Appendix 4E

Preliminary Final Report

for the year ended 30 June 2022

REA Group Ltd

ABN 54 068 349 066

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the year ended 30 June 2022 ("current period")

		30 June 2022 A$M	% Change from year ended 30 June 2021	30 June 2021 A$M
Revenue from ordinary activities[1]	Up	**1,160.2**	25%	927.8
Revenue from core operations[2]	Up	**1,169.5**	26%	927.8
Net Profit after tax from ordinary activities for the period attributable to members	Up	**371.7**	19%	312.9
Net Profit after tax from core operations[3]	Up	**407.5**	25%	326.4
Net Profit after tax from ordinary activities for the period attributable to members of parent (before non-controlling interest)	Up	**384.8**	19%	322.6

Dividend information

	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2021 interim dividend per share (paid 23 March 2021)	**59.0**	59.0	30%
2021 final dividend per share (paid 16 September 2021)	**72.0**	72.0	30%
2022 interim dividend per share (paid 22 March 2022)	**75.0**	75.0	30%
2022 final dividend per share	**89.0**	89.0	30%

2022 final dividend dates

Record date	26 August 2022
Payment date	15 September 2022

	30 June 2022 Cents	30 June 2021 Cents
Net tangible assets per security[4]	**394.3**	84.3

[1] Revenue is defined as revenue from property and online advertising and revenue from financial services less expenses from franchisee commissions, as disclosed in the Consolidated Financial Statements as operating income.
[2] Revenue from core operations is defined as reported revenue adjusted for significant non-recurring items such as integration adjustments.
[3] Financial results from core operations are defined as reported results adjusted for significant non-recurring items such as gain/loss on acquisitions, disposals and closure of subsidiaries and operations, gain on deemed disposal of associate, associate restructuring and transaction costs, and integration costs. The prior year comparative also includes a historic tax provision (historic indirect tax provision reflects potential retrospective changes to interpretation of tax law), gain on associate disposals and transaction costs.
[4] Net tangible assets is calculated based on net assets excluding intangible and including right-of-use assets

Details of associates[5]

	% Interest 30 Jun 2022	% Interest 30 Jun 2021
Move, Inc.	20.0%	20.0%
Managed Platforms Pty Ltd	27.5%	27.6%
99 Group Pte. Ltd.	-	27.0%
ScaleUp Media Fund 2.0 Pty Limited	16.7%	16.7%
Realtair Pty Limited	35.8%	24.7%
Campaign Agent Pty Ltd	29.8%	30.4%
Simpology Pty Limited	35.2%	35.2%
PropertyGuru Group Limited	17.5%	-

[5] Shareholding %'s represent undiluted holdings.

Details of associates' contributions to net profit are disclosed in Note 18 of the Consolidated Financial Statements.

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in, and should be read in conjunction with, the notes to the Consolidated Financial Statements and the Directors' Report for the year ended 30 June 2022.

This report is based on the Consolidated Financial Statements for the year ended 30 June 2022 which has been audited by Ernst & Young with the Independent Auditor's Report included in the Consolidated Financial Statements.

The Company's 2022 Annual General Meeting (**AGM**) will be held on Thursday, 10 November 2022 commencing at 9.00am (AEDT).

The last date for receipt of nominations for persons wishing to be considered for election as a director is Thursday, 8 September 2022.

REA Group Ltd
ABN 54 068 349 066

Audited Financial Statements
for the year ended 30 June 2022

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Corporate Information

Directors	Hamish McLennan (Chairman) Owen Wilson (Chief Executive Officer) Nick Dowling Tracey Fellows Richard J Freudenstein Michael Miller Jennifer Lambert Kelly Bayer Rosmarin (appointed 1 January 2022) Kathleen Conlon (retired 11 November 2021)
Chief Financial Officer	Janelle Hopkins
Company Secretary	Tamara Kayser
Principal Registered Office in Australia	511 Church Street Richmond, VIC 3121 Australia Ph: +61 3 9897 1121 Fax: +61 3 9897 1114
Share register	Link Market Services Limited Tower 4, 727 Collins Street Melbourne, VIC 3000 Ph: 1300 554 474 (within Australia) +61 1300 554 474 (outside Australia) Fax: 02 9287 0303
Auditor	EY 8 Exhibition Street Melbourne, VIC 3000 Australia
Bankers	National Australia Bank Limited
Securities Exchange Listing	REA Group Ltd shares are listed on the Australian Securities Exchange (ASX:REA)
Website	www.rea-group.com

Directors' Report

The Directors present their report together with the Financial Statements of the consolidated entity (the '**Group**' or '**REA**'), being REA Group Ltd (the '**Company**') and its controlled entities, for the year ended 30 June 2022 and the Independent Auditor's Report thereon.

Directors' Information

Hamish McLennan

Non-executive Director appointed 21 February 2012 and Chairman since 10 April 2012. Age 56.

Independent: No – Nominee Director of News Corp Australia.

Skills and experience: Mr McLennan is an experienced media and marketing industry executive. He was Executive Chairman and Chief Executive Officer of Ten Network Holdings until July 2015 and, before that, Executive Vice President, Office of the Chairman, at News Corp. Previously, Mr McLennan was Global Chairman and CEO of Young & Rubicam, part of WPP, one of the world's largest communications services group.

Directorships of listed entities, current and recent (last three years):

- Chairman of HT&E Limited (since October 2018)
- Chairman of Magellan Financial Group (joined March 2016, Chairman since February 2022)
- Director of Scientific Games Corp (since November 2020)

Board Committee membership:

- Chairman of the Board

Owen Wilson BCom, ACA, GAICD

Executive Director and Chief Executive Officer appointed 7 January 2019. Chief Financial Officer from 3 September 2014 until 6 January 2019. Age 58.

Skills and experience: As CEO of REA Group, Mr Wilson is responsible for driving the Company's growth, operations and global investments. With more than 30 years' experience working across the information technology, recruitment and banking industries, Mr Wilson is a strategic leader who is passionate about building high performing teams and creating personalised experiences to help change the way the world experiences property. Prior to being appointed CEO, Mr Wilson was REA Group's Chief Financial Officer for four years and looked after all aspects of the Group's finance portfolio including strategy, M&A and operations, as well as REA Group's Financial Services businesses.

Previously, Mr Wilson was Chief Financial Officer and Company Secretary of Chandler MacLeod Group. He has previously held positions with ANZ and KPMG across Australia, Asia and the UK. During his 15 years at ANZ, his roles included Chief Operating Officer of ANZ's Institutional and Investment Bank and Managing Director Retail Banking and International Partnerships Asia.

Directorships of listed entities, current and recent (last three years):

- PropertyGuru Group Limited (listed since March 2022)

Board Committee membership:

- Mr Wilson attends all Audit, Risk & Compliance Committee and Human Resources Committee meetings at the invitation of the Board/Committees.

Nick Dowling BAcc, GradDipAppFin

Independent non-executive Director appointed 9 May 2018. Age 46.

Skills and experience: Mr Dowling is Chief Executive Officer of the Jellis Craig Group, a leading real estate business based in Melbourne, Australia. He assumed the role in June 2011 and is responsible for overseeing the growth, risk management, and long-term strategic direction of the group. Prior to this, Mr Dowling was the Head of Real Estate, Business Banking at Macquarie Bank Limited. He commenced his career with National Australia Bank across various divisions of the bank.

Directorships of listed entities, current and recent (last three years): n/a

Board Committee membership:

- Chair of the Human Resources Committee.

Tracey Fellows BEc

Non-executive Director from 26 January 2019. Executive Director and Chief Executive Officer appointed 20 August 2014 until 25 January 2019. Age 57.

Independent: No – Nominee Director of News Corp Australia.

Skills and experience: Ms Fellows is a digital media executive with extensive experience in real estate, technology and communications across Australian and international markets. Ms Fellows is President of Global Digital Real Estate for News Corp, responsible for driving the strategy and growth of its digital real estate interests. Ms Fellows was previously the Chief Executive Officer of REA Group where she oversaw the rapid expansion of the digital real estate business in Australia and Asia, as well as leading the company's investments in India and North America.

Directorships of listed entities, current and recent (last three years):

- Director of Hemnet Group AB (since November 2020)

Board Committee membership:

- Ms Fellows attends all Human Resources Committee meetings at the invitation of the Board/Committee.

Richard J Freudenstein BEc, LLB (Hons)

Non-executive Director appointed 21 November 2006 (Chairman from 2007 to 2012). Age 57.

Independent: No – Nominee Director of News Corp Australia.

Skills and experience: Mr Freudenstein has extensive experience as a media executive in Australian and international markets. He was Chief Executive Officer of Foxtel from 2011 to 2016, and prior to that was CEO of News Digital Media and The Australian newspaper and the Chief Operating Officer of British Sky Broadcasting.

Directorships of listed entities, current and recent (last three years):

- Director of Coles Group Limited (since November 2018)
- Chairman of Appen Limited (joined August 2021, Chairman since October 2021)
- Director Astro Malaysia Holdings Berhad (from September 2016 to August 2019)

Board Committee membership:

- Member of the Audit, Risk & Compliance Committee
- Member of the Human Resources Committee.

Alternate Director: Marygrace DeGrazio (age 46) was appointed an Alternate Director for Richard J Freudenstein on 5 May 2020. Ms DeGrazio has not attended any meetings or exercised any powers in that capacity since that time. Ms DeGrazio is currently the Senior Vice President, Global Financial Operations at News Corp responsible for global accounting and financial reporting. Prior to joining News Corp, she spent 15 years in the audit practice of PricewaterhouseCoopers servicing entertainment and media clients. Ms DeGrazio holds a Masters of Business Administration and is a Certified Public Accountant.

Michael Miller B.A.Sc, Communication and Media

Non-executive Director appointed 12 November 2015. Age 53.

Independent: No – Nominee Director of News Corp Australia.

Skills and experience: Mr Miller is Executive Chairman Australasia of News Corp Australia, a role he has held since November 2015. He has over 25 years' experience working in senior executive roles in the media industry, most recently as the CEO of APN News and Media (now HT&E). Mr Miller was previously the Regional Director for News Limited in New South Wales, the Managing Director of Advertiser News Media in South Australia, and News Limited's Group Marketing Director.

Directorships of listed entities, current and recent (last three years): n/a

Board Committee membership: n/a

Jennifer Lambert BBus, MEc, CA, FAICD

Independent non-executive Director appointed 1 December 2020. Age 55.

Skills and experience: Ms Lambert has extensive business and leadership experience at the senior executive and board level with more than 25 years of financial management and accounting experience, including over 15 years specialising in the property industry. Ms Lambert was CFO at Valad then 151 Property for 13 years, and prior to this was a director at PwC specialising in audit, capital raisings and acquisitions and disposals.

Directorships of listed entities, current and recent (last three years):

- Director of BlueScope Steel Limited (since September 2017)
- Director of NEXTDC Limited (since October 2019)

Board Committee membership:

- Chair of the Audit, Risk & Compliance Committee
- Member of the Human Resources Committee

Kelly Bayer Rosmarin

Independent non-executive Director appointed 1 January 2022. Age 45.

Skills and experience: Ms Bayer Rosmarin is CEO of Optus and Consumer Australia. She has experience in banking, risk management and regulated markets. Prior to joining Optus, Ms Bayer Rosmarin spent 14 years with Commonwealth Bank of Australia where she held several senior positions, most recently, as Group Executive of Institutional Banking and Markets. Ms Bayer Rosmarin holds a bachelor's degree in Industrial Engineering and Engineering Management and a Master of Science in Management Science and Industrial Engineering from Stanford University.

Directorships of listed entities, current and recent (last three years):

- Director of Airtel Africa plc (since October 2020)
- Director of Openpay Group Ltd (from December 2018 – January 2022)

Board Committee membership:

- Member of the Audit, Risk & Compliance Committee

Meetings of Directors

The number of Board and Committee meetings held during the year and the number of meetings attended by each Director are disclosed in the following table:

Director	Board Meetings[1]		Audit, Risk & Compliance Committee[2]		Human Resources Committee[2]	
	A	B	A	B	A	B
Hamish McLennan	11	11	-	5*	2	7*
Owen Wilson	11	11	-	4*	-	7*
Nick Dowling	11	11	-	3*	7	7
Tracey Fellows	11	10[3]	-	3*	-	6*
Richard J Freudenstein	11	11	5	5	7	7
Michael Miller	11	11	-	3*	-	-
Jennifer Lambert	11	11	5	5	7	7
Kelly Bayer Rosmarin (appointed 1 January 2022)	6	5[3]	3	3	-	-
Kathleen Conlon (retired 11 November 2021)	4	4	2	2	2	2

Column A: number of meetings held while a member.
Column B: number of meetings attended.

1. From time to time the Board also establishes ad hoc committees to support the Board in carrying out its responsibilities. During the 2022 financial year, the Board established several subcommittees to oversee various matters, including M&A proposals. Membership of these subcommittees varied. A total of 9 subcommittee meetings were held during the year.

2. Committee meetings are open to all Directors to attend. Where a Director has attended a meeting of a Committee of which he or she was not a member, this is indicated by *. The exception to this is Hamish McLennan who ceased being a member of the Human Resources Committee part-way through the year, so the * applies to only 5 of the 7 meetings he attended.

3. The one meeting not attended by each director was an unscheduled Board meeting.

Principal activities

REA provides property and property-related services on websites and mobile apps across Australia and India.

The purpose of the Group is to 'change the way the world experiences property'. It fulfils this purpose by:

- Providing digital tools, information and data for people interested in property. REA refers to those who use these services as 'consumers'
- Helping real estate agents, developers, property-related businesses and advertisers promote their services. REA refers to those who use these services as 'customers'
- Helping consumers finance their property needs through a multi-channel digital and broker proposition.

REA's growth strategy is centred around four core objectives:

- Providing our customers with access to the largest and most engaged audience of property seekers
- Delivering unparalleled customer value
- Providing the richest content, data and insights to empower our customers and consumers throughout their property journey
- Creating the next generation of property and property-related marketplaces.

Further details are set out in the business strategies and future developments section of this Directors' Report.

Operating and financial review

Reconciliation of results from core operations

A summary of financial results from core operations for the year ended 30 June 2022 is set out below.

For the purposes of this report, core operations are defined as the reported results set out in the financial statements adjusted for significant non-recurring items such as restructuring costs, gain/loss on acquisitions, disposals and closure of subsidiaries, associates and operations, associate IPO and restructuring costs, and integration costs. The prior year comparative also includes a historic tax provision (historic indirect tax provision reflects potential retrospective changes to interpretation of tax law).

A reconciliation of results from core operations and non-IFRS (International Financial Reporting Standards) measures compared with the reported results in the financial statements on page 38 is set out below. The following non-IFRS measures have not been audited but have been extracted from the audited financial statements.

Core and reported results	**2022 $M**	2021 $M	**Growth**
Core operating income	**1,169.5**	927.8	26%
Trail commission integration adjustment	**(9.3)**	-	n/a
Reported operating income	**1,160.2**	927.8	25%
Segment EBITDA from core operations (excluding share of gains and losses of associates)*	**670.5**	555.7	21%
Share of (losses)/gains of associates	**(21.9)**	12.6	< (100)%
Associate IPO and restructuring costs	**24.9**	-	n/a
Gain on associate disposals and transaction costs	**-**	(3.5)	n/a
EBITDA from core operations*	**673.5**	564.8	19%
Restructure costs	**(3.1)**	(0.9)	< (100)%
Net gain/(loss) on acquisitions, disposals and closure of subsidiaries, associates and operations	**22.0**	(1.1)	> 100%
Associate IPO and restructuring costs	**(24.9)**	-	n/a
Integration costs (including trail commission adjustment)	**(19.6)**	(3.9)	< (100)%
Historic tax provision	**-**	(3.3)	n/a
Reported EBITDA*	**647.9**	555.6	17%
Net profit from core operations attributable to owners of parent	**407.5**	326.4	25%
Restructure costs	**(2.1)**	(0.7)	< (100)%
Net gain on acquisitions, disposals and closure of subsidiaries, associates and operations	**21.9**	1.7	> 100%
Associate IPO and restructuring costs	**(24.9)**	-	n/a
Integration costs (including trail commission adjustment)	**(17.6)**	(2.4)	< (100%)
Historic tax provision	**-**	(2.3)	n/a
Reported net profit attributable to owners of parent	**384.8**	322.7	19%

* The Directors believe the additional information to IFRS measures included in the report is relevant and useful in measuring the financial performance of the Group.

Group results from core operations

Group operating income from core operations increased 26% to $1,169.5 million. This includes the consolidation of REA India from 1 January 2021, and the consolidation of Mortgage Choice from 1 July 2021. The Group delivered an exceptional result, with strong growth across both Australia and India, and continued investment in strategic initiatives.

The Group's EBITDA from core operations increased 19% to $673.5 million and net profit from core operations attributable to owners of the parent increased 25% to $407.5 million. Core operating costs increased 34%, largely driven by Mortgage Choice and REA India acquisitions. Core operating costs, excluding these acquisitions, increased by 11%, reflecting investment to deliver our strategic initiatives, a tight labour market driving higher remuneration costs, an increase in revenue-related variable costs and investment in brand and marketing.

Australia continues to be the primary revenue driver for the business. The Group's result reflects an ongoing focus on continued innovation and the release of new products and features to deliver excellent customer value and highly personalised consumer experiences.

realestate.com.au continues to be the clear leader in online real estate[1] with audience metrics reaching new all-time highs during the year[2] and average monthly visits topping 124.1 million[3], outperforming the closest competitor by 3.36 times each month on average[4]. Average monthly buyer enquiries were at an all-time high, up 11% year on year[5].

Strong operating cashflows during the year allowed the Group to continue to invest through innovation and strategic investments, as well as to continue to provide shareholder returns in the form of dividends, resulting in a cash balance of $248.2 million at 30 June 2022. The Group had net current assets of $210.2 million as at 30 June 2022. The Group generated positive operating cashflows and traded profitably for the period. The Directors expect this to continue for the foreseeable future.

The Group strengthened its liquidity position by entering into a new syndicated facility during the year, replacing the previous facility. The facility consists of two tranches, $400 million maturing in September 2024 and $200 million maturing in September 2025. As at 30 June 2022 the Group's total debt was $413.7 million with $186.3 million of the new facility undrawn. Refer to Note 9(d) for further details.

Dividends

Dividends paid or determined to be paid by the Company during, and since the end of, the financial year are set out in Note 10 to the Financial Statements and below:

	Final 2022	Interim 2022	Final 2021
Per share (cents)	**89.0**	75.0	**72.0**
Total amount ($M)	**117.6**	99.1	**95.1**
Franked*	**100%**	100%	**100%**
Payment date	**15 Sep 2022**	22 Mar 2022	**16 Sep 2021**

*All dividends are fully franked based on tax paid at 30%.

[1] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
[2] Nielsen Digital Media Ratings (Monthly Tagged), Oct 21, P2+, Digital (C/M), text, realestate.com.au, Total Sessions.
[3] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 - Jun 22 (average), P2+, Digital (C/M), text, realestate.com.au, Total Sessions.
[4] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 - Jun 22 (average), P2+, Digital (C/M), text, realestate.com.au vs Domain, Total Sessions.
[5] Adobe Analytics, internal data, Jul 21 - Jun 22 vs Jul 20 - Jun 21.

Performance by region

2022	Australia		India	International	Corporate	Total
	Property & Online Advertising	Financial Services				
	$M	$M	$M	$M	$M	$M
Segment operating income[1]						
Total segment operating income[1]	1,007.5	67.2	53.9	-	-	1,128.6
Segment operating income – other[2]	41.8	-	-	-	-	41.8
Inter-segment operating income	(0.9)	-	-	-	-	(0.9)
Trail commission integration adjustment	-	-	-	-	(9.3)	(9.3)
Operating income[1]	1,048.4	67.2	53.9	-	(9.3)	1,160.2
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	721.8	9.3	(34.9)	-	(25.7)	670.5
Share of gains / (losses) of associates[3]	(3.7)	(1.3)	-	(16.9)	24.9	3.0
Segment EBITDA from core operations	718.1	8.0	(34.9)	(16.9)	(0.8)	673.5
Restructure costs	-	-	-	-	(3.1)	(3.1)
Net gain on acquisitions, disposals and closure of subsidiaries, associates and operations[4,5]	-	-	-	-	22.0	22.0
Associate IPO and restructuring costs[3]	-	-	-	-	(24.9)	(24.9)
Integration costs (including trail commission adjustment)	-	-	-	-	(19.6)	(19.6)
EBITDA	718.1	8.0	(34.9)	(16.9)	(26.4)	647.9
Depreciation and amortisation						(93.1)
EBIT						554.8
Net finance expense						(6.9)
Profit before income tax						547.9

[1] This represents revenue less commissions for Financial Services.
[2] This represents the former Asia operations, being Malaysia, Thailand and Hong Kong (Note 17), inclusive of MyFun and legacy Asia operations which has been integrated into the Australian operations.
[3] Inclusive of $24.9 million of associate restructuring and transaction costs reflecting REA's share of costs incurred by PropertyGuru.
[4] Comprised of $15.8 million gain relating to the divestment of Malaysia, Thailand and 99 Group shareholder rights; $9.0 million loss relating to the divestment of Hong Kong assets to 28Hse, closure of Hong Kong operations and rationalisation of the remaining Asia subsidiaries; and $5.7 million reduction of 99 Group SPV financial asset.
[5] The impact of the deemed disposal as a result of the dilution from the initial public offering (IPO) of PropertyGuru resulted in a $20.9 million gain.

