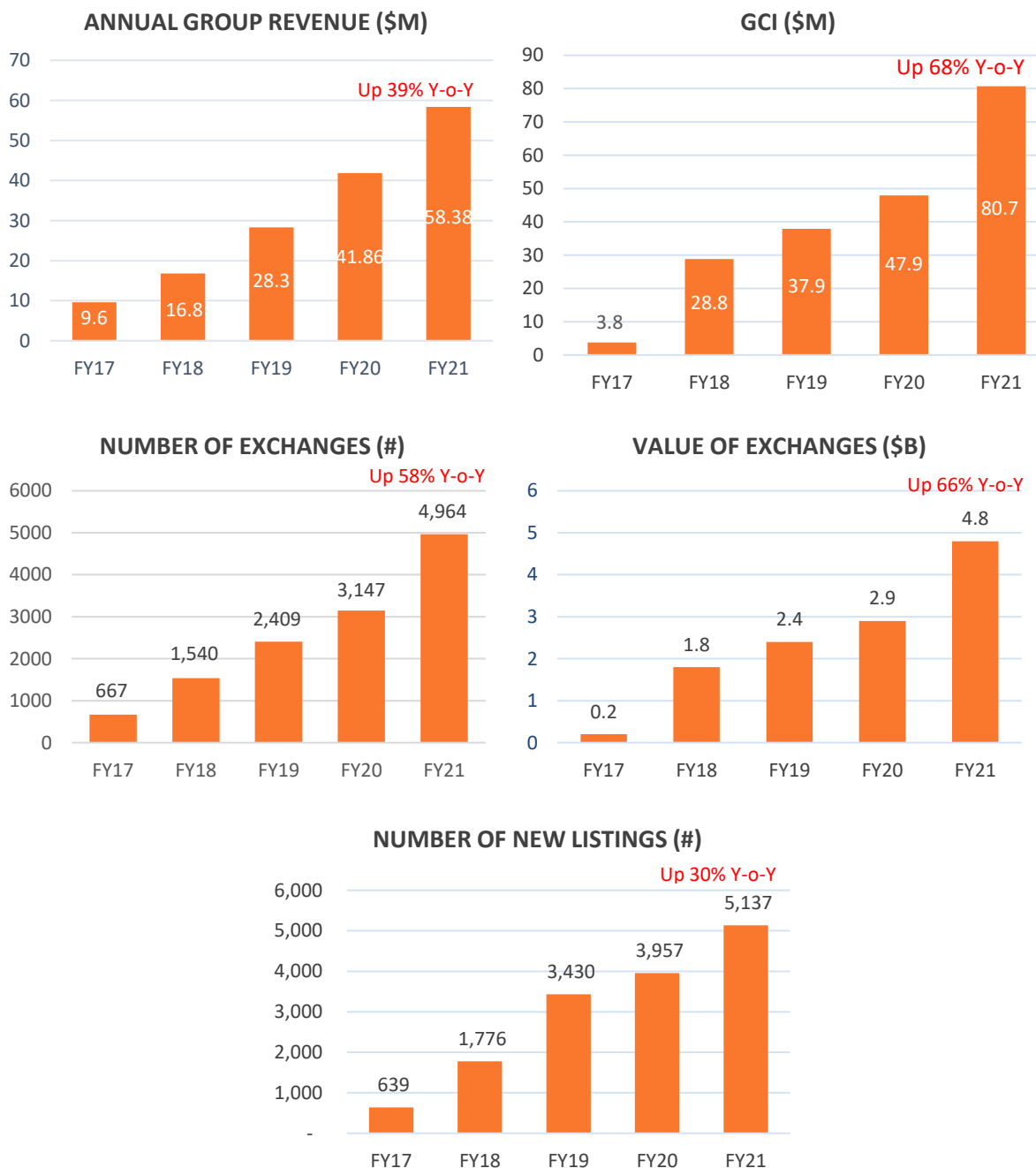
### 1. Operating and financial review

#### 1.1. Nature of Operations Principal Activities

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

#### 1.2. Operations Review

##### a. Key Metrics



The Agency delivered strong operating results for FY2021 with all key metrics increasing during the year across our businesses as demonstrated above. The results further reinforce the sustained growth the business has been able to achieve year on year for the past three years. This is despite the ongoing impact of the COVID-19 pandemic and resultant restrictions on the real estate sector nationally during the reporting period.