2021 Restated	**Australia**		**India[5]**	**International**	**Corporate**	**Total**
	Property & Online Advertising	**Financial Services**				
	$M	**$M**	**$M**	**$M**	**$M**	**$M**
Segment operating income[1]						
Total segment operating income[1]	848.1	24.0	17.3	-	-	889.4
Segment operating income – other[2]	41.0	-	-			41.0
Inter-segment operating income	(2.6)	-	-	-	-	(2.6)
Operating income[1]	886.5	24.0	17.3	-	-	927.8
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	590.2	6.4	(18.0)	-	(22.9)	555.7
Share of gains/(losses) of associates[3]	(4.3)	-	(2.4)	19.3	(3.5)	9.1
Segment EBITDA from core operations	585.9	6.4	(20.4)	19.3	(26.4)	564.8
Restructure costs	-	-	-	-	(0.9)	(0.9)
Net loss on acquisitions, disposals and closure of subsidiaries and operations[3]	-	-	-	-	(1.1)	(1.1)
Integration costs	-	-	-	-	(3.9)	(3.9)
Historic tax provision[4]	-	-	-	-	(3.3)	(3.3)
EBITDA	585.9	6.4	(20.4)	19.3	(35.6)	555.6
Depreciation and amortisation						(82.6)
EBIT						473.0
Net finance expense						(4.6)
Profit before income tax						468.4

[1] This represents revenue less commissions for Financial Services.
[2] This represents the former Asia operations, being Malaysia, Thailand and Hong Kong (Note 17), inclusive of MyFun and legacy Asia operations which has been integrated into the Australian operations.
[3] Inclusive of $3.5 million gain relating to Move, Inc. sale of Top Producer.
[4] Historic indirect tax provision reflects potential retrospective changes to interpretation of tax law.
[5] Represents REA India Pte. Ltd. which was consolidated in the Group's results from 1 January 2021 and prior to that previously recognised as an investment in associate.

Performance by region (continued)

Australia

The Group operates Australia's leading residential and commercial sites, realestate.com.au[6] and realcommercial.com.au[7], data and insights business, PropTrack, and a leading mortgage broking business, Mortgage Choice.

Core operating income increased by 23% to $1,115.6 million YoY, or 18% excluding the impact of the Mortgage Choice acquisition.

realestate.com.au continues to be the number one property portal in Australia, attracting 124.1 million visits each month on all platforms[8], 3.36x more visits than the nearest competitor[9]. 12.7 million people visited the site each month on average[10], with a new record of 13.2 million in October 2021[11]. This unrivalled audience of people looking to buy, sell, rent or share property provides valuable insights to the Group on how people search and view property.

In addition, our audience comprises high intent property seekers, making it possible for REA to deliver more leads to our customers. Active members are proven to drive more value to our customers and our focus on personalisation and consumer experience has significantly accelerated the growth of this group with a 25% increase in active members YoY[12].

When compared to other leading digital brands, realestate.com.au was Australia's seventh largest in terms of audience[13], reaching over 60% of Australia's adult population[14].

Property and Online advertising

Property and Online Advertising operating income increased by 18% to $1,048.4 million.

Australian residential revenue increased 24% to $776 million. Buy revenue experienced strong growth, benefiting from new national listings growth of 11%, increased depth and Premiere penetration, an 8% average national price rise, and continued growth in add-on products such as Audience Maximiser. Residential rent revenue benefited from increased depth penetration and product mix, and a 6% price rise, however this was largely offset by a decline in rental listings due to lack of supply.

Commercial and Developer revenue increased 3% to $134 million. Commercial revenue growth was driven by increased depth penetration and 1 July price increases. Developer revenues were down on prior year, impacted by a 21% decline in project launches for the year, partially offset by the benefits from the growth in project launches in FY21.

realcommercial.com.au continues to be the leading commercial property app in Australia, with 20.2 times more app launches than the nearest competitor[15].

Media, Data and Other revenue grew by 9% during the year to $97 million. Data revenues increased by 28%, with PropTrack benefiting from new contracts and increased desktop and automated valuation model (**AVM**) volumes. Media revenue was up YoY, with Developer display, the largest component, flat, while programmatic revenue grew. Other revenues, largely made up of flatmates.com.au, declined marginally YoY.

The Group continues to strengthen its existing leadership positions through investment in new technology, aimed at improving the digital offering for customers and consumers alike and through strategic acquisitions that complement our existing business and accelerate our strategic initiatives.

Following the divestment of the Asian operations, the remaining MyFun business, which syndicates Australian premium Residential, Commercial and Developer listings to the Chinese website MyFun, has been presented as part of the Australia – Property & Online Advertising segment. Comparative information has also been adjusted accordingly.

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[6] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, Real Estate/Apartments subcategory, Unique Audience.
[7] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, realcommercial.com.au vs commercialrealestate.com.au, Unique Audience.
[8] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 - Jun 22 (average), P2+, Digital (C/M), text, realestate.com.au, Total Sessions.
[9] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 - Jun 22 (average), P2+, Digital (C/M), text, realestate.com.au vs Domain, Total Sessions.
[10] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 - Jun 22 (average), P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
[11] Nielsen Digital Media Ratings (Monthly Tagged), Oct 21, P2+, Digital (C/M), text, realestate.com.au, Unique Audience.
[12] REA internal data, Jul 21 - Jun 22 and compared to Jul 20 - Jun 21.
[13] Nielsen Digital Media Ratings (Monthly Total), Jul 21 - Jun 22 (average rank), P2+, Digital (C/M) Text, All Categories, Unique Audience.
[14] Nielsen Digital Media Ratings (Monthly Tagged), Jun 22, P18+, Digital (C/M), text, realestate.com.au, Active Reach %.
[15] Nielsen Digital Media Ratings (Monthly Tagged), Jul 21 – Jun 22 (average), P2+, Digital (C/M), text, realcommercial.com.au vs commercialrealestate.com.au, App Launches.

Financial Services

The Financial Services business performed well with the acquisition of Mortgage Choice and the consolidation the Group's broker offerings under the Mortgage Choice brand. Financial Services core operating revenue [16] increased 12% YoY on a pro forma basis to $79 million, assuming REA Group owned Mortgage Choice in the prior period. Operating revenues benefited from a 28% increase in settlements, driven by continued broker growth, and increased productivity in a strong housing market, partly offset by higher broker payout rates. Revenue was negatively impacted by a valuation adjustment to expected future trail commission due to faster loan run-off rates and higher broker commission payout ratios. Including this valuation adjustment, net Financial Services revenue decreased by 2% to $66 million [17] on a proforma basis. The integration of Mortgage Choice is progressing well and is expected to be completed by Q3 FY23.

India

REA India has delivered an impressive performance for the year, with revenue growth of 92% to $54 million on a pro forma basis assuming it was owned for the full prior period [18]. Revenue growth was largely driven by Housing.com's property advertising business, which saw strong customer growth. An increased focus on search engine optimisation (**SEO**), improved mobile experience and targeted marketing had driven audience growth of 50% YoY [19], with Housing.com maintaining the #1 audience share for the last 9 months [20]. Revenue has also benefited from growth in lower margin adjacency products on the Housing Edge platform, such as Rent Pay.

International

The International segment includes our equity accounted strategic investments comprising Move, Inc. ("Move") and PropertyGuru Group Limited ("PropertyGuru").

Move

The Group holds a 20% investment in Move, Inc., a leading provider of online real estate services in the United States. News Corp holds the remaining 80%.

Move, Inc. primarily operates realtor.com®, a premier real estate information services marketplace, under a perpetual agreement and trademark licence with the National Association of Realtors®, the largest trade organisation in the USA.

realtor.com® is a leading property portal in the United States, the world's largest real estate market. Move's reported revenue growth of 11% [21] was driven by both traditional lead generation and referral mode growth. Lead generation revenues benefited from increased yield, partly offset by a 23% decline in leads[21], while referral model revenue was driven by higher average home values, partially offset by lower transaction volumes. Move also saw higher employee and marketing costs as the business continued to reinvest to drive their core businesses and expand into adjacencies. This resulted in a $2 million decline in Move's equity accounted contribution to $14 million.

Average monthly unique users of realtor.com®'s web and mobile sites for FY22 declined 1% YoY[22].

PropertyGuru

On 3 August 2021, the Group completed the sale of its Malaysia and Thailand entities (which operated iProperty.com.my and Brickz.my in Malaysia and thinkofliving.com and Prakard.com in Thailand) to PropertyGuru. In exchange, the Group received an 18% equity interest (16.6% diluted) of the combined PropertyGuru Group and Owen Wilson was appointed to the board of PropertyGuru in September 2021 (refer to Note 18).

On 18 March 2022, PropertyGuru began trading on the New York Stock Exchange (**NYSE**), following a merger with the special purpose acquisition company Bridgetown 2 Holdings Limited. Following the listing, the Group holds a 17.5% undiluted equity interest in PropertyGuru. REA contributed US$52 million to the PIPE capital raising associated with the listing.

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[16] Operating revenue excludes valuation adjustments to the trail book and discontinued business (FinChoice).
[17] Excludes discontinued business (FinChoice).
[18] Growth rate is based on constant currency.
[19] Similarweb, average site visits in Jul 21 – Jun 22 vs. Jul 20 – Jun 21.
[20] Similarweb, average site visits Oct 21 – Jun 22 vs nearest competitor.
[21] NewsCorp's Form 10-K stated in US Dollars for the twelve-month period ended 30 June 2022.
[22] Realtor.com internal metrics.

Contributions from equity accounted investments declined from the prior year to $3.0 million[23] in FY22, largely reflecting the Group's investment in PropertyGuru and a combined $5.0 million loss from early-stage Australian investments[24, 25].

State of affairs

In the Directors' opinion, other than the investments and divestments referenced in the operating and financial review of this report, there have been no significant changes in the state of affairs of the Group during the year.

Events since the end of the financial year

Details of any events that have arisen from 30 June 2022 to the date of signing this report that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future financial years are provided in Note 26.

Business strategies and future developments

The way people search and find property continues to evolve, and consumer expectations are shaped by their digital experience. REA's goal is to provide an easy and highly relevant experience for both its customers and consumers across Australia and India, right throughout their property journey.

REA has access to the largest audience of property seekers across Australia and increasing audience numbers in India. This provides the Group with rich data and insights about what people are searching for and their individual property needs, enabling the delivery of highly relevant and personalised experiences.

Property

The foundation of the business is the online advertising of property listings, supported by data on residential and commercial property. Agents continue to play a critical role in the success of the business.

The Group focuses on improving the way properties are displayed on its sites and apps, to ensure people are provided with the best and most up-to-date content. It does this by using rich data to support the development of innovative products and experiences.

This creates more opportunities for customers to continue growing their businesses, while creating personalised experiences for consumers.

Finance

Home finance is an integral part of the property purchase journey. As part of the Group's Finance strategy, the Group combines searching for property and obtaining a home loan in a single experience and allows consumers the choice of a digital loan application or being connected to a mortgage broker. The Group recognises the value mortgage brokers bring to people looking to finance their next property. The Group now has over 1,000 brokers in market. REA's audience, brand strength and digital expertise provides a unique position for long-term growth within the financial services sector.

Property-related services

REA's strength lies in the ability to understand its audience and it is continually looking for new ways to create value for our customers and consumers and remove any barriers for them to be able to achieve their property dreams.

The Group does this by providing rich data and market insights to help customers and consumers make the most informed property-related decisions.

For consumers, this means REA provides a personalised experience, inspiring content and a range of tools, calculators and other information so that people are equipped to make the right decision depending on where they are in their property journey.

For customers, it's about giving them deep insight into market trends and consumer behaviour to support their business growth.

Corporate Sustainability Statement

REA Group's commitment to responsible and sustainable business practices underpins everything we do. In October 2021, REA published its third Sustainability Report which is available on REA's website at www.rea-group.com/investor-centre.

[23] From core operations, excluding PropertyGuru restructure and transaction costs.
[24] Includes 35.2% stake in Simpology Pty Limited, 35.8% in Realtair Pty Limited, 29.8% in CampaignAgent Pty Ltd and 27.5% in Managed Platforms Pty Ltd (all on an undiluted basis).
[25] Prior year included losses from 99 Group (divested on 30 July 2021) and REA India (consolidated from 1 January 2021).

REA's Sustainability Report details business activity and commitments across the areas of Environment, Social and Governance (**ESG**).

The Group's policies reflect the standards REA expects of its people and ensures that REA monitors and adheres to those standards. The Group values the opportunity to share the ESG activity and associated commitments in order to continually improve overall sustainability performance and play a role in creating positive change.

The Board is responsible for corporate governance and is committed to developing and implementing appropriate policies while adhering to a fundamental commitment to create and sustain long-term value for its shareholders and stakeholders. This is achieved through:

- Implementing sound corporate governance practices;
- Operating in a responsible manner towards employees through fair and equitable practices;
- Transparent reporting on operations and activities;
- Monitoring potential risks and applying mitigating policies and practices;
- Making a positive impact on the community; and
- Reducing our impact on the environment.

Corporate governance

REA is committed to being ethical, transparent and accountable. It believes this is essential for the long-term performance and sustainability of the Company and supports the interests of shareholders.

The Company's Board of Directors is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance company performance and build sustainable value for shareholders. This corporate governance framework acknowledges the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('**ASX Principles and Recommendations'**) and is designed to support business operations, deliver on strategy, monitor performance and manage risk.

The Corporate Governance Statement addresses the recommendations contained in the fourth edition of the ASX Principles and Recommendations and is available on REA's website at www.rea-group.com/corporate-governance. This statement should be read in conjunction with REA's website and the Directors' Report, including the Remuneration Report.

Environmental regulation

Good environmental practices and the impact that operations have on the environment are of great importance to REA. The Group is committed to adopting responsible environmental practices.

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Opportunities and risks

REA is driven by its purpose to 'change the way the world experiences property' through product innovation and investment. Having a clearly defined purpose provides the Group with opportunities to drive further value. These include:

- Broadening the suite of products and services to maximise value for customers;
- Utilising content, data and insights to provide a new or enhanced experience for consumers and/or further support customers in achieving their strategic aims; and
- Exploring and pursuing adjacencies such as building a market-leading home loan offering via its mortgage broking businesses, Smartline and Mortgage Choice, and leveraging REA's leading digital capability; and
- Entering international markets where there is a strategic opportunity.

REA remains committed to delivering the best experience and value for both customers and consumers. This includes engaging with people at every step of their property journey and making the experience easy and stress free. Effective risk management is about taking the right risks, at the right time, for the right return. To achieve this, REA follows accepted standards and guidelines for managing risk. The Group is committed to ensuring that a consistent and integrated approach is established at all levels and is embedded in the Company's processes and culture.

The REA Risk Management Framework comprises several important elements:

(i) Identifying and analysing the main risks facing the Group;
(ii) Evaluating those risks – making judgements about whether they are acceptable;
(iii) Implementing and documenting appropriately designed controls to manage these risks;
(iv) Testing of controls to ensure they are appropriately designed and operating effectively;
(v) Planning for business interruptions and crises; and

(vi) Ongoing monitoring, consultation, communication and review.

The Group has identified five material risk categories to which the Company has its most significant risk exposures, being:

- Strategic risk;
- Operational risk;
- Compliance risk;
- Regulatory risk; and
- Credit risk.

Each of these material risk categories has either a framework, procedure or policy that sets out how the risks that fall within these categories are to be identified and managed. Clear accountabilities, roles and responsibilities are also articulated from the Board all the way through to a risk and/or control owner.

The Executive Risk Committee oversees the implementation of the REA Risk Management Framework, ensuring management fulfils its risk management responsibilities and that risks are operating within the Risk Appetite Statement and Limits approved by the Board.

Key REA business risks include:

- The development of new technologies and increased competition from existing or new sites and apps, which could affect the existing business model. REA operates in a highly competitive market and constantly monitors and assesses the competitive environment and any potential risks to the Australian and international operations. REA must continue to earn the support of consumers and customers by delivering a market-leading consumer experience and outstanding value for agents and their vendors.

- Security incidents caused by adversarial, accidental or environmental threat that may result in the theft or destruction of confidential consumer/customer data and/or loss of REA system integrity. As a technology-focused business, managing security and taking care of consumer and customer data is of crucial importance. REA is vigilant in managing the risk of damaging security incidents, and has appropriate data management, security and compliance policies, procedures and practices in place.

- Lack of availability or downtime of websites and apps may result in a poor experience for consumers and customers. To manage the risk of any of the Group's sites or apps going down, REA has developed and implemented disaster recovery strategies, high-availability architecture, and processes for monitoring the health of systems on an ongoing basis.

- Key group business activities (specifically, real estate listings and financial services) are highly dependent on the exposure to macroeconomic, regulatory, legal and geopolitical conditions across the Australian and Indian markets in which REA operates. These conditions impact economic growth rates, the property market (house prices and availability of stock), interest rates and consumer confidence which can adversely impact the volume of real estate listings and consumers' willingness and ability to acquire credit. REA mitigates these risks by proactively managing stakeholder relationships, keeping abreast of regulatory change through dedicated committees, monitoring key risk indicators and market conditions.

- A breach of REA's privacy obligations could occur. REA recognises that privacy compliance is critical to maintaining consumer and customer trust. REA maintains a comprehensive privacy compliance program and updates the program to align with changes in the law. REA is committed to the 'privacy by design' method of embedding privacy considerations into the company's products, processes and systems.

Sustainability

REA is committed to building a sustainable next generation business - this is reflected in our values and underpins everything we do. Our Sustainability program incorporates community partnerships, community programs (internally known as 'Because We Care') and initiatives aligned with our commitment to the environment. We also report more broadly across the areas of Environment, Social and Governance (ESG) in our Sustainability Report, which we have been publishing each year since FY19.

REA's community partnerships are aligned with our purpose, which is to change the way the world experiences property. This includes initiatives to assist and support people experiencing or at risk of homelessness. We have multi-year partnerships with charities focused on the issue of homelessness and have extended our relationships with Launch Housing, Orange Sky Australia and The Big Issue through to 30 June 2023.

Our Because We Care program encourages and supports our people to give back to causes that are important to them. They can do this through matched payroll giving, our volunteer bank, employee community grants, our Melbourne office's community café and the Hack it Forward Award as part of REAio Hack Days.

FY22 is the third consecutive year we will achieve Climate Active carbon neutral certification and we continue to make progress with our carbon emissions reduction program, as well as the commitments we've made in our Climate Change policy. The FY22 Sustainability Report is published on the Company's corporate website.

Highlights from REA's sustainability program in FY22:

Environment

- **Task Force on Climate Related Financial Disclosures (TCFD)** – Continued progress toward aligning with the TCFD framework. In FY23, the Company's Board will be kept informed on climate change related risks and opportunities by the Audit, Risk & Compliance Committee, which is responsible for overseeing the Company's processes to identify and manage financial and non-financial risks. In FY23, the Executive Risk Committee will be responsible for assessing and managing climate change related risks and opportunities for the Company, remaining informed about climate-related risks and ensuring climate change related responsibilities are assigned to management positions.
- **Green Energy** – As part of our ongoing commitment to reduce our footprint, we moved to Green Energy across most of our REA locations. Green Energy is accredited under the National Green Power Accreditation Program and our Green Energy percentage is 100%.
- **Climate Active carbon neutral certification** – The Group is undergoing carbon neutral certification through Climate Active for the third consecutive year. We have committed to reducing our carbon emissions in line with our carbon emission reduction targets and achieving carbon neutral certification annually.
- **Solar & LED** – Our Church Street Richmond headquarters represents 70% of REA's total energy consumption. To increase our energy reduction we installed solar panels in the Church Street office and are in the process of replacing all the lights with LED lighting.

Social

- **Diversity Council Australia Inclusive Employer 2021 – 22** – REA was named an Inclusive Employer for 2021 – 22 by Diversity Council Australia, following the Diversity & Inclusion Index we completed in March 2022. The Diversity & Inclusion Index was undertaken to better understand who we are as a business, how we feel about inclusion at REA and to identify the opportunities for active change.
- **Great Place to Work** – REA has again been certified by Great Place to Work in FY22, with 93% of employees at REA saying it's a great place to work, compared to 55% of employees at a typical Australian-based company.
- **Reconciliation Action Plan (RAP)** – REA has partnered with Reconciliation Australia to begin developing our first Reconciliation Action Plan (RAP). We aim to build a Reflect RAP which involves scoping and developing relationships with Aboriginal and Torres Strait Islander stakeholders, deciding on our vision for reconciliation and exploring our sphere of influence.
- **Hack Day** – REA's 40th Hack Day was held in June 2022, with one team taking out both the People's Choice and Hack it Forward Award – 'Red Cross Rental Applications'. The team informally collaborated with the Australian Red Cross to understand and address the rental application barriers for disadvantaged and vulnerable members of the community. The team delivered multiple product improvements to help rent applicants provide more information about themselves or on behalf of others.
- **Because We Care program (FY22)**
  - Matched Payroll Giving - $211,315 in combined employee and company matched donations.
  - Employee Community Grants - distributed 38 employee community grants valued at $37,429, bringing the total number of grants distributed to 385 and valued at $438,090 since the program began.
  - Volunteer Bank – 469 hours
  - Community Café – $9,661 donated to our charity partners.
- **Community partnerships** – REA continued its financial and in-kind support to Launch Housing, Orange Sky Australia and The Big Issue. The National Rapid Rehousing Fund REA Group created with Launch Housing in 2015 provided financial support to more than 5,286 women and children since inception.

- **Smartline Charity Fund** – Smartline brokers have a long history of supporting local charities across Australia. Brokers contribute $5 for every loan settled which is matched by REA. These funds are donated to a wide range of charities including youth support, homelessness and cancer research among others. The charity fund donated $132,841 in FY22.