## Company Update

For FY2021, the Group reported Annual Group Revenue of \$58.38 million, a 39.46% increase year-on-year (FY2020: \$41.86 million), which further highlights the effectiveness of the Company's model.

The increase in revenue was primarily due to a 68% increase year-on-year in Combined Gross Commission Income to \$80.7 million (FY2020: \$47.9 million). This figure was bolstered by 4,964 sales (up from 3,147 sales for FY2020) and \$4.8 billion worth of property sold across the combined group for FY2021 (FY2020: \$2.9 billion). Pleasingly, the 57.7% year-on-year increase in The Agency's transaction numbers was considerably more than the 40.7% market growth for the same period.

Property management has 3,517 Properties Under Management as at 30 June 2021, this is 27% down on prior year due to the disposal of the WA rent roll in September 2020. This rent roll generates ≈\$7 million revenue annually.

The Company also witnessed growth in its Mortgage Solutions Australia (**MSA**) business with home loan approvals for FY2021 up 24% year-on-year from \$137.4 million to \$170.6 million.

As at 30 June 2021, The Agency was comprised of a combined 308 sales agents (East Coast: 163, West Coast: 145), with average Gross Commission Income (GCI) by agent increasing by over 57% over the past twelve months. The Agency's model of allowing our high-quality agents to focus on sales and providing support is being demonstrated by the year-on-year increase in GCI.

The Agency will be looking to boost agent numbers in the coming quarters. Based on the company's existing platform and cost structure, which is largely fixed, any future recruitment will directly contribute to EBITDA performance.

The Agency Group reported cash receipts of \$71.57 million for the FY2021, a 68.29% year-on-year increase (FY2020: \$42.53 million).

	FY2021	FY2020	% Change
<b>Revenue (\$M)</b>	58.38	41.86	+39%
<b>EBITDA (\$M)</b>	6.37	2.66	+139%
<b>EBITDA - pre AASB16 (\$M)</b>	4.57	0.71	+544%
<b>GCI (\$M)</b>	80.66	47.92	+68%
<b>PUM</b>	3,517	4,838	-27%
<b>Home Loan Approvals (MSA) (\$M)</b>	170.6	137.4	+24%

### 1.3. Financial Review

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

The Agency continued its growth during FY2021 delivering three quarters of positive EBITDA as well as positive cash flow, a first for the Company. For FY2021, the Group recorded EBITDA profit of approximately \$6.37 million. EBITDA was calculated as provided below:

## Company Update

EBITDA calculation		2021 \$	2020 \$
Loss after tax		(1,856,455)	(9,065,337)
Income tax benefit		(1,894,024)	(1,291,720)
Loss before tax		(3,750,479)	(10,357,057)
Interest income		(18,724)	(17,988)
Depreciation and amortisation		5,465,814	6,038,609
Embedded derivative non-cash financing costs	2.1	2,243,784	-
Impairment		400,000	5,230,330
Interest and finance costs		2,010,936	1,769,193
Profit on Sale of Assets <sup>1</sup>		(200,612)	-
Share-based payments		215,946	-
<b>EBITDA</b>		<b>6,366,665</b>	<b>2,663,087</b>
AASB 16 Leases impact <sup>2</sup>		(1,793,866)	(1,951,373)
<b>EBITDA (pre-AASB16 Leases impact)</b>		<b>4,572,799</b>	<b>711,714</b>

EBITDA was \$6.37 million. After adjusting for AASB 16 Leases impact, positive EBITDA for the year was \$4.57 million which compares to positive EBITDA of \$0.71 million for FY2020, a \$3.86 million improvement.