Governance

- **Materiality Assessment** – REA undertook its second materiality assessment in 2022 in connection with sustainability reporting, resulting in 11 highly material ESG topics identified. REA is forming an ESG steering committee to lead our activity on each topic and positively address the related UN Sustainable Development Goal (SDG) targets and indicators.
- **MSCI ESG rating** – Our rating improved in FY22 to a 'AA', classifying REA as a leader among the 25 companies in the interactive media & service industry.
- **S&P Global Corporate Sustainability Assessment ESG score** – Increased in FY22 to 40, with REA out-performing the industry mean across all three categories of Environment, Social and Governance & Economic.
- More information about REA's highly material topics under the Governance heading, including responsible and ethical business practices, data privacy and cyber security, innovation and technology, and risk and resilience, can be found in our FY22 Sustainability Report.

Directors' qualifications, experience and special responsibilities

The names of Directors and details of their qualifications, experience and special responsibilities can be found on pages 4 to 6 of this report.

Details of the number of Board and Board Committee meetings held during the year and Directors' attendance at those meetings are shown on page 6 of this report.

Details of directorships of other listed companies held by each current Director in the three years before the end of the 2022 financial year are listed on pages 4 to 6 of this report.

Directors' shareholdings in the Company

The relevant interests of each director in shares of the Company as at the date of this report are disclosed in the Remuneration Report.

Company Secretary's qualifications and experience

Tamara Kayser was appointed REA Group's General Counsel and Company Secretary in November 2020. Ms Kayser (LLM, LLB (Hons), BCom, GAICD) is a corporate lawyer with over 20 years of legal and governance experience. Immediately prior to joining REA, Ms Kayser held the position of Group General Counsel at Incitec Pivot Limited. Before that, she practised as a lawyer at King & Wood Mallesons in Australia and Linklaters in London.

Indemnification and insurance of directors and officers

The Company has entered a standard form deed of indemnity, insurance and access with the non-executive Directors against liabilities they may incur in the performance of their duties as Directors of REA Group Ltd, except liabilities to REA Group Ltd or a related body corporate, liability for a pecuniary penalty or compensation order under the *Corporations Act 2001* (Cth), and liabilities arising from conduct involving a lack of good faith. REA Group Ltd is obliged to maintain an insurance policy in favour of non-executive Directors for liabilities they incur as Directors of REA Group Ltd and to grant them a right of access to certain company records. In addition, each Director is indemnified, as authorised by the Constitution, on a full indemnity basis and to the full extent permitted by law, for all losses or liabilities incurred by the Director as a Director of a member of the Group. The indemnity operates only to the extent that the loss or liability is not covered by insurance.

During or since the end of the financial year, the Company has paid premiums insuring the Directors and Officers of the Company, its controlled entities and associates, against liability incurred in that capacity to the extent allowed by the *Corporations Act 2001* (Cth). The terms of the policies prohibit disclosure of the details of the liability and the premium paid.

During the year the Group has been covered under the Directors & Officers ("**D&O**") insurance policy for the News Corp Group of companies.

Indemnification of auditors

The Group has agreed to indemnify its auditors, Ernst & Young Australia, to the extent permitted by law, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

Auditor and non-audit services

Ernst & Young continues in office as the Group's auditor.

The Company may decide to employ the external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Risk & Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Directors are satisfied that these services did not compromise the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- Non-audit services have been reviewed by the Audit, Risk & Compliance Committee, in line with the Committee Charter, to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year, the following fees were paid or payable for non-audit services provided by the external auditor (Ernst & Young) of the parent entity and its related practices:

Consolidated REA Group	**2022 $**	2021 $
Category 2 fees - assurance services required by legislation to be provided by auditor	**13,000**	12,000
Category 3 fees – other assurance services	**12,000**	10,000
Category 4 fees – other services	**313,648**	323,153
Total remuneration for non-audit services	**338,648**	345,153

Further details on the fee categories and compensation paid to Ernst & Young are provided in Note 24 to the Financial Statements.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 19.

Proceedings on behalf of the Company

No application has been made under section 237 of the *Corporations Act 2001* (Cth) in respect of the Company, and there are no proceedings that a person has brought or intervened in on behalf of the Company under that section.

Rounding of amounts

The Company is a company of the kind referred to in Australian Securities and Investments Commission Instrument 2016/191 pursuant to sections 341(1) and 992(B) of the *Corporations Act 2001* (Cth). Amounts in the Directors' Report and the accompanying Financial Statements have been rounded off in accordance with the relief provided, to the nearest million and one decimal place, except where otherwise indicated.

Building a better
working world

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Auditor's independence declaration to the directors of REA Group Ltd

As lead auditor for the audit of the financial report of REA Group Ltd for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of REA Group Ltd and the entities it controlled during the financial year.

Ernst + Young

Ernst & Young

Alison Parker

Alison Parker
Partner
8 August 2022

Dear Shareholder,

On behalf of the Board, I am pleased to present our Remuneration Report for the financial year ended 30 June 2022.

REA Group in FY22 – an exceptional performance

During the 2022 financial year, REA Group continued the execution of our strategy of growing consumer audience and engagement, enhancing customer value and rapidly develop our property data capabilities. We also made significant progress in our chosen international markets, and in our ongoing expansion into providing financial services. This contributed to an outstanding company performance in FY22, enabling the business to leverage buoyant market conditions and position us for future growth. This strong performance enabled us to reward our shareholders with the distribution of a record level of dividends.

Revenue grew 26% and for the first time we generated more than $1 billion in group revenue. EBITDA from core operations (excluding acquisitions) showed considerable growth at 20% and we maintained our leadership as Australia's number one property site. realestate.com.au is now the 7th largest online brand in Australia.

Our CEO and Executive Leadership Team have consistently demonstrated strong leadership, maintaining momentum and support as our industry, team and community continued to manage the ongoing effects of the pandemic.

REA Group's success is underpinned by the millions of people who engage with our platforms every month, with 12.7 million people driving an average 124.1 million visits a month.

As part of our ongoing evolution from a residential listings portal to a property, finance and data business, we have continued to grow our financial services business following the acquisition of Mortgage Choice. This is a core pillar of REA Group's strategy and we are well on the way to being the number one retail broking business in Australia.

Outside of the financial realm, our focus on our people has been publicly recognised as we were named among Australia's best workplaces by Great Place to Work, ranking 4th overall and being the only ASX listed company in the Top 5. We also achieved an employee engagement score of 87%, with 93% of employees recommending REA Group as a great place to work and REA Group was named by the Diversity Council of Australia as an Inclusive Employer in 2021-22. Furthermore, our ESG rating was upgraded to AA by MSCI.

Remuneration in FY22 – reward for performance

As a result of the enhancements made to the remuneration framework as detailed in our FY21 Remuneration Report, the Board determined it was unnecessary to make any further changes in FY22.

Incentive remuneration outcomes in FY22 reflect the financial and business performance outlined above, noting that long-term incentive **(LTI)** targets were set prior to the pandemic and short-term incentive **(STI)** targets were set during the pandemic**.** Specifically:

- STI outcomes for the year were above target – 71% of maximum for the CEO and 73% of maximum for the CFO;
- LTI outcomes for the period 1 July 2019 to 30 June 2022, were above threshold but below target, vesting at 43.5% of maximum;
- Tranche 2 of the recovery incentive was granted to provide an incentive opportunity at the beginning of the pandemic when the LTI granted in 2019 was viewed as highly likely to be unachievable for reasons outside the control of management. The recovery incentive vested against its performance measures at 83.33%. However, as the LTI granted from 1 July 2019 was measured and did vest, albeit below target, the recovery incentive vesting outcomes were reduced accordingly. Noting the rationale for the grant of this incentive, this governance arrangement was implemented by the Board to prevent double dipping.

The Human Resources Committee continues to believe that REA Group has a robust and fit for purpose remuneration framework that serves the organisation well. It appropriately balances competitive fixed pay levels to reward core performance, has an STI that underpins the achievement of our annual budget and strategic plan, and an LTI that is focused on delivering top and bottom-line growth.

Disclosures in FY22

We have revised this year's Remuneration Report to provide more detail on our short and long-term performance measures, their link to our business plans and strategy and how the remuneration outcomes of our executives reflect our performance. In particular, we have:

- provided disclosure of targets for incentives that vested in the financial year; and
- presented discussion of incentive opportunities at maximum level (as opposed to our past practice of target).

I invite you to read our report, and look forward to your views and support of the Board and the Committee in its endeavours to attract, retain and motivate a top team of talented executives.

Yours sincerely,

Mr Nick Dowling

Chair Human Resources Committee

Remuneration Report

This report details REA Group's remuneration framework and outcomes for Key Management Personnel (**KMP**) for the financial year ended 30 June 2022. This report forms part of the Directors' Report for this period.

1. Introduction and scope of report

The information provided in the Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This Remuneration Report for the 2022 financial year outlines the remuneration arrangements in place for KMP of REA Group Ltd and its controlled entities (the **Group**), which comprises all Directors (executive and non-executive) and those executives who have authority and responsibility for planning, directing and controlling the activities of the Group.

The following executives of the Group were classified as KMP during the 2022 financial year and unless otherwise indicated were classified as KMP for the entire year.

Executive Directors	
Owen Wilson	Chief Executive Officer

Senior Executives	
Janelle Hopkins	Chief Financial Officer

Non-Executive Directors	
Hamish McLennan	Chairman
Jennifer Lambert	Independent Director
Nick Dowling	Independent Director
Tracey Fellows	Director
Richard J Freudenstein	Director
Michael Miller	Director
Kelly Bayer Rosmarin	Independent Director (appointed 1 January 2022)
Kathleen Conlon	Independent Director (retired 11 November 2021)

2. Role of the Human Resources Committee

The Human Resources Committee (**HR Committee**) is responsible for reviewing and making recommendations to the Board on the remuneration arrangements for non-executive Directors, the Chief Executive Officer (**CEO**), the Chief Financial Officer (**CFO**) and other executives. Further information on the HR Committee's role and responsibilities is contained in its Charter, which is available on the Group's website at www.rea-group.com.

2.1 Use of remuneration consultants

To assist in performing its duties, and making recommendations to the Board, the HR Committee may seek independent advice and data from external consultants on various remuneration related matters. The HR Committee follows protocols around the engagement and use of external remuneration consultants to ensure compliance with the relevant executive remuneration legislation. Any remuneration recommendations and data are provided by the external consultant directly to the Chair of the HR Committee.

For the financial year, SW Corporate provided a remuneration recommendation in relation to the fees paid to Non-executive Directors. SW Corporate was paid $15,000 (excluding GST) for this service.

SW Corporate was engaged directly by the HR Committee and the report prepared by SW Corporate was provided directly to the Chair of the HR Committee. The remuneration consultant provided a declaration that its advice had been prepared free of any undue influence of any of the key management personnel of REA. On that basis, the Board was satisfied that the remuneration recommendation was made free from undue influence by any of the key management personnel to whom the recommendation related.

SW Corporate also provided other services during the 2022 financial year relating to senior executive benchmarking data and assistance with the preparation of our Remuneration Report. SW Corporate was paid a total of $35,500 (excluding GST) for these services.

3. Executive remuneration philosophy and framework

The Group's executive remuneration philosophy is founded on the objectives of:

- driving desired leadership behaviours;
- recognising both individual and organisational performance, with measures that are focused on achieving the Group's longer term corporate plans;
- generating acceptable returns for shareholders; and
- rewarding executive performance for generating high growth returns above expected threshold levels.

The four core 'guiding principles' of our executive remuneration framework approved by the Board are shown in the diagram below:

Remuneration Guiding Principles			
Shareholder aligned	**Rewards for high performance**	**Consistency & transparency**	**Simplicity**

3.1 Remuneration structure

Executive total remuneration is made up of the following three components:

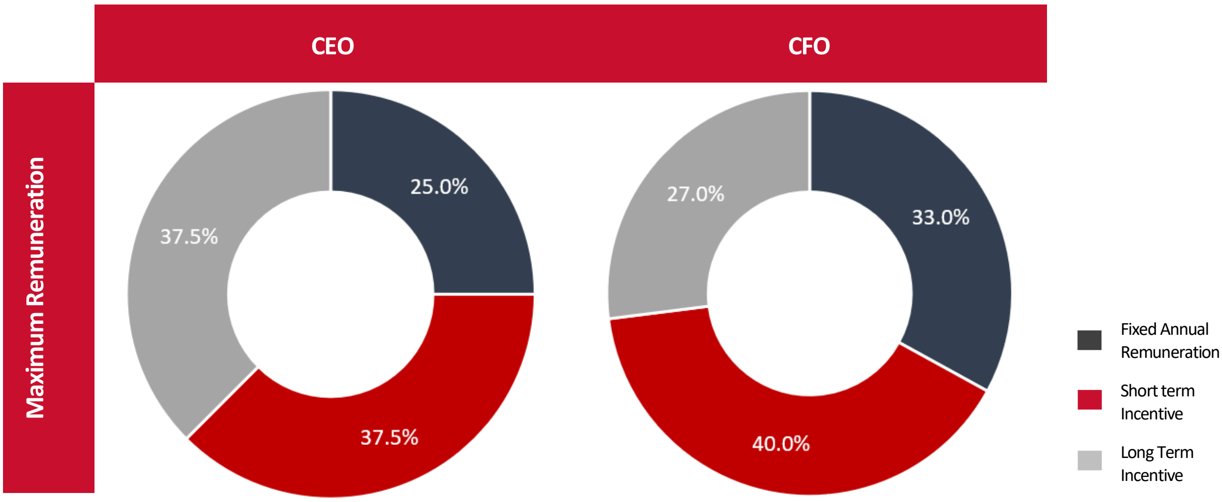
Component	What is it?	How does it link to strategy & performance?
Fixed Annual Remuneration (FAR)	FAR consists of base compensation and statutory superannuation contributions. KMP may also elect to have other benefits provided out of their FAR, including additional superannuation and the provision of a motor vehicle.	• Provides competitive ongoing remuneration in recognition of day-to-day accountabilities.
Short Term Incentive (STI)	The STI Plan is a combination of a cash based and equity deferral plan that involves linking specific financial and non-financial targets with the opportunity to earn incentives based on a percentage of fixed salary.	• Rewards delivery of key strategic and financial objectives in line with the annual business plan. • Enables differentiation of reward on the basis of individual performance. • Ensures annual remuneration is competitive.

Long Term Incentive (LTI)	The LTI Plan is designed to link long-term executive reward with ongoing creation of shareholder value, with the allocation of equity awards which are subject to satisfaction of long-term performance conditions.	• Rewards delivery against longer-term strategy and sustained shareholder value creation. • Provides greater alignment between shareholder and executive outcomes.

Details on each of the individual components are set out in section 5 of this report.

3.2 Remuneration mix

Remuneration mix refers to the proportion of total remuneration that is made up of each remuneration component. The following diagram sets out the remuneration mix for each KMP at the maximum remuneration level, being the amount that would be paid for delivering stretch performance. Remuneration mix is presented based on contractual remuneration packages rather than actual remuneration received during the year.



4. Link between group performance, shareholder wealth and executive remuneration

A key underlying principle of the Group's executive remuneration framework is that executive remuneration outcomes should be linked to performance. Understanding REA Group's performance over both the 2022 financial year and the longer-term will provide shareholders and other interested stakeholders with important context when reviewing our remuneration framework and outcomes in more detail over the following pages of this report.

4.1 REA Group performance

Summary of Group performance

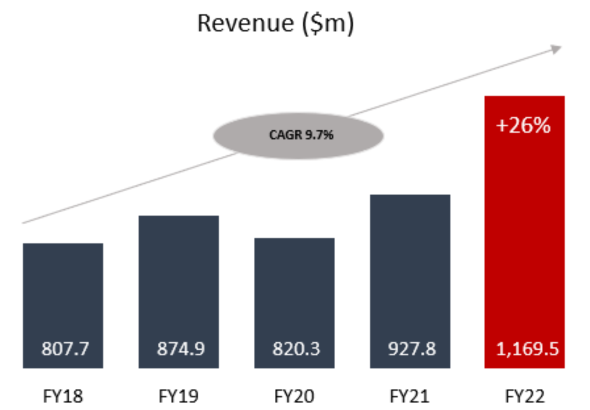
The table below summarises key indicators of the Group's performance and the effect on shareholder value over the past five years.

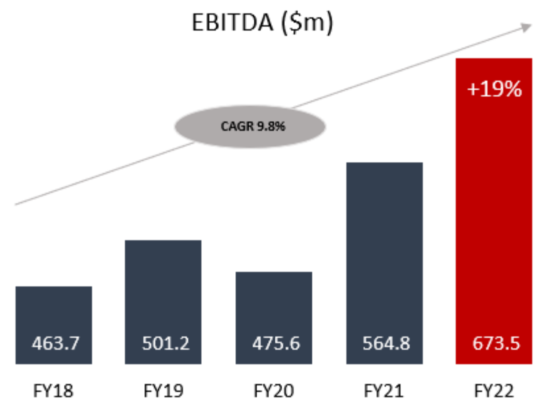
Key Indicators	2018	2019	2020	2021	2022
Revenue[1]	807.7	874.9	820.3	927.8	**1,169.5**
EBITDA[1]	463.7	501.2	475.6	564.8	**673.5**
Net profit after tax[2]	279.6	295.2	268.7	326.4	**407.5**
Earnings per share[3]	212.5c	224.3c	204.1c	247.4c	**308.5c**
Dividends per share	109.0c	118.0c	110.0c	131.0c	**164.0c**
Share Price at 30 June	$90.87	$96.04	$107.88	$169.03	**$111.83**

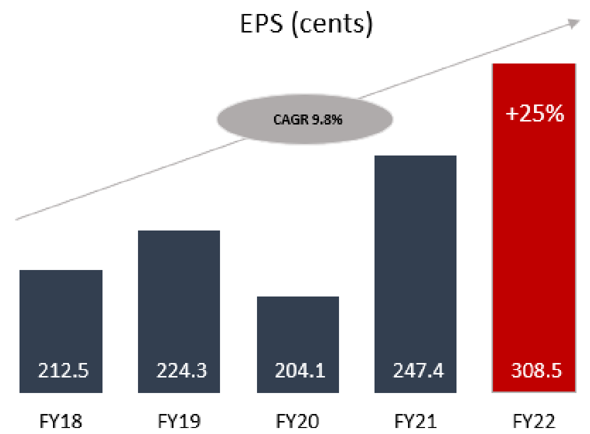
[1] From core operations ($'m).
[2] From core operations attributable to the ordinary equity holders of the company ($'m).
[3] From core operations attributable to the ordinary equity holders of the company.

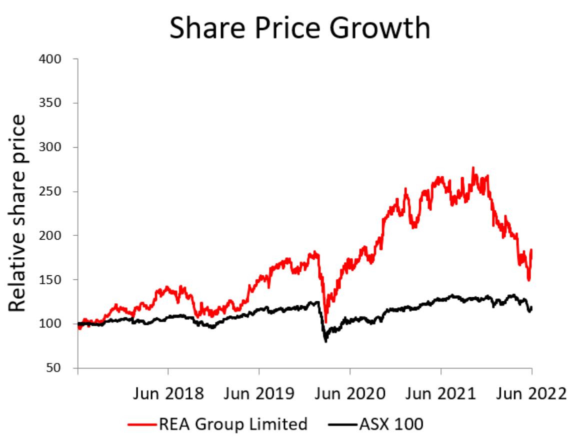
Compound Annual Growth & Share price performance

The Group's growth over the last five years has been exceptional, and as detailed in the following graphs, has delivered strong revenue and earnings per share (**EPS**) compound annual growth rates (**CAGR**). The Group's relative share price in comparison to the ASX 100 is also outlined below. REA Group's share price has significantly outperformed the ASX 100 in the last 3 years.









4.2 KMP performance outcomes

The following table provides a summary of KMP financial and non-financial objectives and outcomes of the Group's 2022 STI Plan for the 2022 financial year:

Category	Objective	Outcome (vs target level except where otherwise stated)
Financial	Group revenue targets Group EBITDA targets	77% of maximum 77% of maximum
Consumer and customer satisfaction	Key consumer metrics – audience and consumer satisfaction Customer satisfaction and loyalty metrics Adoption of product – impact on volume and revenue	Met Exceeded Met
Growth	PropTrack Financial Services REA India	Met Met Exceeded
People	Employee engagement Great Place to Work ranking	Exceeded Exceeded

The following table sets out LTI Plan performance outcomes for the three-year performance period ended 30 June 2022:

Performance measure	Weighting	Target	Outcome	% of maximum LTI payable
Revenue CAGR	50%	1,167.8	1,169.5	25.25%
EPS CAGR	50%	336.0	308.5	18.25%
				43.5% achievement

The following table sets out Recovery Incentive Plan performance outcomes for tranche 2 of the Recovery Incentive 2021-2022:

Performance measure category	Weighting	Outcome	% of tranche 2 incentive payable
Relative Total Shareholder Return (rTSR)	20%	Exceeded	20%
Data Strategy AVM accuracy Bank desktop valuations	20%	Partially met	10%
Financial Services Integration Synergies Lead Generation Market Penetration	20%	Partially met	13.33%
REA India Revenue EBITDA	20%	Met	20%
Customers & Consumers Audience Customer sentiment	20%	Exceeded	20%
			83.33% achievement[1]

1 Recovery incentive payout reduced to reflect the portion of LTIP vesting for the 2022 financial year.

4.3 KMP remuneration outcomes

The following table sets out the STI outcomes for the 2022 financial year based on achievement of financial and non-financial objectives:

	Measure	Weighting	Target
Financial	Achieve REA Group Revenue target	Per 5.2	1,069.2
	Achieve REA Group EBITDA target	Per 5.2	614.2
Personal	Individually assigned in relation to specific measures, set annually by Board	Per 5.2	Delivery of measure

Executives	Actual STI payment	% of maximum STI payable
CEO	$1,776,119	71%**
CFO	$814,217	73%**

**70% paid in cash and 30% deferred in restricted shares.

The following table sets out details of performance rights held by and granted to Mr Wilson and Ms Hopkins during the 2022 financial year under the LTI Plans along with the number of performance rights that vested and forfeited.