The net assets of the Group have increased from 30 June 2020 by \$2.53 million to \$14.14 million at 30 June 2021 (2020: \$11.61 million).

The Group incurred a net loss after tax for the year of \$1.86 million (2020: \$9.07 million loss). It is important to note that this was primarily impacted by the embedded derivative non-cash financing cost (\$2.24 million), interest and finance costs (\$2.01 million), and depreciation and amortisation (\$5.47 million).

As at 30 June 2021, the Group's cash and cash equivalents increased from 30 June 2020 by \$2.37 million to \$5.10 million at 30 June 2021 (2020: \$2.72 million).

	Appendix 4E \$'000s
<b>Cash at bank</b> (reference 4E Note 4.1)	5,096
<i>Cash classified as</i>	
■ Bank Guarantees	613
<b>Reporting in the 30 June 2021 Appendix 4C</b>	<b>5,709</b>

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

<sup>1</sup> Sale of West Coast rent roll assets to Managex. Includes profit on sale of net assets disposed of \$123K plus gain on exit of lease of \$77K

<sup>2</sup> AASB 16 Leases was adopted from 1 July 2019. The above demonstrates finance costs and amortisation, which prior to the adoption AASB 16 was recognised as rent expense.

**Company Update****1.4. Future Developments, Prospects and Business Strategies**

With the Group having achieved a profitable scale, The Agency's national focus has now shifted to quality agent recruitment for driving growth while maintaining a sustainable financial framework and continuing to identify and implement efficiencies into its business.

The Company has continued to work proactively with its primary bank debt provider, Macquarie Bank, regarding a reduction in funding costs as well as the release of personal guarantees on its secured debt facilities, both of which have been approved by the debt provider and announced on the 4<sup>th</sup> August 2021.

The Agency is active in pursuing new business channels and entering new markets, along with new strategic partnerships and JV opportunities it believes will drive agent recruitment and sales revenue in the coming reporting periods.

There remain significant intangible assets off the balance sheet, these include the rent roll and the Mortgage Book. These assets contribute an annuity income to the business in excess of \$8 million per annum. Total estimated market asset value of the rent roll and loan book is estimated to be greater than \$25 million.

Other likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

## Results for announcement to the Market for the year ended 30 June 2021

1 <b>REPORTING PERIOD (item 1)</b>				
■ Report for the financial year ended:		30 June 2021		
■ Previous corresponding period is the year months ended:		30 June 2020		
2 <b>RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>				
	<b>Movement</b>	<b>Percentage %</b>		<b>Amount \$</b>
■ Increase in revenues from ordinary activities (item 2.1)	↑	39.46	to	58,380,590
■ Decrease in loss from ordinary activities after tax attributable to members (item 2.2)	↓	79.52	to	(1,856,455)
■ Decrease in loss after tax attributable to members (item 2.3)	↓	79.52	to	(1,856,455)
a. Dividends (item 2.4)				
		<b>Amount per Security ¢</b>	<b>Franked amount per security %</b>	
■ Interim dividend		nil		n/a
■ Final dividend		nil		n/a
■ Record date for determining entitlements to the dividend (item 2.5)	n/a			
b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6): The loss after tax includes an embedded derivative non-cash financing cost of \$2,243,784 relating to the issue of convertible notes. Refer to Company Update on page 1 of this Preliminary Final Report.				
3 <b>PRELIMINARY FINAL REPORT</b>				
a. Statement of comprehensive income (item 3): Refer to Consolidated statement of profit or loss and other comprehensive income on page 8				
b. Statement of financial position (item 4): Refer to Consolidated statement of financial position on page 9				
c. Statement of cash flows (item 5): Refer to Consolidated statement of cash flows on page 11				
d. Statement of changes in equity (item 6): Refer to Consolidated statement of changes in equity on page 10				
4 <b>DIVIDENDS (item 7) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS (item 14.2)</b>				
Nil.				
a. Details of dividend or distribution reinvestment plans in operation are described below (item 8): Not applicable				



## Results for announcement to the Market for the year ended 30 June 2021

5	RATIOS	Current period	Previous corresponding period
a.	Financial Information relating to 5b and 5c:	\$	\$
	Earnings for the period attributable to owners of the parent	(1,856,455)	(9,065,337)
	Net assets	14,137,261	11,611,346
	Less: Intangible assets (including net deferred tax balances) and right of use assets	(27,778,071)	(31,770,901)
	Net tangible assets	(13,640,810)	(20,159,555)
		No.	No.
	Fully paid ordinary shares	428,575,916	298,954,431
	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	353,288,916	251,793,328
		¢	¢
b.	Net tangible assets backing per share (cents) (item 9):	(3.183)	(5.189)
c.	Earnings per share attributable to owners of the parent (cents) (item 14.1):	(0.525)	(3.600)
	The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group. During the 2021 financial year the Group had 333,333 unissued shares under option which are anti-dilutive.		

6	<b>DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 10)</b>	
a.	Control gained over entities	
	■ Name of entities (item 10.1)	Nil
	■ Date(s) of gain of control (item 10.2)	
b.	Loss of control of entities	
	■ Name of entities (item 10.1)	The Agency Property Management WA Pty Ltd
	■ Date(s) of loss of control (item 10.2)	29 September 2020
c.	Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).	\$51,579
d.	Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)	

7	DETAILS OF ASSOCIATES AND JOINT VENTURE: (item 11)	
■	Name of entities (item 11.1)	Nil
■	Percentage holding in each of these entities (item 11.2)	n/a
■	Aggregate share of profits (losses) of these entities (item 11.3)	

**Results for announcement to the Market  
for the year ended 30 June 2021**

8	Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position (item 12):  Refer to commentary update accompanying this 4E
9	The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)
10	<b>A COMMENTARY ON THE RESULTS FOR THE PERIOD</b> (item 14)  Refer to Company Update on page 1 .
11	The preliminary final report has been prepared based on the 30 June 2021 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s.302 of the <i>Corporations Act 2001</i> (Cth). (item 15)

**APPENDIX 4E**

Preliminary final report  
30 June 2021

**THE AGENCY GROUP AUSTRALIA LTD**

AND CONTROLLED ENTITIES

ABN 52 118 913 232

**Consolidated statement of profit or loss and other comprehensive income**  
for the year ended 30 June 2021

	Note	2021 \$	2020 \$
<i>Continuing operations</i>			
Revenue	1.1	58,380,590	41,861,521
Other income	1.2	1,510,869	1,012,487
		59,891,459	42,874,008
Advertising and promotion expenses		(1,639,614)	(1,242,399)
Computers and information technology expenses		(1,407,621)	(1,330,334)
Consultancy fees		(2,048,190)	(1,918,495)
Depreciation and amortisation		(5,465,814)	(6,038,609)
Embedded derivative non-cash financing costs	2.1	(2,243,784)	-
Impairment	2.2	(400,000)	(5,230,330)
Interest and finance costs		(2,010,936)	(1,769,193)
Legal and professional fees		(1,328,244)	(998,384)
Occupancy costs		(570,823)	(984,139)
Salaries and employment costs	2.3	(44,182,308)	(31,070,020)
Share-based payments expense		(215,946)	-
Other expenses		(2,128,658)	(2,649,162)
Loss before tax		(3,750,479)	(10,357,057)
Income tax benefit	3.1	1,894,024	1,291,720
<b>Net loss for the year</b>		<b>(1,856,455)</b>	<b>(9,065,337)</b>
<i>Other comprehensive income, net of income tax</i>			
■ Items that will not be reclassified subsequently to profit or loss		-	-
■ Items that may be reclassified subsequently to profit or loss		-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(1,856,455)</b>	<b>(9,065,337)</b>