Name	Balance at 1 July 2021	Granted during year[5]	Vested during year[1]	Forfeited during year[2]	Balance at 30 June 2022[3]	$ face value of rights at grant date
O Wilson						
Recovery Incentive Plan 2021/2022 (tranche 1)	5,016	-	(4,848)	(168)	-	565,731
Recovery Incentive Plan 2021/2022 (tranche 2)[6]	7,525	-	-	-	7,525	848,596
LTI Plan 2022 (Plan 13)[6]	8,342	-	-	-	8,342	800,000
LTI Plan 2023 (Plan 14)[4]	7,093	2,660	-	-	9,753	1,100,000
LTI Plan 2024 (Plan 15)	-	7,959	-	-	7,959	1,250,000
Total	**27,976**	**10,619**	**(4,848)**	**(168)**	**33,579**	**4,564,327**
J Hopkins						
Recovery Incentive Plan 2021/2022	3,147	-	-	-	3,147	354,936
LTI Plan 2022 (Plan 13)	3,858	-	-	-	3,858	370,000
LTI Plan 2023 (Plan 14)	2,926	-	-	-	2,926	330,000
LTI Plan 2024 (Plan 15)	-	2,738	-	-	2,738	430,000
Total	**9,931**	**2,738**	**-**	**-**	**12,669**	**1,484,936**

1 The number of performance rights vested during the year is equal to the number of performance rights settled during the year.
2 Forfeited during the year as a result of underperformance compared to company targets.
3 The balance of performance rights at 30 June 2022 are unvested.
4 These rights granted to O Wilson comprise two separate awards: 7,093 rights were granted on 17 November 2020 with a total face value at grant date of $800,000; and 2,660 rights granted on 11 November 2021 with a total face value at grant date of $300,000.
5 No cash amount is payable on the issue or vesting of each performance right as the performance rights form part of the remuneration of the CEO and CFO. Performance rights granted to the CEO during the year were approved by shareholders at the 2021 Annual General Meeting.
6 8,073 rights granted to O Wilson under Recovery Incentive Plan 2021/2022 (tranche 2) and LTI Plan 2022 (Plan 13) vested on 2 August 2022 and were converted into ordinary shares, with the remaining rights forfeited.

The table below sets out the details of the percentage performance achieved and percentage vested against the applicable LTI Plan. Refer to section 5.5 for the percentage of total remuneration that consists of performance rights.

Plan	Grant date	Vesting date[1]	Value per performance right at grant date[2]	Target % achieved	% vested
Recovery Incentive Plan 2021-2022 (tranche 1)	17 November 2020	1 July 2021	$128.57 - $138.55	93.3% - 100.0%	96.7%
Recovery Incentive Plan 2021-2022 (tranche 2)	17 November 2020	1 July 2022	$126.36 - $140.95	0.0% - 100.0%	10.8%
LTI Plan 2022 (Plan 13)	11 November 2019	1 July 2022	$97.55	72.5% - 101.4%	87.0%
LTI Plan 2023 (Plan 14)	17 November 2020	1 July 2023	$135.82 - $188.21	To be determined	-
LTI Plan 2023 (Plan 14)	23 June 2021	1 July 2023	$164.77 - $277.38	To be determined	-
LTI Plan 2023 (Plan 14)	11 November 2021	1 July 2023	$161.82 - $249.65	To be determined	-
LTI Plan 2024 (Plan 15)	24 September 2021	1 July 2024	$164.17 - $167.47	To be determined	-
LTI Plan 2024 (Plan 15)	11 November 2021	1 July 2024	$151.91 - $160.06	To be determined	-

1 Subject to Board approval of the performance hurdles being met.
2 Value per grant date calculated using the Black Scholes model.

5. Executive remuneration components

5.1 How REA Group determines appropriate remuneration levels

As the Group continues to grow and diversify into different markets and business lines, it is important to check that the remuneration levels support the Group in attracting and retaining high-calibre talent within what is a competitive market. Executive remuneration is therefore reviewed on an annual basis.

Market positioning

How much is paid to each executive depends on a number of factors including the scope of their role and their overall contribution to the Group but, as a starting position, REA Group compares current fixed remuneration to the 60th percentile and target total remuneration to a position between the 50th and 75th percentiles in the market. This aligns with the Group's principle of rewarding for above threshold performance.

Benchmarking methodology

The HR Committee utilises market data provided by external consultants as part of the review process. Remuneration levels are compared to the following two comparator groups:

1. Size-based comparator group having regard to both revenue and 12-month average market capitalisation (excluding companies from outside our market for talent, e.g. resources sector)
2. All companies within the ASX 10-50 and ASX 35-85 respectively

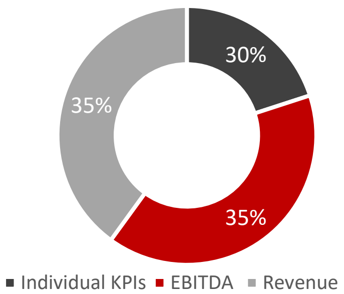
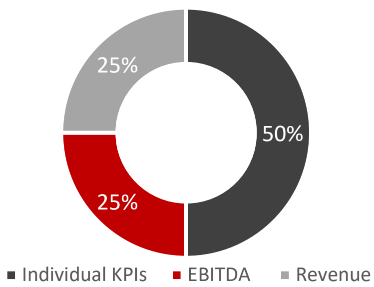
This methodology provides the Group with a balanced approach which has regard to both company size and general ASX market practice in remuneration decision making. Full details of remuneration received during the 2022 financial year are detailed in section 5.5.

Setting remuneration for new KMP (or on promotion)

In addition to utilising benchmark information from our two comparator groups, when setting remuneration levels for new KMP (or on promotion), the Board considers the skills and experience of the new KMP (relative to the outgoing KMP where applicable) along with their current remuneration package (where applicable).

5.2 Short term incentive arrangements

The following table summarises the key components, operation, and outcomes of the Group's 2022 STI Plan and, as provided in the remuneration mix section, this table demonstrates annualised maximum opportunity for the CEO and CFO in their current roles:

	Short term Incentive Summary	
KMP participants	CEO and CFO	
Award type	30% payable in deferred shares with the balance paid in cash	
Performance period	One-year performance period beginning 1 July 2021 and ended on 30 June 2022	
When are performance conditions tested?	• Performance against financial measures is determined in line with approval of the Financial Statements at the end of the financial year. • Performance against non-financial measures within individual KPIs is determined after a review of executive performance by the CEO, in consultation with the HR Committee and, in the case of the CEO, by the Board.	
	CEO	**CFO**
Performance metrics and weightings		
Maximum[1]	$2,500,000	$1,120,000
Relationship between performance and payment	Individual performance is determined based on performance against KPIs with the individual component paying out between 0% and 100% of maximum.	
Calculation of outcome STI Plan 2022	Revenue Outcome + EBITDA Outcome + Individual Outcome = STI Plan Outcome	

1 Amount that would be paid for delivering stretch performance.
2 Incremental payment is made between Threshold and Target, as well as between Target and Stretch points.

Why were these performance measures chosen?

The Board considers the financial measures to be appropriate as they are aligned with the Group's objective of delivering profitable growth and, ultimately, improved shareholder returns. The non-financial performance measures for the CEO have been set by the Board to drive strategic initiatives, leadership performance and behaviours consistent with the Group's corporate philosophy and its overall business strategy. The CEO sets individual and business key performance indicators for the executive team in consultation with the Board.

5.3 Long term incentive

The following table summarises the key components and operation of the Group's LTI plan:

	Long term incentive Summary
KMP participants	CEO and CFO
Award type	Performance rights
Performance period	The performance rights allocated during the year are subject to a three-year performance period beginning 1 July 2021 and ending on 30 June 2024. The Group refers to this grant as the "LTI Plan 2024" as the performance period ends in FY24.
Performance metrics	**Metric** – **Weighting** CAGR – Revenue: 25% CAGR – EPS: 50% rTSR: 25%
When are performance conditions tested?	Incentive payments are determined in line with the approval of the Financial Statements at the end of the performance period.
How is the LTI grant determined?	The number of performance rights issued to each executive is calculated by dividing their 'maximum LTI' value by the value per right. The value per right is determined on a face value basis using a 10-day volume-weighted average price (VWAP) of Company shares traded on ASX over the period 2 August to 15 August 2021, representing the five working days before, and the five working days after annual results. Each performance right is a right to acquire one share in REA Group Ltd upon vesting.
Maximum LTI value	**CEO**: $2,500,000 delivered in performance rights **CFO**: $860,000 delivered in performance rights
Relationship between performance and vesting	The following vesting schedule applies to the Revenue and EPS hurdles for the LTI Plan 2024 granted this year. The LTI Plan 2022 that was performance tested at the end of this financial year had 43.5% vesting as performance was between threshold and target. **Performance level** – **% of maximum awards vesting**[1] Below Threshold: 0% vesting Threshold: 30% vesting Target: 50% vesting Stretch: 100% vesting

rTSR

Relative TSR compared to a select group of 39 ASX150 companies (excluding mining and resources, energy and infrastructure, materials, industrials and healthcare companies) measured over the period 1 July 2021 to 30 June 2024.

The peer group at the beginning of the performance period for the rTSR performance hurdle comprised:

- Altium
- Appen
- Aristocrat Leisure
- carsales.com.au
- Charter Hall Group
- Coles Group
- Computershare
- Crown Resorts
- Dexus
- Domain
- Domino's Pizza Enterprises
- Flight Centre Travel Group
- Goodman Group
- GPT Group
- JB Hi-Fi
- Lendlease Group
- Link Administration Holdings
- Metcash
- Mirvac Group
- National Storage
- NextDC
- Nine Entertainment Company
- Scentre Group
- SEEK
- Shopping Centres Australia Property Group
- Stockland
- Super Retail Group
- Tabcorp Holdings
- Telstra Corporation
- The a2 Milk Company
- The Star Entertainment Group
- TPG Telecom
- Treasury Wine Estates
- Unibail-Rodamco-Westfield
- Vicinity Centres
- Wesfarmers
- Wisetech Global
- Woolworths Group
- Xero

The following vesting schedule applies to the rTSR performance hurdle for the LTI Plan 2024 granted this year.

Performance level	% of maximum awards vesting[1]
Below Threshold	0% vesting
Threshold	37.5% vesting
Stretch	100% vesting

1 Incremental vesting is made between Threshold and Target, as well as between Target and Stretch points.

Why were these performance conditions chosen?

The Board considers the combination of the Revenue and EPS hurdles to be an appropriate counterbalance to ensure that any 'top line' growth is long term focused and balanced with an improvement in earnings.

In particular, revenue is considered to be an appropriate hurdle given that the Group continues to pursue growth.

Additionally, the Board selected EPS as a performance measure on the basis that it:

- is an indicator of increasing shareholder value; and
- provides an appropriate balance to the revenue target, as revenue growth needs to be pursued in a way that grows earnings.

Relative Total Shareholder Return (rTSR) was again chosen as a performance condition to provide a direct link between the experience of the Company's shareholders and executive long-term rewards.

Are there any restrictions placed on the rights?

Group policy prohibits executives from entering into transactions or arrangements which operate to transfer or limit the economic risk of any securities held under the LTI Plan while those holdings are subject to performance hurdles or are otherwise unvested.

What happens in the event of a change of control?

In accordance with the LTI Plan rules, the Board has discretion to waive any vesting conditions attached to the performance rights in the event of a change of control.

What happens if the executive ceases employment?

Unvested performance rights lapse on cessation of employment except to the extent that the Board exercises a discretion to allow them to remain on foot. Generally, where the Board has exercised its discretion in the past it has done so where REA Group has terminated an executive's employment with notice (a 'good leaver') and in that circumstance has allowed retention of a pro-rata portion (by reference to time served in the performance period), with the unvested rights continuing until the usual performance testing date, without acceleration of vesting.

5.4 Service agreements

The table below sets out the main terms and conditions of the employment contracts of the CEO and CFO. All contracts are for unlimited duration.

Title	Notice Period / Termination Payment
CEO / CFO	• 9 months for the CEO and 6 months for the CFO (or payment in lieu) • Immediate termination for misconduct, breach of contract or bankruptcy • Statutory entitlements only for termination with cause • Where employment terminates prior to STI or LTI vesting due to resignation or termination for cause, all holdings and short-term incentive payments are forfeited, with the exception of Restricted Shares issued under STIP Deferral, which are subject to forfeiture only in more limited circumstances. Good leaver provisions apply as detailed in Section 5.3

5.5 Executive remuneration table

Details of the remuneration paid to KMP for the 2022 and 2021 financial years are set out as follows:

KMP	Short term employee benefits			Post-employment benefits[5]	Long term employee benefits	Deferred STI Plan[2]	LTI Plan[3]	Total	Performance related %	LTIP %
	Salary	STI Plan[1]	Other[4]							
O Wilson										
2022	**1,626,432**	**1,243,283**	**-**	**23,568**	**98,448**	**496,888**	**835,496**	**4,324,115**	**60%**	**19%**
2021	1,378,306	1,128,855	-	21,964	63,058	483,795	1,287,130	4,363,108	66%	30%
J Hopkins										
2022	**946,432**	**569,952**	**-**	**23,568**	**7,366**	**223,120**	**356,233**	**2,126,671**	**54%**	**17%**
2021	848,306	662,074	-	21,964	4,323	309,868	419,724	2,266,259	61%	19%
Total										
2022	**2,572,864**	**1,813,235**	**-**	**47,136**	**105,814**	**720,008**	**1,191,729**	**6,450,786**	**58%**	**18%**
2021	2,226,612	1,790,929	-	43,928	67,381	793,663	1,706,854	6,629,367	65%	26%

1 STI Plan represents accrued payment for the current year net of under/over accrual from prior year.
2 Deferred STI Plan represents restricted shares awarded in the Group's STI Plan net of under/over accrual from prior year.
3 LTI Plan represents accrued expenses amortised over vesting period of grant. Refer to Note 15 of the Financial Statements.
4 Other includes non-monetary benefits.
5 Post-employment benefits relates to Australian superannuation contributions.

6. Non-executive director remuneration

6.1 Policy

Overview of policy

The Board seeks to set the fees for the Non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

During 2022 the Board's policy was that the Chairman and Directors – other than current News Corp employees – receive remuneration for their services as Directors.

Promote independence and objectivity

The Chairman and Non-executive Director remuneration consists only of fixed fees (inclusive of superannuation).

To preserve independence and impartiality, Non-executive Directors do not receive any performance related compensation.

Aggregate fees approved by shareholders

The current aggregate fee pool for the Non-executive Directors of $1,900,000 was approved by shareholders at the 2021 AGM.

Board and Committee fees, as well as statutory superannuation contributions made on behalf of the Non-executive Directors, are included in the aggregate fee pool.

Regular reviews of remuneration

The Chairman and Non-executive Director fees are reviewed regularly and set and approved by the Board based on benchmarking, undertaken by external consultants, against other ASX companies of a comparable size. The last increases to Chairman and Non-executive Director fees were effective 1 July 2021.

6.2 Non-executive Director fees

The table below shows the structure and level of annualised Non-executive Director fees.

Fee applicable	Year	Chair $	Member $
Board	**2022**	**575,000**	**195,000**
	2021	495,000	180,000
Audit, Risk & Compliance Committee	**2022**	**50,000**	**25,000**
	2021	40,000	21,000
Human Resources Committee	**2022**	**41,000**	**22,000**
	2021	37,000	20,000

6.3 Non-executive Director remuneration

Details of remuneration for the Chairman and independent Non-executive Directors are set out in the table below. As outlined above, two of the non-independent Directors do not receive any directors' fees as they are current News Corp employees.

Remuneration applicable	Year	Fees and allowances $	Post-employment benefits[5] $	Total $
H McLennan (Chairman)	**2022**	**551,432**	**23,568**	**575,000**
	2021	473,306	21,694	495,000
R Freudenstein	**2022**	**220,000**	**22,000**	**242,000**
	2021	201,826	19,174	221,000
N Dowling	**2022**	**214,545**	**21,455**	**236,000**
	2021	190,411	18,089	208,500
J Lambert[1]	**2022**	**243,432**	**23,568**	**267,000**
	2021	127,345	12,098	139,443
K Bayer Rosmarin[2]	**2022**	**100,000**	**10,000**	**110,000**
	2021	-	-	-
R Amos[3]	**2022**	**-**	**-**	**-**
	2021	83,497	7,932	91,429
K Conlon[4]	**2022**	**80,834**	**8,083**	**88,917**
	2021	209,571	19,909	229,480
Total	**2022**	**1,410,243**	**108,674**	**1,518,917**
	2021	1,285,956	98,896	1,384,852

1 J Lambert was appointed as an independent non-executive director on 1 December 2020, replacing R Amos as the Chair of the Audit, Risk & Compliance Committee.
2 K Bayer Rosmarin was appointed as an independent non-executive director on 1 January 2022.
3 R Amos retired as an independent non-executive director on 17 November 2020.
4 K Conlon retired as an independent non-executive director on 11 November 2021.
5 Post-employment benefits relates to Australian superannuation contributions.

7. Shareholdings of key management personnel and Board of Directors

The numbers of ordinary shares in the Company held during the financial year (directly and indirectly) by each Non-executive Director and KMP of the Group, including their related parties are set out below[1]:

	Balance at 1 July 2021	Received upon vesting[5]	Purchase / (Sale) of shares	Balance at 30 June 2022[2]
Executives				
O Wilson	12,000	6,388	-	**18,388**
J Hopkins	886	903	-	**1,789**
Non-executive directors				
H McLennan	1,095	-	-	**1,095**
K Conlon[3]	2,248	-	-	**2,248**
N Dowling	433	-	323	**756**
T Fellows[6]	7,386	-	-	**7,386**
R Freudenstein	1,470	-	-	**1,470**
J Lambert	-	-	400	**400**
K Bayer Rosmarin[4]	146	-	-	**146**

1 If KMP or non-executive director is not listed, there are no shares held.
2 Includes shares held directly, indirectly or beneficially by KMP.
3 The closing balance for K Conlon reflects her shareholding on the date she ceased being a non-executive director being 11 November 2021.
4 The opening balance for K Bayer Rosmarin reflects her shareholding on the date she commenced being a non-executive director.
5 Includes the vesting of performance rights, and the release of restricted shares.
6 T Fellows also holds 53,224 Class A shares in News Corporation.

The table below sets out the number and movement of Restricted Share awards held by executives. Restricted Shares are generally issued under STIP Deferral (Restricted Equity):

	Balance at 1 July 2021	Granted/acquired[1]	Received upon vesting	Balance at 30 June 2022
Executives				
O Wilson	-	3,080	(1,540)	**1,540**
J Hopkins	-	1,806	(903)	**903**

1 Restricted Shares granted under the Group's 2021 STI Plan, with 50% vesting on 30 June 2022 and 50% on 30 June 2023. Refer to Section 5.2 for further details on the Group's short term incentive arrangements.

Declaration

This Directors' Report and Remuneration Report is made in accordance with a resolution of Directors.