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

**Consolidated statement of financial position**

as at 30 June 2021

	Note	2021 \$	2020 \$
<i>Current assets</i>			
Cash and cash equivalents	4.1	5,096,435	2,724,142
Trade and other receivables	4.2.1	7,953,403	4,601,222
Financial assets	4.3.1	-	1,600,000
Other current assets	4.4.1	723,438	550,476
<b>Total current assets</b>		<b>13,773,276</b>	<b>9,475,840</b>
<i>Non-current assets</i>			
Trade and other receivables	4.2.2	163,010	269,655
Financial assets	4.3.2	612,860	170,388
Property, plant, and equipment	5.1	1,577,659	2,039,814
Right of use asset	5.2.1	4,894,370	4,645,320
Intangible assets	5.3	24,240,451	30,376,355
<b>Total non-current assets</b>		<b>31,488,350</b>	<b>37,501,532</b>
<b>Total assets</b>		<b>45,261,626</b>	<b>46,977,372</b>
<i>Current liabilities</i>			
Trade and other payables	4.5.1	11,194,122	9,773,151
Borrowings	4.6.1	-	13,843,235
Provisions	5.4.1	2,565,406	2,286,835
Leases	5.2.2	1,828,270	1,979,900
<b>Total current liabilities</b>		<b>15,587,798</b>	<b>27,883,121</b>
<i>Non-current liabilities</i>			
Borrowings	4.6.2	5,000,000	-
Financial liabilities	4.7.1	4,882,672	-
Provisions	5.4.2	280,245	337,054
Leases	5.2.2	4,016,900	3,895,077
Deferred tax liabilities	3.3	1,356,750	3,250,774
<b>Total non-current liabilities</b>		<b>15,536,567</b>	<b>7,482,905</b>
<b>Total liabilities</b>		<b>31,124,365</b>	<b>35,366,026</b>
<b>Net assets</b>		<b>14,137,261</b>	<b>11,611,346</b>
<i>Equity</i>			
Issued capital	6.1.1	43,635,166	39,395,942
Reserves	6.4	1,071,861	928,715
Accumulated losses		(30,569,766)	(28,713,311)
<b>Total equity</b>		<b>14,137,261</b>	<b>11,611,346</b>

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

**APPENDIX 4E**

Preliminary final report

30 June 2021

**THE AGENCY GROUP AUSTRALIA LTD**

AND CONTROLLED ENTITIES

ABN 52 118 913 232

**Consolidated statement of changes in equity**

for the year ended 30 June 2021

	Note	Contributed equity \$	Accumulated Losses \$	Options Reserve \$	Total equity \$
<i>Balance at 1 July 2019</i>		27,765,049	(19,317,468)	583,426	9,031,007
Change in accounting policy		-	(330,506)	-	(330,506)
Restated total equity at the beginning of the financial year		27,765,049	(19,647,974)	583,426	8,700,501
Loss for the year attributable owners of the parent		-	(9,065,337)	-	(9,065,337)
Other comprehensive income for the year attributable owners of the parent		-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	(9,065,337)	-	(9,065,337)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	6.1.1	11,630,893	-	-	11,630,893
Options granted during the year	6.2	-	-	345,289	345,289
Balance at 30 June 2020		39,395,942	(28,713,311)	928,715	11,611,346
<i>Balance at 1 July 2020</i>		39,395,942	(28,713,311)	928,715	11,611,346
Loss for the year attributable owners of the parent		-	(1,856,455)	-	(1,856,455)
Other comprehensive income for the year attributable owners of the parent		-	-	-	-
Total comprehensive income for the year attributable owners of the parent		-	(1,856,455)	-	(1,856,455)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	6.1.1	3,552,768	-	-	3,552,768
Options granted during the year	6.2	-	-	437,946	437,946
Options exercised during the year		686,456		(294,800)	391,656
Balance at 30 June 2021		43,635,166	(30,569,766)	1,071,861	14,137,261