Mr Hamish McLennan
Chairman

Mr Owen Wilson
Chief Executive Officer

Melbourne
8 August 2022

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Consolidated Income Statement
for the year ended 30 June 2022

	Notes	**2022 $M**	2021 $M
Revenue from property and online advertising	3	**1,102.3**	903.8
Revenue from financial services	3	**325.1**	101.6
Expense from franchisee commissions	3	**(267.2)**	(77.6)
Revenue from financial services after franchisee commissions		**57.9**	24.0
Total operating income	3	**1,160.2**	927.8
Employee benefits expenses	14	**(300.6)**	(234.2)
Consultant and contractor expenses		**(20.4)**	(10.0)
Marketing related expenses		**(81.8)**	(58.3)
Technology and other expenses		**(66.3)**	(44.3)
Operations and administration expense		**(43.3)**	(41.1)
Share of gains/(losses) of associates	18	**(21.9)**	12.6
Net gain on acquisition, disposal or closure of subsidiaries, associates and operations	9(b), 17	**22.0**	3.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**647.9**	555.6
Depreciation and amortisation expense	4	**(93.1)**	(82.6)
Profit before interest and tax (EBIT)		**554.8**	473.0
Net finance expense	4	**(6.9)**	(4.6)
Profit before income tax		**547.9**	468.4
Income tax expense	7	**(176.2)**	(155.4)
Profit for the year		**371.7**	313.0
Profit / (loss) for the year is attributable to:			
Non-controlling interest		**(13.1)**	(9.7)
Owners of the parent		**384.8**	322.7
		371.7	313.0
Earnings per share attributable to the ordinary equity holders of REA Group Ltd			
Basic earnings per share	5	**291.3**	244.6
Diluted earnings per share	5	**291.3**	244.6

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	2022 **$M**	2021 $M
Profit for the year	**371.7**	313.0
Other comprehensive income		
Items that may be reclassified subsequently to the Consolidated Income Statement		
Exchange differences on translation of foreign operations, net of tax	**51.5**	(32.8)
Other comprehensive income / (loss) for the year, net of tax	**51.5**	(32.8)
Total comprehensive income for the year	**423.2**	280.2
Total comprehensive income / (loss) for the year is attributable to:		
Non-controlling interest	**(8.7)**	(9.7)
Owners of the parent	**431.9**	289.9
Total comprehensive income for the year	**423.2**	280.2

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
as at 30 June 2022

	Notes	2022 $M	2021 $M Restated[1]
ASSETS			
Current assets			
Cash and cash equivalents	8	**248.2**	168.9
Trade and other receivables	12	**155.7**	147.9
Commission contract assets	9	**156.1**	148.7
Assets held for sale	17	**-**	221.6
Total current assets		**560.0**	687.1
Non-current assets			
Property, plant and equipment	20	**82.4**	89.4
Intangible assets	6	**842.3**	833.2
Other non-current assets	9	**23.9**	5.0
Investment in associates	18	**637.3**	309.2
Commission contract assets	9	**422.9**	431.3
Total non-current assets		**2,008.8**	1,668.1
Total assets		**2,568.8**	2,355.2
LIABILITIES			
Current liabilities			
Trade and other payables	13	**114.0**	95.7
Current tax liabilities		**2.0**	15.1
Provisions		**15.4**	13.8
Contract liabilities	3	**87.6**	75.8
Interest bearing loans and borrowings	9	**8.6**	8.8
Commission liabilities	9	**122.2**	113.9
Liabilities held for sale		**-**	28.5
Total current liabilities		**349.8**	351.6
Non-current liabilities			
Other non-current payables		**11.6**	7.5
Deferred tax liabilities	7	**20.2**	32.0
Provisions		**15.4**	13.1
Interest bearing loans and borrowings	9	**478.4**	486.8
Commission liabilities	9	**330.1**	325.0
Total non-current liabilities		**855.7**	864.4
Total liabilities		**1,205.5**	1,216.0
Net assets		**1,363.3**	1,139.2
EQUITY			
Contributed equity	11	**146.4**	152.1
Reserves	11	**88.5**	40.4
Retained earnings		**1,067.1**	876.5
Parent interest		**1,302.0**	1,069.0
Non-controlling interest	11	**61.3**	70.2
Total equity		**1,363.3**	1,139.2

[1] Comparative information for the year ended 30 June 2021 has been restated due to the finalisation of a purchase price allocation (**PPA**) adjustment. Refer to Note 16 for further details.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2022

	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Parent interest $M	Non-controlling interest $M	Total equity $M
Balance at 1 July 2021		**152.1**	**40.4**	**876.5**	**1,069.0**	**70.2**	**1,139.2**
Profit for the year		**-**	**-**	**384.8**	**384.8**	**(13.1)**	**371.7**
Other comprehensive income	11	**-**	**47.1**	**-**	**47.1**	**4.4**	**51.5**
Total comprehensive income for the year		**-**	**47.1**	**384.8**	**431.9**	**(8.7)**	**423.2**
Transactions with owners in their capacity as owners							
Share-based payment expense	15	**-**	**11.3**	**-**	**11.3**	**-**	**11.3**
Acquisition of treasury shares	11	**(16.0)**	**-**	**-**	**(16.0)**	**-**	**(16.0)**
Settlement of vested performance rights	11	**10.3**	**(10.3)**	**-**	**-**	**-**	**-**
Dividends paid	10	**-**	**-**	**(194.2)**	**(194.2)**	**(0.2)**	**(194.4)**
Balance at 30 June 2022		**146.4**	**88.5**	**1,067.1**	**1,302.0**	**61.3**	**1,363.3**

	Note	Contributed equity $M	Reserves $M	Retained earnings $M	Parent interest $M	Non-controlling interest $M	Total equity $M
Balance at 1 July 2020		92.1	67.8	704.3	864.2	0.4	864.6
Profit for the year		-	-	322.7	322.7	(9.7)	313.0
Other comprehensive income	11	-	(32.8)	-	(32.8)	-	(32.8)
Total comprehensive income for the year		-	(32.8)	322.7	289.9	(9.7)	280.2
Transactions with owners in their capacity as owners							
Share-based payment expense	15	-	9.1	-	9.1	-	9.1
Acquisition of treasury shares	11	(3.7)	-	-	(3.7)	-	(3.7)
Settlement of vested performance rights	11	3.7	(3.7)	-	-	-	-
Issue of new shares	11	59.8	-	-	59.8	-	59.8
Acquired minority interest	11	-	-	-	-	81.3	81.3
Dividends paid	10	-	-	(150.5)	(150.5)	(0.2)	(150.7)
Change in non-controlling interest	11	0.2	-	-	0.2	(1.6)	(1.4)
Balance at 30 June 2021		152.1	40.4	876.5	1,069.0	70.2	1,139.2

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 $M	2021 $M
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**1,288.4**	997.4
Payments to suppliers and employees (inclusive of GST)		**(592.7)**	(472.0)
		695.7	525.4
Interest received		**1.3**	2.5
Interest paid		**(7.3)**	(6.1)
Income taxes paid		**(202.1)**	(200.4)
Net cash inflow from operating activities	8	**487.6**	321.4
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		**-**	(267.4)
Payment for investment in associates	18	**(87.6)**	(34.0)
Proceeds from sale of business assets		**0.4**	-
Payment for property, plant and equipment		**(7.6)**	(2.7)
Payment for intangible assets	6	**(87.4)**	(64.2)
Investments in short term funds		**(6.9)**	-
Payment for financial assets		**(5.6)**	(11.8)
Purchase of subsidiary shares from non-controlling interest		**-**	(1.4)
Net cash outflow from investing activities		**(194.7)**	(381.5)
Cash flows from financing activities			
Dividends paid to company's shareholders	10	**(194.2)**	(150.4)
Dividends paid to non-controlling interests in subsidiaries		**(0.2)**	(0.2)
Payment for acquisition of treasury shares		**(16.0)**	(3.7)
Proceeds from borrowings	9	**413.7**	413.4
Repayment of borrowings and leases	9	**(422.3)**	(247.2)
Related party loan to associate		**(0.4)**	-
Net cash inflow / (outflow) from financing activities		**(219.4)**	11.9
Net (decrease)/increase in cash and cash equivalents		**73.5**	(48.2)
Cash and cash equivalents at the beginning of the year		**168.9**	222.8
Cash and cash equivalents held for sale at the beginning / (end) of the year		**4.9**	(4.9)
Effects of exchange rate changes on cash and cash equivalents		**0.9**	(0.8)
Cash and cash equivalents at end of the year	8	**248.2**	168.9

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Corporate information

REA Group Ltd (the **Company**) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

The consolidated Financial Statements of the Company as at and for the year ended 30 June 2022 comprise the Financial Statements of the Company and its subsidiaries, together referred to in these Financial Statements as the '**Group'** and individually as the '**Group entities'**.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

The consolidated Financial Statements of the Company for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 8 August 2022. Directors have the power to amend and reissue the financial statements.

1. Basis of preparation

- REA Group Ltd and its controlled entities (together referred to as the '**Group**') is a for-profit entity and is primarily involved in providing property and property-related services on websites and mobile apps across Australia and India.
- These general purpose Financial Statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**).
- The Financial Statements also comply with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**).
- These Financial Statements have been prepared on a going concern basis under the historical cost convention except for financial assets and liabilities measured at fair value.
- The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires the exercise of judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed separately in each relevant note.
- The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Financial Statements. Amounts in the Financial Statements have been rounded off in accordance with that Instrument to the nearest million and one decimal place unless otherwise stated.

OUR PERFORMANCE

This section highlights the performance of the Group for the year, including results by operating segment, revenue, expenses, earnings per share, intangible assets and the annual impairment assessment, and income tax expense.

2. Segment information

Accounting policies

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, being the CEO, who provides the strategic direction and management oversight of the company through the monitoring of results and approval of strategic plans for the business. The Group's operating segments are determined firstly based on location, and secondly by function, of the Group's operations.

Following the divestment of the Malaysia and Thailand businesses, resulting in structural and operational changes, the Group completed a review of the reporting segments. As a result of the review, the Group's reporting segments are outlined below:

- Australia – Property & Online Advertising: includes property & online advertising across Australia and the equity investments of Campaign Agent Pty Ltd, Realtair Pty Limited and Managed Platforms Pty Ltd.
- Australia – Financial Services: includes Mortgage Choice (consolidated from 1 July 2021), Smartline, REA Home Loans and equity investment of Simpology Pty Limited.
- India – includes REA India Pte. Ltd.
- International – includes equity investments in Move, Inc. and PropertyGuru Group Limited.
- Corporate – includes the costs of certain head office functions that are not considered appropriate to be allocated to the Group's operating businesses.

The Group has two revenue streams, the first of which is the provision of advertising and other property-related services to the real estate industry. While the Group offers different brands to the market from this stream, it is considered that this offering is a single type of product/service, from which the Property & Online Advertising operating segments in each of Australia, India and International derive their revenues.

The second revenue stream comes from the Financial Services operating segment in Australia, which derives its revenue through commissions earned from mortgage broking and home financing solutions offered to consumers. Intersegment transactions are reported separately, with intersegment revenue eliminated from total reported revenue of the Group.

The following tables present operating income and results by operating segments for the years ended 30 June 2022 and 30 June 2021.

2022	**Australia**		**India**	**International**	**Corporate**	**Total**
	Property & Online Advertising	**Financial Services**				
	$M	**$M**	**$M**	**$M**	**$M**	**$M**
Segment operating income[1]						
Total segment operating income[1]	**1,007.5**	**67.2**	**53.9**	**-**	**-**	**1,128.6**
Segment operating income – other[2]	**41.8**	**-**	**-**	**-**	**-**	**41.8**
Inter-segment operating income	**(0.9)**	**-**	**-**	**-**	**-**	**(0.9)**
Trail commission integration adjustment	**-**	**-**	**-**	**-**	**(9.3)**	**(9.3)**
Operating income[1]	**1,048.4**	**67.2**	**53.9**	**-**	**(9.3)**	**1,160.2**
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	**721.8**	**9.3**	**(34.9)**	**-**	**(25.7)**	**670.5**
Share of gains / (losses) of associates[3]	**(3.7)**	**(1.3)**	**-**	**(16.9)**	**24.9**	**3.0**
Segment EBITDA from core operations	**718.1**	**8.0**	**(34.9)**	**(16.9)**	**(0.8)**	**673.5**
Restructure costs	**-**	**-**	**-**	**-**	**(3.1)**	**(3.1)**
Net gain on acquisitions disposals and closure of subsidiaries, associates and operations[4,5]	**-**	**-**	**-**	**-**	**22.0**	**22.0**
Associate IPO and restructuring costs[3]	**-**	**-**	**-**	**-**	**(24.9)**	**(24.9)**
Integration costs (including trail commission adjustment)	**-**	**-**	**-**	**-**	**(19.6)**	**(19.6)**
EBITDA	**718.1**	**8.0**	**(34.9)**	**(16.9)**	**(26.4)**	**647.9**
Depreciation and amortisation						**(93.1)**
EBIT						**554.8**
Net finance expense						**(6.9)**
Profit before income tax						**547.9**

[1] This represents revenue less commissions for Financial Services.
[2] This represents the former Asia operations, being Malaysia, Thailand and Hong Kong (Note 17), inclusive of MyFun and legacy Asia operations which has been integrated into the Australian operations.
[3] Inclusive of $24.9 million of associate restructuring and transaction costs reflecting REA's share of costs incurred by PropertyGuru.
[4] Comprised of $15.8 million gain relating to the divestment of Malaysia, Thailand and 99 Group shareholder rights; $9.0 million loss relating to the divestment of Hong Kong assets to 28Hse, closure of Hong Kong operations and rationalisation of the remaining Asia subsidiaries; and $5.7 million reduction of 99 Group SPV financial asset.
[5] The impact of the deemed disposal as a result of the dilution from the initial public offering (IPO) of PropertyGuru resulted in a $20.9 million gain.

2021 Restated	**Australia**		**India[5]**	**International**	**Corporate**	**Total**
	Property & Online Advertising	**Financial Services**				
	$M	**$M**	**$M**	**$M**	**$M**	**$M**
Segment operating income[1]						
Total segment operating income[1]	848.1	24.0	17.3	-	-	889.4
Segment operating income – other[2]	41.0	-	-			41.0
Inter-segment operating income	(2.6)	-	-	-	-	(2.6)
Operating income[1]	886.5	24.0	17.3	-	-	927.8
Results						
Segment EBITDA from core operations (excluding share of gains and losses of associates)	590.2	6.4	(18.0)	-	(22.9)	555.7
Share of gains/(losses) of associates[3]	(4.3)	-	(2.4)	19.3	(3.5)	9.1
Segment EBITDA from core operations	585.9	6.4	(20.4)	19.3	(26.4)	564.8
Restructure costs	-	-	-	-	(0.9)	(0.9)
Net loss on acquisitions, disposals and closure of subsidiaries and operations[3]	-	-	-	-	(1.1)	(1.1)
Integration costs	-	-	-	-	(3.9)	(3.9)
Historic tax provision[4]	-	-	-	-	(3.3)	(3.3)
EBITDA	585.9	6.4	(20.4)	19.3	(35.6)	555.6
Depreciation and amortisation						(82.6)
EBIT						473.0
Net finance expense						(4.6)
Profit before income tax						468.4

[1] This represents revenue less commissions for Financial Services.
[2] This represents the former Asia operations, being Malaysia, Thailand and Hong Kong (Note 17), inclusive of MyFun and legacy Asia operations which has been integrated into the Australian operations.
[3] Inclusive of $3.5 million gain relating to Move, Inc. sale of Top Producer.
[4] Historic indirect tax provision reflects potential retrospective changes to interpretation of tax law.
[5] Represents REA India Pte. Ltd. which was consolidated in the Group's results from 1 January 2021 and prior to that previously recognised as an investment in associate.

3. Revenue from contracts with customers and other income

(a) Revenue recognition

Accounting policies

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring products or services to a customer. The contract transaction price that will be recognised as revenue excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. Where services have been billed in advance and the performance obligations to transfer the services to the customer have not been satisfied, the consideration received will be recognised as a contract liability until such time when or as those performance obligations are met and revenue is recognised.

The Group's customer contracts may include multiple performance obligations. In these cases, the Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of each distinct service. Standalone selling prices are determined based on prices charged to customers for individual products and services taking into consideration the size and length of contracts, product rate cards and the Group's overall go-to-market strategy.

Contract liabilities relate to consideration received in advance of the provision of goods or services to a customer and primarily arise from the difference in timing between billing and satisfaction of the performance obligation.

Type of revenue	Recognition criteria
Property & online advertising	
Subscription services	Subscription revenues are derived by providing property advertising services over a contracted period. Consideration is recorded as deferred when it is received which is typically at the time of sale and revenue is recognised over time as the customer receives and consumes the benefits of the access to display listings over the contract period. The measurement of progress in satisfying this performance obligation is based on the passage of time (i.e. on a straight-line basis). The amount of revenue recognised is based on the amount of the transaction price allocated to this performance obligation.
Listing depth products	Listing depth revenues are derived by providing property advertising services over a contracted period. Transaction price is allocated to the performance obligations (i.e. upgrades of listings to feature more prominently) and revenue is recognised over time as obligations are satisfied. Depth products are billed monthly in advance and the timing and duration of the contract may result in contract liabilities.
Banner advertising	Revenues from banner advertising are recognised over the time which the advertisements are placed or as the advertisements are displayed, depending on the structure of the contract. Advertising customers are billed on a monthly basis, and contract liabilities may arise between the date of contract commencement and the date all performance obligations are met.
Performance advertising and contracts transactional and other services	Revenues from performance advertising and performance contracts are recognised at a point in time, being when the performance measure occurs and is generated (e.g. cost per click or cost per impression). Customers are billed monthly in arrears. Transactional services revenue is recognised at a point in time when the transaction is completed on the platform. Fees are charged on a transaction basis. Service revenue is recognised at a point in time when services are rendered in relation to providing consulting and facilitation services for properties.
Data revenue	Automated valuation model (**AVM**) income is derived from providing customers access to AVMs over a contracted period. Consideration is received monthly in arrears, with customers charged either a flat monthly fee or based on volume. Revenue is recognised over time where a flat fee is charged as the performance obligation is to stand ready to provide services, whereas volume driven fees are recognised at a point in time when the valuation is performed.

	Platform build revenue is recognised based on contract milestones. Where the Group has an enforceable right to payment for performance completed to date and no alternative use for the asset, it recognises revenue for the period build, based on time incurred. Platform licence fees are recognised over time as the customer receives and consumes the benefits of the access to the platform evenly over time.
Financial services	
Lender commissions	The Group provides mortgage broking services, where the service provided by the Group is to establish a loan contract between financial institutions and the borrower. No other services are provided by the Group to the borrower on behalf of the financial institution once the loan has been established. In exchange for that mortgage broking service, the Group is entitled to consideration in the form of an upfront commission and a trail commission. The upfront commission is recognised once the loan has been established and is subject to a clawback provision. The trail commission is received over the life of the loan to the extent that the borrower continues to hold the loan with the financial institution. The outcomes of both these uncertainties are outside the control of the Group, however the Group has extensive historical data and incorporates current market data to support the assessment of the consideration. Both commissions are accounted for as variable consideration and are estimated on an expected value basis. The estimated amount is included in the transaction price to the extent it is highly probable that a change in the upfront commissions or trail commission estimation would not result in a significant reversal of the cumulative revenue recognised. Revenue is updated each reporting period based on any changes in the estimates of variable consideration.

The Group applies the practical expedients in accordance with AASB 15 *Revenue from Contracts with Customers* paragraph 94, to expense the commissions in relation to obtaining contracts, and AASB 15 paragraph 121, to be exempt from disclosure of information about remaining performance obligations where the performance obligations are part of contracts that have original expected durations of one year or less, or remaining performance obligations where we have a right to consideration from a customer in an amount that corresponds directly with the value provided to the customer for the entity's performance obligations completed to date.

(b) Revenue from contracts with customers reconciliation

	Consolidated for the year ended 30 June 2022			
Total revenue for the Group: *Timing of revenue*	**Property & Online Advertising $M**	**Financial Services $M**	**India $M**	**Total $M**
Services transferred at a point in time	**16.6**	**325.1**	**24.6**	**366.3**
Services transferred over time	**1,031.8**	**-**	**29.3**	**1,061.1**
Total revenue	**1,048.4**	**325.1**	**53.9**	**1,427.4**

Restated[1]	Consolidated for the year ended 30 June 2021			
Total revenue for the Group: *Timing of revenue*	**Property & Online Advertising $M**	**Financial Services $M**	**India $M**	**Total $M**
Services transferred at a point in time	14.7	101.6	8.4	124.7
Services transferred over time	871.8	-	8.9	880.7
Total revenue	886.5	101.6	17.3	1,005.4

[1] Comparative information for the year ended 30 June 2021 has been restated for the effects of changes in reportable segments.

Reconciliation of operating income:

	2022 $M	2021 $M
Total revenue	**1,427.4**	1,005.4
Expense from franchisee commissions	**(267.2)**	(77.6)
Total operating income	**1,160.2**	927.8

(c) Contract liabilities

As of 1 July 2021, contract liabilities amounted to $75.8 million, of which $75.8 million was recognised during the year ended 30 June 2022 (FY21: $61.5 million was recognised during the year ended 30 June 2021 relating to opening contract liabilities of $61.5 million).

4. Expenses

	2022 $M	2021 $M
Profit before income tax includes the following specific expenses:		
Finance (income)/expense		
Interest income	**(1.3)**	(2.2)
Interest expense	**8.1**	6.5
Foreign exchange loss - financing	**0.1**	0.3
Total finance expense	**6.9**	4.6
Depreciation of property, plant and equipment	**16.0**	17.4
Amortisation of intangibles	**77.1**	65.2
Total depreciation and amortisation expense	**93.1**	82.6
Advertising placement costs	**31.5**	15.3
Net foreign exchange (gain)/loss	**(1.6)**	1.9

5. Earnings per share (EPS)

Accounting policies

The Group presents basic and diluted earnings per share in the Consolidated Income Statement.

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year. There are no **dilutive** potential ordinary shares.

	2022 **Cents**	2021 Cents
(a) Earnings per share Basic and diluted earnings per share attributable to the ordinary equity holders of the company	**291.3**	244.6
(b) Reconciliation of earnings used in calculating earnings per share Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	**384.8**	322.7
(c) Weighted average number of shares Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share[1]	**132,117,217**	131,927,327

1 The Group does not have any dilutive potential ordinary shares. There is no effect of the share rights granted under the share-based payment plans on the weighted average number of ordinary shares, as shares are purchased on-market.

6. Intangible assets and impairment

Accounting policies

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is not amortised and is measured at cost less any impairment losses.

IT development and software costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and services and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Other intangible assets such as customer contracts and brands acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of the intangible assets, ranging from three to 17 years for customers contracts, and 15 years for those brands that do not have an indefinite useful life (for which no amortisation charge is recognised).

Impairment testing is performed annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

The Group identifies its cash generating units (**CGU's**), which are the smallest identifiable groups of assets that generate cash inflows largely independent of cash inflows of other assets or other groups of assets. The Group monitors goodwill at a segment level and the carrying amount of goodwill acquired through business combinations has been assessed for impairment testing on that basis. An impairment loss is charged to the income statement to reduce the carrying amount in the balance sheet to its recoverable amount. The recoverable amount is the higher of an asset's or CGU's value in use or fair value less cost of disposal.