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

**Consolidated statement of cash flows**

for the year ended 30 June 2021

Note	2021 \$	2020 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	71,571,138	42,529,458
Payments to suppliers and employees	(65,947,300)	(40,821,013)
Interest received	18,440	17,988
Finance costs	(998,889)	(1,391,729)
<b>Net cash used in operating activities</b>	<b>4,643,389</b>	<b>334,704</b>
<i>Cash flows from investing activities</i>		
Purchase of property, plant, and equipment	(242,158)	(282,527)
Advancement of bank guarantee	-	(481,498)
Return of bank guarantee	-	346,078
Purchase of intangibles	-	(192,758)
Deferred purchase consideration paid	-	(15,000)
Loans to other entities	(225,000)	-
Net cash received on disposal of asset group	2,623,330	-
<b>Net cash used in investing activities</b>	<b>2,156,172</b>	<b>(625,705)</b>
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	-	5,611,773
Proceeds from exercise of options	391,656	-
Share issue costs	(60,000)	(397,861)
Repayments of borrowings	(7,843,235)	(2,731,516)
Proceeds from borrowings	5,000,000	-
Payment of principal portion of lease liabilities	(1,915,689)	(2,064,552)
<b>Net cash provided by financing activities</b>	<b>(4,427,268)</b>	<b>417,844</b>
<b>Net increase in cash and cash equivalents held</b>	<b>2,372,293</b>	<b>126,843</b>
Cash and cash equivalents at the beginning of the year	2,724,142	2,597,299
<b>Cash and cash equivalents at the end of the year</b>	<b>5,096,435</b>	<b>2,724,142</b>

4.1

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

**APPENDIX 4E**

Preliminary final report  
30 June 2021

**THE AGENCY GROUP AUSTRALIA LTD**

AND CONTROLLED ENTITIES

ABN 52 118 913 232

**Notes to the Appendix 4E preliminary final report**  
for the year ended 30 June 2021

Note	1	Revenue and other income	Note	2021 \$	2020 \$
<b>1.1</b>		<b>Revenue</b>			
		Commissions		45,342,382	27,523,456
		Fees		5,563,760	5,056,193
		Management fees		7,474,448	9,281,872
				58,380,590	41,861,521
<b>1.2</b>		<b>Other Income</b>			
		Interest income		18,724	17,988
		Gain on disposal of assets		123,225	-
		Gain on exit of lease		77,387	-
		Other income		567,121	994,499
		Government grants received – Cash Flow Boost		724,412	-
				1,510,869	1,012,487
Note	2	Loss before income tax		2021 \$	2020 \$
The following significant revenue and expense items are relevant in explaining the financial performance:					
<b>2.1</b>		<b>Embedded derivative non-cash financing costs:</b>			
		■ Embedded Derivative - Finance cost		256,796	-
		■ Embedded Derivative - Fair value adjustment		1,986,988	-
				2,243,784	-
<b>2.2</b>		<b>Impairment:</b>			
		■ Doubtful debts expense / (recovered)		400,000	(74,050)
		■ Impairment of goodwill and other intangibles		-	5,304,380
				400,000	5,230,330
<b>2.3</b>		<b>Salaries and employment costs</b>			
		■ Commissions		31,656,030	19,558,045
		■ Director fees		144,000	535,980
		■ Salary and wages		7,899,320	8,475,768
		■ Superannuation		2,146,579	1,369,231
		■ Other employment related costs		3,746,379	2,210,996
		■ Government grants received in connection with employment costs		(1,410,000)	(1,080,000)
				44,182,308	31,070,020