Key estimate and judgement	
	The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. All estimates require management judgements and assumptions and are subject to risk and uncertainty that may be beyond the control of the Group. The recoverable amount of an asset or CGU is the higher of its fair value less costs of disposal and its value in use. The determination of recoverable amount requires the estimation and discounting of future cash flows. These estimates include establishing forecasts of future financial performance, discount rates and terminal growth rates. Each of these is based on a 'best estimate' at the time of performing the valuation, and by definition, the estimate will seldom equal the related actual results. The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial year end. The estimation of useful lives of assets has been based on historic experience and turnover policies. Any changes to useful lives may affect prospective amortisation rates and asset carrying values. In assessing whether a brand has a finite or indefinite useful life, the Group makes use of information on the long-term strategy of the brand, the level of growth or decline of the markets that the brand operates in, the history of the market and the brand's position within that market. Assets other than goodwill and intangible assets that have an indefinite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

	Goodwill $M	Software[1] $M	Customer contracts $M	Brands[2] $M	Total $M
Year ended 30 June 2022					
Opening net book amount	**575.8**	**153.0**	**67.6**	**36.8**	**833.2**
Additions - internally generated	**-**	**87.4**	**-**	**-**	**87.4**
Disposals (net of amortisation)	**-**	**(2.3)**	**-**	**-**	**(2.3)**
Amortisation charge	**-**	**(68.7)**	**(4.5)**	**(3.9)**	**(77.1)**
Exchange differences	**-**	**1.1**	**-**	**-**	**1.1**
Closing net book amount	**575.8**	**170.5**	**63.1**	**32.9**	**842.3**
As at 30 June 2022					
Cost	**829.8**	**513.7**	**79.4**	**50.1**	**1,473.0**
Accumulated amortisation and impairment	**(254.0)**	**(343.2)**	**(16.3)**	**(17.2)**	**(630.7)**
Closing net book amount	**575.8**	**170.5**	**63.1**	**32.9**	**842.3**
Year ended 30 June 2021					
Opening net book amount	414.8	123.9	27.6	84.1	650.4
Additions - internally generated	-	64.2	-	-	64.2
Other business combinations[3]	263.7	41.0	46.0	27.0	377.7
Disposals (net of amortisation)	-	(0.9)	-	-	(0.9)
Amortisation charge	-	(62.0)	(3.1)	(0.1)	(65.2)
Transferred to assets held for sale	(102.7)	(11.8)	(2.9)	(74.2)	(191.6)
Exchange differences	-	(1.4)	-	-	(1.4)
Closing net book amount	575.8	153.0	67.6	36.8	833.2
As at 30 June 2021					
Cost	829.8	428.8	79.4	50.1	1,388.1
Accumulated amortisation and impairment	(254.0)	(275.8)	(11.8)	(13.3)	(554.9)
Closing net book amount	575.8	153.0	67.6	36.8	833.2

[1] Software includes capitalised development costs, being an internally generated intangible asset.
[2] Brands includes indefinite life intangible assets allocated to the Financial Services CGU of $11.4 million (FY21: $15.3 million), and to the India CGU of $15.6 million (FY21: $15.6 million).
[3] Acquisitions of Mortgage Choice and REA India.

(a) Impairment tests for goodwill and indefinite life intangibles

The Group monitors goodwill at segment level and the carrying amount of goodwill acquired through business combinations has been assessed for impairment testing as follows:

	Discount rates		Terminal growth rates		Goodwill[1] $M	
	2022	2021	**2022**	2021	**2022**	2021
Australia – Property & Online Advertising[1]	**11.7%**	13.1%	**3.0%**	2.4%	**283.0**	283.0
Australia – Financial Services	**12.4%**	14.4%	**3.0%**	2.4%	**129.5**	129.5
India	**N/A**	N/A	**N/A**	N/A	**163.3**	163.3
Total					**575.8**	575.8

[1] Includes $120.2 million of goodwill that has been integrated into Australia – Property & Online Advertising. Prior to integration, goodwill was tested for impairment with no impairment recognised.

The recoverable amounts for Australia – Property & Online Advertising and Australia Financial Services have been determined based on a value-in-use calculation using cash flow projections based on financial forecasts approved by the Board. These cash flow projections cover a five-year period for Australia – Property & Online Advertising and a seven-year period for Australia Financial Services, to appropriately reflect the growth profile of the respective businesses. Cash flows beyond the final year of cash flows are extrapolated using a terminal growth rate.

The recoverable amount for India has been determined based on a fair value less costs of disposal calculation, based on a market value methodology utilising a revenue multiple and Board approved financial forecasts. The inputs would be categorised as Level 2 within the fair value hierarchy.

(b) Result of impairment testing

The Group has not recorded an impairment charge for the year ended 30 June 2022 (2021: nil).

(c) Key assumptions used for valuation calculations

Discount rates (pre-tax) represent the current market specific to each segment, taking into consideration the time value of money and individual risks that have not been incorporated in the cash flow estimates. The discount rate calculation is based on specific circumstances of the Group and the segment and is derived from its weighted average cost of capital (**WACC**). Segment-specific risk is incorporated by applying additional regional risk factors. The WACC is evaluated annually based on publicly available market data.

Growth rate estimates are based on industry research and publicly available market data. The rates used to extrapolate the cash flows beyond the budget period includes an adjustment to current market rates where required to approximate a reasonable long-term average growth rate. Over the extended forecast period, growth rate assumptions are above the terminal growth rate as the Group operates in a high growth industry.

Real estate industry and lending industry conditions impact assumptions including volume of real estate and borrowing transactions, number of real estate agencies, broker productivity and new development project spend. Assumptions are based on research and publicly available market data.

Revenue trading multiples for comparable companies using FY22 revenue forecasts have been applied.

Cost of disposal are estimated to be 2.5% of incremental costs directly attributable to the disposal of the CGU which is consistent with FY21.

(d) Sensitivity to changes in assumptions

There is no reasonable possible change in a key assumption used to determine the recoverable amount that would result in impairment.

7. Income tax

Accounting policies

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax law in the countries where the subsidiaries, associates, and joint ventures operate and generate taxable income. The Group establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Utilisation of tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Where there are current and deferred tax balances attributable to amounts recognised directly in equity, these are also recognised directly in equity.

Presentation of deferred tax assets and liabilities are on a net basis where the Group intends to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered. Comparative amounts in the Consolidated Statement of Financial Position have been reclassified for consistency.

Tax consolidation legislation

The head entity, REA Group Ltd and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. Details about the tax funding agreement in place between REA Group Ltd and wholly owned entities are disclosed in Note 23.

GST is netted against revenues and expenses, unless the GST is not recoverable from the taxation authority, where it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of Financial Position. Cash flows are presented on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the Voluntary Code). The Voluntary Code recommends additional tax information be publicly disclosed to help educate the public about the corporate sector's compliance with Australia's tax laws. The Group supports the Voluntary Tax Transparency Code as part of our commitment to paying the right amount of tax and complying with all tax laws and signed up to this Voluntary Code in FY19.

Key estimate and judgement	The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. In addition, the Group has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. The Group is also required to assess if it has any uncertain tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the relevant tax authority, and these require additional disclosures.

(a) Income tax expense	**2022 $M**	2021 $M
Current tax	**190.4**	159.1
Adjustments for current tax of prior periods	**(0.7)**	0.3
Deferred tax	**(14.6)**	(4.8)
Adjustments for deferred tax of prior periods	**1.1**	0.8
Total income tax expense reported in the Consolidated Income Statement	**176.2**	155.4

(b) Numerical reconciliation of income tax expense to prima facie tax payable	**2022 $M**	2021 $M
Accounting profit before income tax	**547.9**	468.4
Tax at the Australian tax rate of 30% (2021: 30%)	**164.4**	140.5
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development deduction	**(3.4)**	(1.6)
Share of (gains)/losses of associates	**6.6**	(3.8)
Prior period adjustments including research and development claim	**0.4**	1.2
Tax losses not recognised	**12.8**	15.7
(Gain)/loss on acquisitions	**-**	(1.3)
(Gain)/loss on sale of business	**(6.5)**	-
Tax cost setting adjustments for acquired entities	**-**	(0.4)
Transaction costs	**0.2**	2.7
Other	**1.7**	2.4
Total income tax expense reported in the Consolidated Income Statement	**176.2**	155.4

(c) Amounts recognised directly into equity	**2022 $M**	2021 $M
Aggregate current and deferred tax arising in the reporting period and not recognised in the Consolidated Income Statement or other comprehensive income but directly debit/(credit) to equity:		
Current tax – credit directly to equity	**-**	-
Net deferred tax – debit/(credit) directly to equity	**2.3**	(0.4)
Total amount recognised directly into equity	**2.3**	(0.4)

(d) Summary of deferred tax	**2022 $M**	2021 $M
The balances comprise temporary differences attributable to:		
Employee benefits	**16.6**	5.0
Expected credit losses	**1.1**	1.2
Accruals and other	**10.2**	7.7
Intangible assets	**(44.4)**	(53.7)
Foreign currency revaluation of associate	**(3.7)**	(1.5)
Purchase price accounting adjustment	**-**	9.3
Total temporary differences	**(20.2)**	(32.0)
Deferred tax assets	**27.9**	13.9
Deferred tax liabilities	**(48.1)**	(45.9)
Net deferred tax liabilities	**(20.2)**	(32.0)
Movements:		
Opening balance	**(32.0)**	(25.3)
Credit to the Consolidated Income Statement	**13.5**	4.0
(Debit)/Credit to equity	**(2.3)**	0.4
Deferred taxes on acquisition of subsidiary	**0.5**	(38.9)
Transferred to assets held for sale	**-**	18.5
Purchase price accounting adjustment	**-**	9.3
Exchange differences	**0.1**	-
Closing balance	**(20.2)**	(32.0)
Deferred tax assets expected to be recovered within 12 months	**24.1**	11.5
Deferred tax assets expected to be recovered after more than 12 months	**3.8**	2.3
Deferred tax liabilities expected to be payable within 12 months	**-**	-
Deferred tax liabilities expected to be payable after more than 12 months	**(48.1)**	(45.8)
Net deferred tax liabilities	**(20.2)**	(32.0)

(e) Unrecognised temporary differences

The Group has unused revenue tax losses for which no deferred tax asset has been recognised of $256.7 million (2021: $238.0 million) on the basis that it is not probable that the Group will derive future assessable income of a nature and amount sufficient to enable the temporary difference to be realised. Of the $256.7 million, $65.7 million (2021: $49.0 million) has no time limit expiry and $191.0 million (2021: $189.0 million) is subject to a time limit of expiry ranging five to eight years from when the loss was incurred.

The Group has also incurred approximately $650.0 million of capital losses resulting from the wind down of its Asia business units. The precise quantum of these capital losses will be finalised upon lodgement of the Group's respective FY22 income tax returns.

RETURNS, RISK AND CAPITAL MANAGEMENT

This section sets out the policies and procedures applied to manage capital structure and the related risks and rewards. Capital structure is managed in such a way so as to maximise shareholder return, maintain optimal cost of capital and provide flexibility for strategic investment.

8. Cash and cash equivalents

Accounting policies

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months and are subject to an insignificant risk of change in value. For cash flow statement presentation purposes, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

	2022	2021
	$M	$M
Cash at bank and in hand	**247.4**	168.4
Short-term deposits	**0.8**	0.5
Total cash and short-term deposits	**248.2**	168.9

(a) Cash flow reconciliation	**2022**	2021
	$M	$M
Profit for the year	**371.7**	313.0
Depreciation and amortisation	**93.1**	82.6
Share-based payment expense	**10.4**	9.1
Net exchange differences	**(1.6)**	3.7
Share of (gains)/losses of associates	**21.9**	(12.6)
Net gain on acquisitions, disposals and closure of subsidiaries, associates and operations	**(23.1)**	(3.1)
Other non-cash items	**(1.5)**	0.4
Change in operating assets and liabilities		
Acquisition/divestment of net working capital	**(12.2)**	35.4
(Increase) in trade receivables	**(13.1)**	(34.0)
(Increase)/Decrease in other assets	**13.1**	(14.6)
(Increase)/Decrease in net commission assets	**14.5**	(99.4)
(Decrease)/Increase in net deferred tax liabilities	**(11.8)**	25.2
Increase in trade and other payables	**13.3**	26.1
Increase in contract liabilities	**11.8**	18.3
Increase in other liabilities and provisions	**14.2**	14.9
(Decrease) in current tax liabilities	**(13.1)**	(43.6)
Net cash inflow from operating activities	**487.6**	321.4

9. Financial risk management

The financial risks arising from the Group's operations comprise market, credit and liquidity risk. The Group seeks to manage risks in ways that will generate and protect shareholder value. Management of risk is a continual process and an integral part of business management and corporate governance. The Group's risk management strategy is aligned with the corporate strategy and company vision to ensure that it contributes to corporate goals and objectives.

The Board determines the Group's tolerance for risk, after taking into account the strategic objectives, shareholder expectations, financial and reporting requirements and the financial position, organisational culture and the experience or demonstrated capacity in managing risks. Management is required to analyse its business risk in the context of Board expectations, specific business objectives and the organisation's risk tolerance.

One of the key areas of the Group's risk management focus is on financial risk management of financial instruments, used to raise and distribute funds for the Group's operations and opportunities. Borrowings are made at variable interest rates. Cash and cash equivalents draw interest at variable interest rates. All other financial assets and liabilities are non-interest-bearing. The Group holds the following financial instruments:

	Notes	AASB 13 Fair value hierarchy level	AASB 9 Classification	2022 $M	2021 $M
Cash and cash equivalents	8		Amortised cost	**248.2**	168.9
Trade and other receivables[1]	12		Amortised cost	**139.0**	126.4
Investment in short term funds	12	2	FVTPL	**7.4**	0.5
Commission contract assets[2]	9(a)			**579.0**	580.0
Other non-current financial asset[3]	9(b)	3	FVTPL	**19.9**	-
Other assets	9(b)		Amortised cost	**3.6**	4.2
Total financial assets and contract assets				**997.1**	880.0
Non-financial assets				**1,571.7**	1,475.2
Total assets				**2,568.8**	2,355.2
Trade and other payables[4]	13		Amortised cost	**102.8**	89.6
Commission liabilities	9(a)		Amortised cost	**452.3**	438.9
Interest bearing loans and borrowings	9(d)		Amortised cost	**487.0**	495.6
Total financial liabilities				**1,042.1**	1,024.1
Non-financial liabilities				**163.4**	191.9
Total liabilities				**1,205.5**	1,216.0

[1] Excludes Prepayments $9.7 million (2021: $21.8 million) included in Other Receivables.
[2] Commission contract assets are accounted for in accordance with AASB 15, with an Expected Credit Loss (**ECL**) measured in accordance with AASB 9. Refer to Note 9(a) for further details.
[3] The financial asset ($19.9 million) is measured at fair value and uses assumptions that are unobservable inputs categorised as Level 3 within the fair value hierarchy. The Group uses the discounted cash flow method of estimating the fair value of the financial asset and is measured on a non-recurring basis.
[4] Excludes Current Indirect Tax Liability $11.2 million (2021: $6.1 million) included in Other Payables.

The Group assessed that the fair values of cash and cash equivalents, trade receivables and other assets, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. Refer to section (d) for measurement details on borrowings.

(a) Commissions

Accounting policies

On initial recognition at settlement, the Group recognises **trailing commission** revenue and a related commission contract asset representing management's estimate of the variable consideration to be received from completion of the performance obligation. The Group uses the 'expected value' method of estimating variable consideration which requires significant judgement. A significant financing component is also involved when determining this variable consideration. As such, the contract asset is adjusted by recalculating the net present value of estimated future cash flows at the original effective interest rate. The transaction price is a percentage of the expected outstanding balance of the loan.

A corresponding expense and payable is also recognised, initially measured at fair value being the net present value of expected future trailing commission payable to brokers. These calculations require the use of assumptions that are unobservable inputs categorised as Level 3 within the fair value hierarchy. The trail commission liabilities that are initially recognised at fair value are subsequently carried at amortised cost using the effective interest rate (**EIR**) method. Any resulting adjustment to the carrying value is recognised as income or expense in the Consolidated Income Statement.

Key estimate and judgement	The determination of the assumptions used in the valuation of trailing commissions is based primarily on an annual actuarial assessment at year end of the underlying loan portfolio, including historical run-off rate analysis and consideration of current and future economic factors. These factors are complex and the determination of assumptions requires a high degree of judgement.

The key assumptions underlying the expected value calculations of the trailing commission contract asset and the corresponding liability due to franchisees at 30 June are detailed below. The assumptions reflect the 'best estimate' of the trailing commission contract asset and corresponding liability at the time of performing the valuation.

Assumptions	2022	2021	Relationship of assumptions
Weighted average loan life	4.1 years	4.2 years	Average loan life is impacted by the future run-off rate. A reduction in the average loan life as a result of higher run-off would result in a lower net asset position. An increase / decrease by 1.0% in the run-off rate would lead to a movement in the net assets of $4.7 million.
Discount rate per annum	4.5 – 5.5%	4.5 – 6.5%	An increase / decrease by 0.5% in the discount rate would lead to a movement in the net assets of $0.5 million.
Average percentages paid to franchisees	78.0%	75.4%	An increase / decrease by 0.5% in the pay-out rate would lead to a movement in the net assets of $2.6 million.

Future trail commission contract assets are due from a combination of highly rated major lenders. There have been no historical instances where a loss has been incurred, including through the global financial crisis. ECLs are not considered material and consequently have not been recognised. The carrying amounts of contract assets and financial liabilities recognised as they relate to trailing commissions are detailed below:

	2022 $M	2021 $M
Future trailing commission contract asset – current	**129.4**	122.4
Upfront commission contract asset – current	**26.7**	26.3
Total current commission contract assets	**156.1**	148.7
Future trailing commission contract asset – non-current	**422.9**	431.3
Future trailing commission liability – current	**100.5**	92.2
Upfront commission liability – current	**21.7**	21.7
Total current commission liabilities	**122.2**	113.9
Future trailing commission liability – non-current	**330.1**	325.0

(b) Financial assets

Accounting policies

Recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (**SPPI**) on the principal amount outstanding on specified dates. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets at amortised cost is the category most relevant to the Group.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables and other assets (Note 12).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Consolidated Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group does not currently hold investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value, with net changes in fair value recognised in the statement of profit or loss. The Group's financial assets held under this category include investment in short term assets and other non-current financial assets.

Impairment of financial assets and commission contract assets

The Group recognises an allowance for expected credit loss (**ECL**) for all debt instruments not held at fair value through profit or loss and commission contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.
Further information about the Group's ECLs on trade receivables and other assets in Note 12.

On 30 July 2021, as part of the contractual arrangement between the Group and PropertyGuru, the Group divested the shareholder rights associated with the 27% interest in 99 Group and the associated convertible note, and therefore ceased to have significant influence over 99 Group. At 30 June 2021 these assets were classified as held for sale.

As of 30 June 2022, the settlement for this transaction is no longer expected to occur within the next 12 months and is no longer presented as held for sale. Accordingly, the Group recognised a non-current financial asset with a settlement period of up to 30 months. In the unlikely event that the sale proceeds are not settled within that period, a market sale process would be initiated to recover the funds.

The financial asset is measured at fair value and uses assumptions that are unobservable inputs categorised as Level 3 within the fair value hierarchy. Based on the information and assumptions underlying the fair value calculation, the carrying amount was reduced by $5.7 million which is reflected in the Consolidated Income Statement.

(c) Financial liabilities

Accounting policies

Recognition and measurement

Financial liabilities are classified as subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies
- Financial guarantee contracts
- Commitments to provide a loan at a below-market interest rate
- Contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies.

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, commission liabilities and loans and borrowings.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the 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 considering 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. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual drawdown of the facility, are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised on a straight-line basis over the term of the facility. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. This category generally applies to interest-bearing loans and borrowings (refer to section (d)).

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 AASB 9 *Financial Instruments*. Gains or losses on liabilities held for trading are recognised in the Consolidated Income Statement. 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 AASB 9 are satisfied.

(d) Borrowings

Facility[1]	Interest rate	Maturity	2022 $M	2021 $M
Syndicated facility – Tranche A	BBSY + 1.0 – 2.1%	September 2024	**400.0**	-
Syndicated facility – Tranche B[2]	BBSY + 1.15 – 2.25%	September 2025	**13.7**	-
Unsecured bridge facility	BBSY + 0.80%	July 2022	**-**	413.8

[1] The carrying value of the debt approximates fair value.
[2] The undrawn amount at 30 June 2022 was $186.3 million.

(i) Syndicated facility

In September 2021, the Group refinanced the $520 million bridge facility with a new $600 million syndicated facility, split in two tranches: a $400 million three-year facility and $200 million four-year facility. The lenders to the new syndicated facility are National Australia Bank Limited as Lead Arranger, Australia and New Zealand Banking Group Limited, HSBC Bank Australia Limited, ING Bank (Australia) Limited and Commonwealth Bank of Australia. The facilities were recognised initially at fair value net of directly attributable transaction costs. As at 30 June 2022, the Group was in compliance with all applicable debt covenants.

The Group's risk management policies and objectives are summarised on the following page:

(e) Market risk – foreign exchange

Nature of risk	Risk management	Material arrangements	Exposure
Foreign currency risk arises when future transactions or financial assets and liabilities are denominated in a currency other than the entity's functional currency. The Group currently operates internationally and is therefore exposed to foreign exchange risk, relating to the Singapore Dollar (SGD), Indian Rupee (INR), US Dollar (USD), Chinese Yuan (CNY), Arab Emirates Dirham (AED), Hong Kong Dollar (HKD), and Malaysian Ringgit (MYR).	The Group manages foreign currency risk by evaluating its exposure to fluctuations and entering forward foreign currency contracts, where appropriate. The Group also holds foreign currency cash balances in order to fund significant transactions denominated in non-functional currencies.	At the reporting date, cash and cash equivalents included the AUD equivalent of $44.0 million (2021: $14.8 million) in SGD, INR, USD, CNY, AED, HKD, and MYR. At reporting date, no forward or foreign currency contracts were in place. The Group's exposure to foreign currency changes for all other currencies is not considered material.	Sensitivity analysis was performed to illustrate the impact of movements in each foreign currency with all other variables held constant and utilising a range of +5% to -5%: Cash and cash equivalents: the impact to the profit and loss would be between ($2.2 million) and $2.2 million.

(f) Market risk – cash flow interest rate

Nature of risk	Risk management	Material arrangements	Exposure
The Group is exposed to variable interest rate risk on its interest-bearing financial assets and liabilities due to the possibility that changes in interest rates will affect future cash flows. As at 30 June 2022, the Group's primary exposure to interest rate risk arises from interest bearing loans and borrowings (excluding lease liabilities) and cash and cash equivalents. Cash and cash equivalents consist primarily of cash and short-term deposits, which are predominately interest-bearing accounts.	Funds that are excess to short-term liquidity requirements are generally invested in short-term deposits. The Group is primarily exposed to domestic interest rate movements, therefore exposure and impact to foreign interest change is considered immaterial. The Group manages interest rate risk by evaluating its exposure to interest rate changes and entering contracts where appropriate.	As at 30 June 2022, the Group held cash and cash equivalents of $248.2 million (2021: $168.9 million), of which $0.8 million (2021: $0.5 million) was held in short-term deposits. As at 30 June 2022, the Group held interest bearing loans and borrowings (excluding lease liabilities) of $413.7 million (2021: $413.4 million) which are exposed to interest rate movements. See further details in section (d) on the Group's borrowing facilities.	Sensitivity analyses were performed to illustrate the impact of movements in interest rates, with all other variables held constant. Borrowings: the weighted average interest rate for the year ended 30 June 2022 was 1.31% (2021: 0.49%). If the interest rate were to increase or decrease by 10%, the impact to the interest expense would be between $0.5 million and ($0.5 million). Cash and cash equivalents: if cash and cash equivalents were to increase or decrease by 10%, based on historic interest rates, the impact to interest income would be between $0.1 million and ($0.1 million).

(g) Market risk – price

The Group does not have any listed equity securities that are susceptible to market price risk arising, other than the equity accounted investment in PropertyGuru (Note 18) at 30 June 2022 (2021: nil).

(h) Credit risk

Nature of risk	Risk management	Material arrangements	Exposure
Credit risk can arise from the non-performance by counterparties of their contractual financial obligations towards the Group. The Group is exposed to credit risk from its operating activities (primarily from trade receivables and commission contract assets) and from its financing activities, including deposits with financial institutions.	It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which may include an assessment of their financial position, past experience and industry reputation, depending on the amount of credit to be granted. Receivable balances are monitored on an ongoing basis. Refer to Note 12 for further details on the expected credit loss policy. Credit risk arising from other financial assets, i.e. cash and cash equivalents, arises from default of the counterparty. The Group's treasury policy specifies a minimum long term "BB" or better investment grade risk rating for financial institutions in order to transact with the Group.	The gross trade receivables balance at 30 June 2022 was $137.4 million (2021: $125.1 million). Refer to Note 12 for an aging analysis of this balance. As at 30 June 2022, the Group held cash and cash equivalents of $248.2 million (2021: 168.9 million) of which $0.8 million (2021: $0.5 million) was held in short-term deposits.	The Group's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets. Refer to Note 12 for details on the provision for expected credit losses as at 30 June 2022.

(i) Liquidity risk

Nature of risk	Risk management	Material arrangements	Exposure
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations as they fall due. Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.	Liquidity risk is managed via the regular review of forecasted cash inflows and outflows, with any surplus funds being placed in short term deposits to maximise interest revenue. Principally the Group sources liquidity from cash generated from operations and where required external bank facilities.	The gross trade receivables balance at 30 June 2022 was $137.4 million (2021: $125.1 million). Refer to Note 12 for an aging analysis of this balance. As at 30 June 2022, the Group held cash and cash equivalents of $248.2 million (2021: $168.9 million), of which $0.8 million (2021: $0.5 million) was held in short-term deposits. The Group also has access to the Syndicated facility with an undrawn amount of $186.3 million. See further details in section (j) on the Group's contractual maturities of financial assets and liabilities.	The table below categorises the Group's financial liabilities into their relevant maturity groupings. The amounts included are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(j) Contractual maturities of financial liabilities, commissions contract assets and liabilities

	< 6 months	6-12 months	1-2 years	>2 years	Total contractual cash flows	Carrying amount
	$M	$M	$M	$M	$M	$M
At 30 June 2022						
Commission contract assets	**94.5**	**62.3**	**112.5**	**420.7**	**690.0**	**579.0**
Commission contract liabilities	**(52.6)**	**(48.3)**	**(87.7)**	**(329.1)**	**(517.7)**	**(452.3)**
Trade payables	**(102.8)**	**-**	**-**	**-**	**(102.8)**	**(102.8)**
Borrowings	**(5.1)**	**(5.2)**	**(9.1)**	**(478.5)**	**(497.9)**	**(487.0)**
	(66.0)	**8.8**	**15.7**	**(386.9)**	**(428.4)**	**(463.1)**
At 30 June 2021						
Commission contract assets	87.2	67.2	115.4	412.1	681.9	580.0
Commission contract liabilities	(66.7)	(51.0)	(87.4)	(311.2)	(516.3)	(438.9)
Trade payables	(89.6)	-	-	-	(89.6)	(89.6)
Borrowings	(5.3)	(5.5)	(424.0)	(71.8)	(506.6)	(495.6)
	(74.4)	10.7	(396.0)	29.1	(430.6)	(444.1)

(k) Reconciliation of liabilities arising from financing activities

	Balance at 1 July 2021 $M	Additions[1] $M	Principal payments $M	Other $M	Balance at 30 June 2022 $M
Current loans	-	-	-	-	**-**
Current lease liabilities	8.8	0.1	(8.9)	8.6	**8.6**
Total current interest bearing loans and borrowings	**8.8**	**0.1**	**(8.9)**	**8.6**	**8.6**
Non-current loans	413.4	413.7	(413.4)	(2.0)	**411.7**
Non-current lease liabilities	73.4	1.8	-	(8.5)	**66.7**
Total non-current interest bearing loans and borrowings	**486.8**	**415.5**	**(413.4)**	**(10.5)**	**478.4**

[1] Additions include $413.7 million drawdown from new syndicated facility.

	Balance at 1 July 2020 $M	Additions[1] $M	Principal payments $M	Other $M	Balance at 30 June 2021 $M
Current loans	69.5	-	(240.0)	170.5	-
Current lease liabilities	7.0	1.3	(7.2)	7.7	8.8
Total current interest bearing loans and borrowings	76.5	1.3	(247.2)	178.2	8.8
Non-current loans	169.8	413.4	-	(169.8)	413.4
Non-current lease liabilities	80.9	1.6	-	(9.1)	73.4
Total non-current interest bearing loans and borrowings	250.7	415.0	-	(178.9)	486.8

[1] Additions include $2.7 million relating to lease liabilities as part of the acquisition of Mortgage Choice.

10. Dividends

Accounting policies

Dividends determined to be paid are provided for when the dividend is appropriately authorised on or before the end of the reporting period but not distributed at the end of the reporting period.

	2022 $M	2021 $M
Paid during the period (fully franked at 30%)		
Interim dividend for 2022: 75.0 cents (2021: 59.0 cents)	**99.1**	77.9
Final dividend for 2021: 72.0 cents (2020: 55.0 cents)	**95.1**	72.4
Total dividends provided for or paid	**194.2**	150.3
Proposed and unrecognised as a liability (fully franked at 30%)		
Final dividend for 2022: 89.0 cents (2021: 72.0 cents). Proposed dividend is expected to be paid on 15 September 2022 out of retained earnings at 30 June 2022 but is not recognised as a liability at year end	**117.6**	95.1
Franking credit balance (based on a tax rate of 30%)		
Franking credits available for future years, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year	**708.7**	585.9
Impact on the franking account of the dividend recommended by the Directors since year end, but not recognised as a liability at year end	**(50.4)**	(40.8)

11. Equity and reserves

(a) Equity

Accounting policies

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The company does not have authorised share capital or par value in respect of its shares.

The number of ordinary shares issued at 30 June 2022 was 132,117,217 (2021: 132,117,217). The number of treasury shares held at 30 June 2022 was 50,858 (2021: 15,377).

	Contributed equity $M	Other contributed equity $M	Total $M
Balance at 1 July 2020	102.6	(10.6)	92.0
Acquisition of treasury shares	-	(3.7)	(3.7)
Settlement of vested performance rights	-	3.7	3.7
Issue of new shares	59.9	-	59.9
Other – change in non-controlling interest	-	0.2	0.2
Balance at 30 June 2021	**162.5**	**(10.4)**	**152.1**
Balance at 1 July 2021	**162.5**	**(10.4)**	**152.1**
Acquisition of treasury shares	**-**	**(16.0)**	**(16.0)**
Settlement of vested performance rights	**-**	**10.3**	**10.3**
Balance at 30 June 2022	**162.5**	**(16.1)**	**146.4**

(b) Reserves

Accounting policies

Share-based payments reserve represents the value of the grant of rights to executives under the Long Term Incentive Plans and other compensation granted in the form of equity. The amounts are transferred out of the reserve when the rights vest and the shares are purchased on-market. Refer to Note 15 for further details on share-based payment arrangements.

Currency translation reserve is used to record exchange differences arising from the translation of the Financial Statements of its overseas subsidiaries and equity investments.

	Share-based payments reserve $M	Currency translation reserve $M	Total $M
Balance at 1 July 2020	9.0	58.8	67.8
Foreign currency translation differences	-	(32.8)	(32.8)
Total other comprehensive gain	-	(32.8)	(32.8)
Share-based payments expense	9.1	-	9.1
Settlement of vested performance rights	(3.7)	-	(3.7)
Balance at 30 June 2021	**14.4**	**26.0**	**40.4**
Balance at 1 July 2021	**14.4**	**26.0**	**40.4**
Foreign currency translation differences	**-**	**47.1**	**47.1**
Total other comprehensive gain	**-**	**47.1**	**47.1**
Share-based payments expense	**11.3**	**-**	**11.3**
Settlement of vested performance rights	**(10.3)**	**-**	**(10.3)**
Balance at 30 June 2022	**15.4**	**73.1**	**88.5**

(c) Non-controlling interests

Summarised financial information relating to each of the Group's subsidiaries with non-controlling interests (**NCI**) that are material to the Group before any intra-group eliminations is shown below:

	REA India $M	Other[1] $M	Total $M
Balance at 1 July 2020	-	0.4	0.4
Acquired minority interest	81.3	-	81.3
Change in controlling interest	(1.6)	-	(1.6)
Share of profit/(losses)	(9.9)	0.2	(9.7)
Dividends paid	-	(0.2)	(0.2)
Balance at 30 June 2021	**69.8**	**0.4**	**70.2**
Net operating cash flow	(3.7)		
Net investing cash flow	(3.0)		
Net financing cash flow	10.8		
Balance at 1 July 2021	**69.8**	**0.4**	**70.2**
Share of profit/(losses)	**(13.6)**	**0.5**	**(13.1)**
Other comprehensive income	**4.4**	**-**	**4.4**
Dividends paid	**-**	**(0.2)**	**(0.2)**
Balance at 30 June 2022	**60.6**	**0.7**	**61.3**
Net operating cash flow	**(19.3)**		
Net investing cash flow	**(10.8)**		
Net financing cash flow	**61.5**		

[1] 'Other' represents other individually immaterial subsidiaries.

As at 30 June 2022, REA India had current assets of $50.9 million (2021: $17.7 million), non-current assets of $206.8 million (2021: $203.8 million), current liabilities of $27.9 million (2021: $22.8 million) and non-current liabilities of $22.0 million (2021: $14.1 million), all reported pre-intercompany eliminations.

Total funding provided during the year was $61.5 million. At 30 June 2022, News Corp holds a non-controlling interest in REA India of 26.64% (2021: 39.13%).

12. Trade and other receivables

Accounting policies

Trade receivables are initially recognised at the transaction price. Due to their short-term nature, trade receivables have not been discounted. Trade receivables are generally due for settlement between 15 and 60 days. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for expected credit losses) is made when the Group expects that it will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

A provision matrix is used to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of customer segments that have similar loss patterns.

The ECL calculation performed at each reporting date reflects the Group's historical credit loss experience, adjusted for forward-looking factors specific to debtor profiles and the economic environment. Generally, trade receivables are written off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9.

Impairment losses are recognised in the Consolidated Income Statement within operations and administration expenses. When a trade receivable for which an allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the provision account.

Key estimate and judgement	The provision matrix used to calculate ECLs is initially based on the Group's historical observed default rates and the matrix is adjusted for forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

	2022 $M	2021 $M
Trade receivables	**137.4**	125.1
Provision for expected credit losses	**(4.7)**	(5.5)
Net trade receivables	**132.7**	119.6
Current prepayments	**9.3**	21.0
Investment in short term assets	**7.4**	0.5
Accrued income and other receivables	**6.3**	6.8
Contract assets	**156.1**	148.7
Current trade and other receivables and contract assets	**311.8**	296.6
Non-current prepayments	**0.4**	0.8
Other assets	**23.5**	4.2
Non-current contract assets	**422.9**	431.3
Other non-current assets and contract assets	**446.8**	436.3
Total trade receivables, other and contract assets	**758.6**	732.9

(a) Ageing of trade receivables	2022 $M	2021 $M
Not due	**117.3**	103.7
1-30 days past due not impaired	**10.7**	9.5
31-60 days past due not impaired	**1.4**	1.0
61+ days past due not impaired	**3.3**	5.4
Provisions for expected credit losses	**4.7**	5.5
Total gross trade receivables	**137.4**	125.1

During the year, a total expense of $0.3 million (2021: $1.0 million) was recognised in the Consolidated Income Statement in relation to trade receivables written off. Information about the Group's exposure to foreign currency, interest rate and credit risk in relation to trade and other receivables is provided in Note 9.

13. Trade and other payables

Accounting policies

Trade and other payables are carried at amortised cost and are not discounted. 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 paid in accordance with vendor terms.

	2022 $M	2021 $M
Trade payables	**15.0**	5.9
Accrued expenses	**82.4**	78.2
Other payables	**16.6**	11.6
Total trade and other payables	**114.0**	95.7

OUR PEOPLE

This section provides information about employee benefit obligations, including annual leave, long service leave and post-employment benefits. It also includes details about employee share plans.

14. Employee benefits

Accounting policies

Wage and salary liabilities are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave liabilities are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Consolidated Income Statement.

Termination benefits are payable when employment is terminated before the normal retirement date or an employee accepts voluntary redundancy in exchange for these benefits. It is recognised when the Group is demonstrably committed to either terminating employment according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Share-based payments are further described in Note 15.

Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

	2022 $M	2021 $M
Employee benefits		
Salary costs	**266.8**	208.0
Defined contribution superannuation expense	**23.4**	17.1
Share-based payments expense	**10.4**	9.1
Total employee benefits expenses	**300.6**	234.2
Provisions		
Current employee benefit provisions[1]	**15.4**	13.8
Non-current employee benefit provisions[2]	**7.0**	4.9
Total employee benefits provisions	**22.4**	18.7

1 Included within current provisions.
2 Included within non-current provisions.

15. Share-based payments

Accounting policies

The cost of **equity settled transactions** is recognised in employee benefits expense in the Consolidated Income Statement, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). At each reporting date until vesting, the cumulative charge to the Consolidated Income Statement is in accordance with the vesting conditions.

Equity settled awards granted by the Company to employees of subsidiaries are recognised in the subsidiaries' separate Financial Statements as an expense with a corresponding credit to equity. As a result, the expense recognised by the Group is the total expense associated with all such awards. Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated.

Key estimate and judgement	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 Long Term Incentive (**LTI**) plan, deferred share and deferred equity plan valuations were performed using the Black Scholes model. 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 expenses and equity.

(a) LTI plan

The Group operates a LTI plan for executives identified by the Board. The plan is based on the grant of performance rights that vest as shares on a one-to-one basis at no cost to the employee subject to performance hurdles. Settlement of the performance rights is made in ordinary shares purchased on-market. The performance measures approved by the Board for all executives are based upon Group revenue and EPS compound annual growth rate, and relative Total Shareholder Return (**rTSR**) achievement over the performance period.

Rights are vested after the performance period. The LTI Plan 2022 rights performance period ended on 30 June 2022 and performance rights vest upon approval by the Board. The LTI Recovery Plan was granted to provide an incentive opportunity at the beginning of the pandemic when the LTI granted in 2019 was viewed as highly likely to be unachievable for reasons outside the control of management. As all other performance periods conclude in the future, no performance rights are exercisable (or have been exercised) at balance date.

The fair value of each performance right is estimated on the grant date using the Black Scholes model.

The tables below summarise the movement in the Group's LTI plan during the year and other information required to understand how the fair value of the equity instruments has been determined.

Plan	Performance period	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited/ cancelled during the year Number	Balance at end of the year[1] Number
LTI Plan 2021 (Plan 12)	1 July 2018 - 30 June 2021	17,243	-	-	(17,243)	-
LTI Plan 2022 (Plan 13)	1 July 2019 - 30 June 2022	25,632	-	-	-	**25,632**
LTI Plan 2023 (Plan 14)	1 July 2020 - 30 June 2023	21,456	2,689	-	(1,773)	**22,372**
LTI Plan 2024 (Plan 15)	1 July 2021 - 30 June 2024	-	21,328	-	(1,464)	**19,864**
LTI Recovery Plan 2021	1 July 2020 - 30 June 2021	11,553	-	(11,165)	(388)	-
LTI Recovery Plan 2022	1 July 2020 - 30 June 2022	23,173	-	-	-	**23,173**
Total		**99,057**	**24,017**	**(11,165)**	**(20,868)**	**91,041**

1 The weighted average remaining contractual life of these rights at the end of the reporting period is 10 months.

Plan	Value per right at measurement date	Expected volatility[1]	Risk-free interest rate	Expected life of performance rights	Annual dividend yield
LTI Plan 2022 (Plan 13)	\$97.55 - \$107.30	25.0%	0.9%	38 months	1.6%
LTI Plan 2023 (Plan 14)	\$135.82 - \$277.38	27.5% - 35.0%	0.1% - 0.7%	20 – 38 months	1.0% - 1.1%
LTI Plan 2024 (Plan 15)	\$151.91 - \$167.47	27.5%	0.3% - 1.0%	38 months	1.1%
LTI Recovery Plan 2022	\$126.36 - \$140.95	37.5%	0.0% - 0.1%	26 months	1.0%

1 The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the rights is indicative of future trends, which may not necessarily be the actual outcome.

(b) Deferred equity plan

The deferred equity plan operates in the same manner as the Group's LTI plan, for certain non-executive employees, dependent on their position in the Group's remuneration framework. The performance measures approved by the Board for these employees are based upon personal performance and Group revenue, EBITDA, EPS and rTSR annual growth rate achievement over the performance period.

Rights are vested after the performance period. The deferred equity plan 2022 rights performance period ended on 30 June 2022 and the rights vest upon approval by the Board. As all other performance periods conclude in the future, no performance rights are exercisable (or have been exercised) at balance date.

The fair value of each performance right is estimated on the grant date using the Black Scholes model.

The tables below summarise the movement in the Group's deferred equity plan during the year and other information required to understand how the fair value of the equity instruments has been determined.

Plan	Performance period	Balance at start of the year Number	Granted during the year Number	Exercised during the year[1] Number	Forfeited/ cancelled during the year Number	Balance at end of the year[2] Number
Deferred equity plan 2021	1 July 2019 - 30 June 2021	21,757	-	(20,358)	(1,399)	**-**
Deferred equity plan 2022	1 July 2020 - 30 June 2022	22,913	-	-	(1,530)	**21,383**
Deferred equity plan 2023	1 July 2021 - 30 June 2023	-	20,372	-	(523)	**19,849**
Total		**44,670**	**20,372**	**(20,358)**	**(3,452)**	**41,232**

1 The weighted average share price over the settlement period for these rights was $154.28.

2 The weighted average remaining contractual life of these rights at the end of the reporting period is 8 months.

Plan	Value per right at measurement date	Expected volatility[1]	Risk-free interest rate	Expected life of performance	Annual dividend yield
Deferred equity plan 2022	$131.45 - $140.95	37.5%	0.1%	26 months	1.0%
Deferred equity plan 2023	$155.84	27.5%	0.0%	26 months	1.1%

1 The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the rights is indicative of future trends, which may not necessarily be the actual outcome.

(c) Deferred share plan

Rights granted under these plans vest 24 months after grant date, except for rights under the key talent share plan which vest 36 months after grant date. Each share right automatically converts into one ordinary share at an exercise price of nil at the end of the performance period, subject to service conditions. All performance periods conclude in the future and no performance rights are exercisable at balance date. The fair value of each performance right is estimated on the grant date using the Black Scholes model. The number of share rights granted is determined based on the dollar value of the award divided by the volume weighted average price (**VWAP**) leading up to the date of grant.

The tables below summarise the movement in the Group's deferred share plan during the year and the fair value of these equity instruments.

Plan	Performance period end date	Balance at start of the year Number	Granted during the year Number	Exercised during the year[1] Number	Forfeited/ cancelled during the Number	Balance at end of the year[2] Number
Deferred share plan 2019	30 June 2021	2,917	-	(1,981)	(936)	**-**
Deferred share plan 2021	30 June 2021	3,629	2,141	(5,770)	-	**-**
Deferred share plan 2022	30 June 2022	8,601	2,071	(3,863)	(1,035)	**5,774**
Future leaders deferred share plan 2022	30 June 2022	4,384	858	(4,543)	(699)	**-**
Future leaders deferred share plan 2023	30 June 2023	-	3,334	(51)	(117)	**3,166**
Deferred share plan 2023	30 June 2023	-	2,390	(1,135)	-	**1,255**
Key talent deferred share plan 2022	30 June 2023	-	22,313	(7,802)	(2,711)	**11,800**
Key talent deferred share plan 2022	1 March 2025	-	26,868	-	-	**26,868**
Total		**19,531**	**59,975**	**(25,145)**	**(5,498)**	**48,863**

1 The weighted average share price over the settlement period for these rights was $116.48.

2 The weighted average remaining contractual life of these rights at the end of the reporting period is 15 months.

Plan	Value per right at measurement date
Deferred share plan 2022	$140.95 - $148.14
Future leaders deferred share plan 2023	$165.94
Deferred share plan 2023	$155.90 - $155.98
Key talent deferred share plan 2022	$155.84 - $157.55
Key talent deferred share plan 2022	$123.74 - $125.11

GROUP STRUCTURE

This section provides information on the Group structure and how this impacts the results of the Group as a whole, including parent entity information, details of investments in associates and business combinations.