**Notes to the Appendix 4E preliminary final report**  
for the year ended 30 June 2021

Note	3	Income tax	Note	2021 \$	2020 \$
<b>3.1</b>		<b>Income tax benefit</b>			
		Deferred tax		(1,894,024)	(1,291,720)
				(1,894,024)	(1,291,720)
<b>3.2</b>		<b>Deferred tax assets</b>			
		Employee benefits		558,583	465,221
		Accrued expenses		1,747,300	918,680
		Provisions		177,161	52,397
		AASB16 <i>Leases</i> - Lease Liability		182,453	154,253
		Other		309,093	141,261
				2,974,590	1,731,812
		Set-off deferred tax liabilities	3.3	(2,974,590)	(1,731,812)
		Net deferred tax assets		-	-
<b>3.3</b>		<b>Deferred tax liabilities</b>			
		Intangible Asset - Rent Roll		4,331,340	4,875,336
		Accrued income		-	107,250
				4,331,340	4,982,586
		Set-off deferred tax assets	3.2	(2,974,590)	(1,731,812)
		Net deferred tax liabilities		1,356,750	3,250,774
<b>Note</b>	<b>4</b>	<b>Financial assets and financial liabilities</b>			
<b>4.1</b>		<b>Cash and cash equivalents</b>		<b>2021 \$</b>	<b>2020 \$</b>
		Cash at bank		5,096,435	2,724,142
				5,096,435	2,724,142
<b>4.2</b>		<b>Trade and other receivables</b>		<b>2021 \$</b>	<b>2020 \$</b>
4.2.1		<b>Current</b>			
		Trade debtors		6,272,604	3,677,980
		Recoverable commissions/wages		1,125,019	876,861
		Provision for non-recovery of trade debtor and commissions/wages		(150,000)	(339,702)
		Other receivables		705,780	386,083
				7,953,403	4,601,222
4.2.2		<b>Non-current</b>			
		Receivables		163,010	269,655
				163,010	269,655



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**Note 4 Financial assets and financial liabilities (cont.)**

<b>4.3 Financial assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>4.3.1 Current</b>		
Restricted cash	-	600,000
Working capital – trust account	-	1,000,000
	-	1,600,000
<b>4.3.2 Non-current</b>		
Bank guarantees and restricted cash	612,860	170,388
	612,860	170,388
<b>4.4 Other assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>4.4.1 Current</b>		
Prepayments	305,748	7,636
Other deposits	817,690	542,840
Less: provision for impairment	(400,000)	-
	723,438	550,476
<b>4.5 Trade and other payables</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>4.5.1 Current</b>		
<i>Unsecured</i>		
Trade payables	2,552,376	2,483,388
Employees' remuneration – commissions payable	3,706,455	1,869,045
Payroll tax payable	353,739	1,152,496
Superannuation – employees	392,778	401,358
Sundry creditors and accrued expenses	2,512,237	843,601
GST and PAYG payable	1,676,537	2,916,649
Other	-	106,614
	11,194,122	9,773,151

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**Note 4 Financial assets and financial liabilities (cont.)**

<b>4.6 Borrowings</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>4.6.1 Current</b>		
Loans	-	750,000
Bank loans	-	12,093,235
Convertible note	-	1,000,000
	-	13,843,235
<b>4.6.2 Non-current</b>		
Bank loans	5,000,000	-
	5,000,000	-
<b>4.7 Financial liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>4.7.1 Non-current</b>		
Convertible note:		
■ Debt component	895,101	-
■ Derivative financial liability conversion option	3,987,571	-
	4,882,672	-

**Note 5 Non-financial assets and financial liabilities**

<b>5.1 Property, plant, and equipment</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment – at cost	1,253,362	1,187,451
Accumulated depreciation	(725,387)	(614,867)
	527,975	572,584
Leasehold improvements – at cost	3,447,970	3,407,145
Accumulated amortisation	(2,398,286)	(1,939,915)
	1,049,684	1,467,230
Total plant and equipment	1,577,659	2,039,814

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**Note 5 Non-financial assets and financial liabilities (cont.)**

<b>5.2 Leases</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>5.2.1 Right of use assets</b>		
Properties	3,704,241	3,500,419
Printing equipment	1,190,129	1,144,901
	4,894,370	4,645,320
<b>5.2.2 Lease liabilities</b>		
Current	1,828,270	1,979,900
Non-current	4,016,900	3,895,077
	5,845,170	5,874,977
<b>5.3 Intangible assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Goodwill	10,704,236	17,077,617
Impairment charge	-	(5,304,380)
	10,704,236	11,773,237
Rent Roll and trail book	21,134,545	24,348,146
Accumulated amortisation	(7,851,603)	(5,930,600)
	13,282,942	18,417,546
Trademarks	268,420	268,420
Accumulated amortisation and impairment	(268,420)	(268,420)
	-	-
Others	291,875	381,968
Accumulated amortisation and impairment	(38,602)	(196,396)
	253,273	185,572
Total intangibles	24,240,451	30,376,355
<b>5.4 Provisions</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>5.4.1 Current</b>		
Employee entitlements	1,406,422	1,228,979
Future fund referrals	1,158,984	1,057,856
	2,565,406	2,286,835
<b>5.4.2 Non-current</b>		
Employee entitlements	62,742	61,377
Make good provisions	149,548	165,000
Future fund referrals	67,955	110,677
	280,245	337,054

**Notes to the Appendix 4E preliminary final report**

for the year ended 30 June 2021

**Note 6 Equity****6.1 Issued capital**

Fully paid ordinary shares at no par value

**6.1.1 Ordinary shares**

At the beginning of the year

Shares issued during the year:

	2021 No.	2020 No.	2021 \$	2020 \$
Fully paid ordinary shares at no par value	428,575,916	298,954,431	43,635,166	39,395,942
At the beginning of the year	298,954,431	103,810,047	39,395,942	27,765,049
Shares issued during the year:				
■ Issued for cash	-	85,913,817	-	5,584,398
■ Equity-settled payments	-	107,008,316	-	6,955,540
■ Conversion of performance shares	-	2,222,251	-	-
■ Convertible note conversion	115,621,485	-	3,612,768	-
■ Exercise of \$0.027 options	12,000,000	-	546,000	-
■ Exercise of \$0.0338 options	2,000,000	-	140,456	-
Transaction costs relating to share issues	-	-	(60,000)	(909,045)

At reporting date

**6.2 Options**

Options

At the beginning of the year

Options issued/(lapsed) during the year:

	2021 No.	2020 No.	2021 \$	2020 \$
Options	333,333	104,181,760	1,071,861	928,715
At the beginning of the year	104,181,760	5,588,912	928,715	583,426
Options issued/(lapsed) during the year:				
■ Attaching pursuant to a Placement	-	8,461,539	-	-
■ Attaching to an Entitlement Issue	-	34,495,371	-	-
■ Equity-settled payments	-	44,944,823	-	-
■ Lead Managers options	-	12,899,074	-	258,192
■ Repayment of Kalonda debt	-	714,286	-	14,297
■ Financing costs in respect to the convertible note options	-	2,000,000	-	72,800
■ Issued in connection with Convertible notes	12,000,000	-	222,000	-
■ Exercise of \$0.027 options	(12,000,000)	-	(222,000)	-
■ Exercise of \$0.0338 options	(2,000,000)	-	(72,800)	-
■ Granted (and to be issued) to CEO in accordance with employment agreements	-	-	215,946	-
■ Expiry of options	(101,848,427)	(4,922,245)	-	-
At reporting date	333,333	104,181,760	1,071,861	928,715

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**Note 6 Equity (cont.)****6.3 Performance shares**

Performance shares

- 6.3.1 The 1,555,558 performance shares failed to vest (by achieving a 20-day volume VWAP on the ASX which equals or exceeds 3 times the re-quotation price of \$0.02, at any time within 24 months of settlement) and expired. These performance shares will convert to five only ordinary shares.

**6.4 Reserves**

Share-based payment reserve

	2021 No.	2020 No.
Performance shares	1,555,558	1,555,558

	2021 \$	2020 \$
Share-based payment reserve	1,071,861	928,715
	1,071,861	928,715

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