16. Business combinations

Accounting policies

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and relevant conditions. All identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9, is measured at fair value with the changes in fair value recognised in the Consolidated Income Statement.

Acquisition-related costs are expensed as incurred and included in consultant and contractor expenses and operations and administrative expenses, and net gain on acquisition of subsidiaries.

Key estimate and judgement	The purchase price of businesses acquired as well as its allocation to acquired assets and liabilities requires estimates and judgements. On acquisition date, the fair value of the identifiable assets acquired, such as brands, customer relationships, software and liabilities is determined. The assumptions and estimates made have an impact on the assets and liability amounts recorded in the Consolidated Financial Statements. In addition, the estimated useful lives of the acquired amortisable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Group's future profit or loss. The Group has also adopted the fair value method in measuring contingent consideration. The determination of these fair values involves judgement and the ability of the acquired entity to achieve certain financial results.

On 18 June 2021, the Group obtained control of 100% of Mortgage Choice Pty Ltd (formerly Mortgage Choice Limited) (**Mortgage Choice**), a leading Australian mortgage broking business. The acquisition provides the Group with an expanded broker network, accelerating REA's financial services strategy. After reporting a provisional balance sheet at 30 June 2021, the Group has determined the fair value of assets and liabilities acquired as part of the business combination. This resulted in adjustments relating to the deferred tax liability on the Mortgage Choice trail commissions and an increase in non-current provisions relating to FinChoice remediation obligations.

The adjustment decreased goodwill reported at 30 June 2021 from $103.5 million to $100.3 million, decreased Group deferred tax liabilities balance reported at 30 June 2021 from $55.1 million to $45.8 million and increased Group non-current provisions from $7.0 million to $13.1 million at 30 June 2022. The Group has now finalised its purchase price adjustments of the Mortgage Choice acquisition.

Following the acquisition of Mortgage Choice and as part of integration, the Group reviewed the useful life of all assets across the financial services business including the Mortgage Choice brand name and software. As a result, the Group determined the Smartline brand no longer has an indefinite useful life and has commenced accelerated amortisation on the brand name. The Group has also re-assessed the useful life of other intangible assets and commenced accelerated amortisation on software intangible assets. There are no other changes to the acquisition accounting of Mortgage Choice.

17. Divested operations

On 3 August 2021, the Group completed the sale of its Malaysia and Thailand entities to PropertyGuru in exchange for an initial 18% equity interest (16.6% diluted) of the combined PropertyGuru Group. PropertyGuru began trading on the NYSE on 18 March 2022, after the completion of the initial public offering (**IPO**). A dilution gain of $20.9 million arising from the deemed partial disposal was recognised in the Consolidated Income Statement as a result of the IPO, refer to Note 18 for further information.

The PropertyGuru transaction completed after the Group entered into a contract to sell the 27% interest in 99 Group Pte. Ltd. (**99 Group**) and associated convertible note, which had a combined book value of $21 million at 30 June 2021 and was classified as held for sale at this time. Refer to Note 9(b) for further information.

The divestment of the Malaysia and Thailand businesses and the loss of significant influence in REA's investment in 99 Group resulted in a net gain of $15.8 million. The associated assets and liabilities of the divested operations were previously classified as assets and liabilities of disposal group held for sale as at 30 June 2021. The goodwill balance attributed to the Asia operations was partially allocated to the disposal group and the residual Asia operations (included under the Australia – Property & Online Advertising CGU) based on their relative value.

On 15 November 2021, the Group completed the sale of the Hong Kong business assets (held by REA Hong Kong Management Co Limited) to 28Hse Ltd for $0.4 million. On 17 December 2021, after a one-month transition period, the REA Hong Kong Management Co Limited ceased business operations. Following the completion of the disposal of the Malaysia and Thailand businesses and Hong Kong asset divestments, the Group commenced a restructure of the remaining Asia businesses resulting in a loss of $9.0 million, of which $6.5 million relates to foreign exchange loss on historic funding previously held in the foreign currency translation reserve.

18. Investment in associates

Accounting policies

The Group's interest in equity accounted investees comprise interests in associates and joint ventures.
Associates are those entities in which the Group has significant influence, but no control or joint control over the financial or operating policies. **Joint ventures** are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date of significant influence or joint control ceases.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is **impaired**. If there is such evidence, the Group recognises the loss as an impairment expense in the Consolidated Income Statement.

(i) Move, Inc.

The Group has a 20% interest in Move, Inc. (**Move**), which is equity-accounted in the Group financial statements. The remaining 80% of Move is held by News Corp who granted the Group a put option to require News Corp to purchase all (but not less than all) the Group's interest in Move, which can be exercised at any time at fair value, which has been assessed to be greater than the carrying value at 30 June 2022.

(ii) PropertyGuru Pte. Ltd

On 3 August 2021, the Group completed the sale of its Malaysia and Thailand entities to PropertyGuru. In exchange, the Group received an initial 18% equity interest (16.6% diluted) of the combined PropertyGuru Group and the right to appoint one Director to the PropertyGuru board, with the appointment of Owen Wilson being made in September 2021.

On 24 July 2021, PropertyGuru announced a business combination with the special purpose acquisition company Bridgetown 2 Holdings Limited, through which the PropertyGuru business planned to list on the NYSE. PropertyGuru Group Limited began trading on the NYSE on 18 March 2022, after the completion of the initial public offering (IPO) following the merger with the Bridgetown 2 Holdings Limited where the Group contributed US$52 million to the PIPE capital raising associated with the listing. The Group's shareholding was diluted from 18.0% to 17.5% following issuance of shares to third parties which is considered a deemed disposal that resulted in a dilution gain of $20.9 million, which is reflected in the Group's Consolidated Income statement. The Group's share of the IPO costs totalled $22.3 million, which is reflected in the Group's share of loss under equity accounting for the year ended June 2022.

(iii) Realtair Pty Limited

In December 2021, the Group invested an additional $15.0 million in Realtair to increasing its shareholding from 24.7% (21.5% diluted) to 35.8% (30.7% diluted).

The carrying amounts of investments in associates is provided below:

	Move		**PropertyGuru**		**Other**	
	2022 $M	2021 $M	**2022 $M**	2021 $M	**2022 $M**	2021 $M
Carrying amount of the investment	**317.6**	271.8	**272.3**	-	**47.4**	37.4

The share of (gains)/losses in associates is provided below:

	Move		**PropertyGuru**		**Other**	
	2022 $M	2021 $M	**2022 $M**	2021 $M	**2022 $M**	2021 $M
Share of (gain)/losses of associate	**(14.0)**	(19.4)[1]	**30.8**[2]	-	**5.1**	6.8

[1] Includes REA's share of the gain in the sale of Top Producer ($3.5 million).
[2] Includes REA's share of the IPO costs ($22.3 million) at 30 June 2022.

The following illustrates the summarised financial information of the Group's material investments in associates:

	Move	
	2022 $M	2021 $M
Current assets	**259.1**	270.8
Non-current assets	**1,684.1**	1,405.3
Current liabilities	**(275.6)**	(268.4)
Non-current liabilities	**(95.8)**	(69.2)
Net assets	**1,571.8**	1,338.5
Proportion of the Group's ownership	**20%**	20%
REA's share of net assets	**314.4**	267.7
Other[1]	**3.2**	4.1
Carrying amount of the investment	**317.6**	271.8
Revenue	**995.8**	857.1
Other operating costs	**(833.6)**	(688.6)
Interest/dividend income	**0.2**	0.2
Interest expense	**-**	-
Depreciation and amortisation[2]	**(71.3)**	(62.1)
Other	**2.2**	22.7
Income tax (expense)/benefit	**(23.3)**	(32.5)
Profit/(loss) for the year from continuing operations	**70.0**	96.8
Total comprehensive profit/(loss)	**70.0**	96.8
Share of gain/(loss) of associates	**14.0**	19.4

1 Amount includes fair value uplift of intangible assets acquired and other adjustments.
2 Inclusive of amortisation of fair value uplift on acquisition of associates.

	PropertyGuru[1]
	2022
	$M
Current assets	**377.3**
Non-current assets	**413.6**
Current liabilities	**(133.3)**
Non-current liabilities	**(14.8)**
Net assets	**642.8**
Proportion of the Group's ownership	**17.50%**
REA's share of net assets	**112.5**
Other[3]	**159.8**
Carrying value of the investment[2]	**272.3**
Revenue	**87.2**
Other gains	**10.6**
Other operating costs	**(108.8)**
Depreciation and amortisation	**(14.1)**
Other	**(134.6)**
Income tax (expense)/benefit	**0.6**
Profit/(loss) for the year from continuing operations	**(159.1)**
Total comprehensive profit/(loss)	**(157.0)**

1 Based on latest publicly available information which represents the Balance Sheet as at 31 March 2022 and Income Statement for 9 months ended 31 March 2022 as PropertyGuru has a 31 December year-end.
2 At 30 June 2022 the share price of PropertyGuru ('PGRU') was USD $4.50. The recent decline in share price since IPO listing is considered an indicator of impairment. Accordingly, the investment has been tested for impairment and it was determined that the recoverable amount is greater than the carrying value. The recoverable amount was based on a value in use calculation, based on assumptions described in Note 6(c).
3 Other primarily relates to the fair value uplift of intangible assets acquired and the net assets corresponding to the latest financial statements REA is permitted to disclose translated at closing rates at 30 June 2022.

19. Parent entity financial information

Accounting policies

The financial information for the parent entity has been prepared on the same basis as the Consolidated Financial Statements, except as set out below.

Investments in subsidiaries, associates and joint ventures are accounted for at cost. Dividends received from associates and joint ventures are recognised in the parent entity's Income Statement, rather than being deducted from the carrying amount of these investments.

In addition to its own current and deferred tax amounts, REA Group Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred taxes relating to unused tax losses or unused tax credits that are transferred to REA Group Ltd under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Where the parent entity has provided **financial guarantees** in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

The individual Financial Statements for the parent entity, REA Group Ltd show the following aggregate amounts:

	2022 $M	2021 $M
Current assets	**3.6**	6.5
Non-current assets	**456.4**	456.0
Total assets	**460.0**	462.5
Current liabilities	**17.1**	20.7
Non-current liabilities	**-**	-
Total liabilities	**17.1**	20.7
Net assets	**442.9**	441.8
Contributed equity	**151.6**	150.0
Reserves	**6.3**	5.1
Retained earnings	**285.0**	286.7
Total shareholders' equity	**442.9**	441.8
Profit and other comprehensive income of the parent entity	**192.5**	148.6

REA Group Ltd had net current liabilities of $13.5 million as at 30 June 2022 (2021: $14.2 million), driven by intercompany balances with its subsidiaries. REA Group Ltd intends to repay these balances as they fall due.

(a) Guarantees entered into by the parent entity

The parent entity has not provided unsecured financial guarantees in respect of loans of subsidiaries (2021: $nil).

Refer to Note 23 for further information relating to the Deed of Cross Guarantee.

(b) Commitments and contingencies

Refer to Note 22(b) for commitments held by the parent entity.

Various claims arise in the ordinary course of business against REA Group Ltd. The amount of the liability (if any) at 30 June 2022 cannot be ascertained, and any resulting liability is not expected to materially impact REA Group Ltd's financial position.

OTHER DISCLOSURES

This section includes other balance sheet and related disclosures not included in the other sections, for example fixed assets, related parties, remuneration of auditors, other significant accounting policies and subsequent events.

20. Property, plant and equipment

	Plant and equipment $M	Leasehold improvements $M	Right of use assets $M	Total $M
Year ended 30 June 2022				
Opening net book amount	**7.5**	**8.1**	**73.8**	**89.4**
Additions[1]	**3.6**	**4.3**	**1.9**	**9.8**
Disposals (net of accumulated depreciation)	**-**	**(0.1)**	**-**	**(0.1)**
Depreciation charge	**(3.6)**	**(2.7)**	**(9.7)**	**(16.0)**
Impairment	**-**	**-**	**(0.5)**	**(0.5)**
Exchange differences (net)	**(0.1)**	**(0.2)**	**0.1**	**(0.2)**
Closing net book amount	**7.4**	**9.4**	**65.6**	**82.4**
At 30 June 2022				
Cost	**22.6**	**28.4**	**92.6**	**143.6**
Accumulated depreciation	**(15.2)**	**(19.0)**	**(27.0)**	**(61.2)**
Net book amount	**7.4**	**9.4**	**65.6**	**82.4**
Year ended 30 June 2021				
Opening net book amount	4.9	14.3	82.4	101.6
Additions	3.9	0.1	0.2	4.2
Other business combinations[2]	0.9	0.6	2.4	3.9
Disposals (net of accumulated depreciation)	-	-	(0.3)	(0.3)
Depreciation charge	(4.1)	(3.6)	(9.6)	(17.3)
Transferred to assets held for sale	(0.5)	(0.6)	(1.0)	(2.1)
Transfers	2.5	(2.5)	-	-
Exchange differences (net)	(0.1)	(0.2)	(0.3)	(0.6)
Closing net book amount	7.5	8.1	73.8	89.4
At 30 June 2021				
Cost	26.4	26.3	93.0	145.7
Accumulated depreciation	(18.9)	(18.2)	(19.2)	(56.3)
Net book amount	7.5	8.1	73.8	89.4

1 Additions include $1.9 million in non-cash items relating to right of use assets.
2 Acquisitions of Mortgage Choice and REA India.

21. Leases

Accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. A portion of an asset is an identified asset if it is physically distinct. If it is not physically distinct, the portion of an asset is not an identified asset, unless the lessee has the right to use substantially all the capacity of the asset during the lease term. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases*.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for property leases the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined or ascertained, the incremental borrowing rate. The Group used its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease for each lessee and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'interest bearing loans and borrowings' in the Consolidated Statement of Financial Position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(a) Leases as a lessee

The Group typically leases office space over periods of two to seven years, with an option to renew the lease after that date. Lease payments are renegotiated on the exercise of renewal options to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The Group leases IT equipment with contract terms of one to five years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

(i) Right-of-use assets

Right-of-use assets are presented as property, plant and equipment (see Note 20). The Group leases various assets including buildings and IT equipment.

(ii) Lease liabilities

Lease liabilities are presented as interest bearing loans and borrowings (see Note 9).

	2022 $M	**2021 $M**
Maturity analysis – undiscounted cash flows		
Less than one year	10.3	10.8
One to five years	43.5	37.2
More than five years	30.5	44.9
Total undiscounted lease liabilities at 30 June	**84.3**	92.9
Lease liabilities included in the Consolidated Statement of Financial Position	**75.3**	82.2
Current	8.6	8.8
Non-current	66.7	73.4
Transferred to liabilities of disposal group held for sale	-	1.1

(iii) Amounts recognised in profit and loss

	2022 $M	**2021 $M**
Interest on lease liabilities	2.0	2.2
Variable lease payment not included in the measurement of lease liabilities	-	-
Expenses relating to short-term leases	0.7	0.5
Expenses relating to leases of low-value assets, excluding short-term, low value leases	0.1	0.1

(iv) Amounts paid during the year

	2022 $M	**2021 $M**
Total cash outflow for leases	10.9	9.4

(v) Extension options

A number of the Group's property leases contain extension options exercisable by the Group, up to 6 months before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group re-assesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group has an exposure of $2.2 million (2021: $2.2 million) from extension options not reflected in the lease liability.

22. Contingencies and commitments

(a) Contingent liabilities

(i) Claims

Various claims arise in the ordinary course of business against REA Group Ltd and its subsidiaries. The amount of the liability (if any) at 30 June 2022 cannot be ascertained, and any resulting liability would not materially affect the financial position of the Group.

(ii) Guarantees

At 30 June 2022, the Group had bank guarantees totalling $11.1 million (2021: $4.5 million) in respect of various property leases for offices used by the Group.

(iii) Other Matters

From time to time, the Group is subject to both formal and informal reviews by various tax authorities as well as legal claims. The outcome of any tax review or audit cannot be determined with an acceptable degree of reliability. At 30 June 2022 the Consolidated Statement of Financial Position accurately reflects all potential taxation liabilities and the Group is taking reasonable steps to conclude all outstanding matters with the relevant tax authorities and legal claims.

(b) Commitments

As at 30 June 2022, the Group was committed to provide future funding up to a maximum of USD$4.78 million as part of the divestment of 99 Group, refer to Note 17. Subsequent to 30 June 2022, and prior to the date of signing, the commitment of USD$4.78 million was paid.

The Group has no capital commitments at 30 June 2022 (2021: nil).

23. Related parties

(a) Transactions with related parties

	2022 $	2021 $
Ultimate parent entity (News Corporation), group entities and associates		
Sale of goods and services	**3,225,093**	1,724,841
Purchase of goods and services	**9,902,519**	5,645,684
Dividends paid	**119,285,200**	92,485,723
Management fee	**155,000**	155,000
Amounts receivable from ultimate parent, group entities and associates	**816,133**	33,555
Amounts owing to ultimate parent, group entities and associates	**81,436**	3,657,237
Key management personnel		
Short term employee benefits	**5,796,342**	5,303,496
Post-employment benefits	**155,810**	142,825
Long term employee benefits	**105,814**	67,381
Deferred Short Term Incentive Plan (STI Plan)	**720,008**	793,663
Long Term Incentive Plan (LTI Plan)	**1,191,729**	1,706,854

(i) Parent entities

The parent entity within the Group is REA Group Ltd. The ultimate parent entity of the Group is News Corporation (**News Corp**), a resident of the United States of America, which owns 61.42% of REA Group Ltd via its wholly owned subsidiary News Australia Pty Limited. News Corp is listed on the NYSE.

During the year, the Group sold advertising space at arm's length terms to News Corp (or one of its related entities) and recharged promotional costs. The Group also utilised advertising and support services of News Corp (or one of its related entities) on commercial terms and conditions.

Insurance premium recharges were paid to News Corp (or one of its related entities) and News Corp (or one of its related entities) recharged the Group relating to the use of IT content delivery services. The Group has entered certain agreements with independent third parties under the same terms and conditions as those negotiated by News Corp.

(ii) Key management personnel

For a list of key management personnel and additional disclosures, refer to the Remuneration Report.

(iii) Commitments

Refer to Note 22 for details.

(b) Investment in subsidiaries and associates

Accounting policies

Subsidiaries are all those entities which the Group controls. Control exists if the Group has:

- Power over the investee (i.e. ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. A change in ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

The Financial Statements of subsidiaries are prepared for the same reporting period as the parent company, with the exception of certain Asian entities with a financial reporting period ending 31 December and REA India with a financial reporting period ending 31 March. All subsidiaries apply consistent accounting policies to their Financial Statements.

The consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries and associates of REA Group Ltd as at 30 June 2022 in accordance with the above accounting policy.

Name of entity	Country of incorporation	Equity Holding 2022 %	Equity Holding 2021 %
REA US Holding Co. Pty Ltd	Australia	**100**	100
realestate.com.au Pty Limited	Australia	**100**	100
1Form Online Pty Ltd	Australia	**100**	100
Flatmates.com.au Pty Ltd	Australia	**100**	100
PropTrack Pty Ltd	Australia	**100**	100
realestate.com.au Home Loans Mortgage Broking Pty Ltd	Australia	**100**	100
NOVII Pty Ltd	Australia	**56.2**	56.2
HomeGuru Finance Pty Ltd[1] (previously Ozhomevalue Pty Ltd)	Australia	**56.2**	56.2
REA Financial Services Holding Co. Pty Ltd	Australia	**100**	100
Mortgage Choice Pty Ltd (previously Mortgage Choice Limited)	Australia	**100**	100
FinChoice Pty Limited	Australia	**100**	100
Help Me Choose Pty Limited	Australia	**100**	100
REA Asia Holding Co. Pty Ltd	Australia	**100**	100
iProperty.com Events Sdn. Bhd.	Malaysia	**100**	100
Think iProperty Sdn. Bhd.	Malaysia	**100**	100
REA Hong Kong Management Co Limited	Hong Kong	**100**	100
GoHome H.K. Co. Limited[2]	Hong Kong	**100**	100
SMART Expo Limited[3]	Hong Kong	**100**	100
Big Sea International Limited	British Virgin Islands	**100**	100
GoHome Macau Co Ltd	Macau	**100**	100
REA Group Hong Kong Limited	Hong Kong	**100**	100
REA HK Co Limited	Hong Kong	**100**	100
REA Group Consulting (Shanghai) Co., Limited	China	**100**	100
Smartline Home Loans Pty Ltd	Australia	**100**	100
Smartline Operations Pty Limited	Australia	**100**	100
Austin Bidco Pty Ltd	Australia	**100**	100
iProperty Group Pty Ltd	Australia	**100**	100
iProperty Group Asia Pte. Ltd.[4]	Singapore	**100**	100
IPGA Management Services Sdn. Bhd.[5]	Malaysia	**-**	100
iProperty.com Malaysia Sdn. Bhd.[5]	Malaysia	**-**	100
Brickz Research Sdn. Bhd.[5]	Malaysia	**-**	100
iProperty (Thailand) Co., Ltd[5]	Thailand	**-**	100
Prakard IPP Co., Ltd[5]	Thailand	**-**	100
Kid Ruang Yu Co., Ltd[5]	Thailand	**-**	100
REA India Pte. Ltd.[6]	Singapore	**73.3**	60.8
Locon Solutions Private Limited[7]	India	**73.3**	60.8
IREF Solutions Private Limited[8]	India	**-**	60.8
Realty Business Intelligence Private Limited[7]	India	**73.3**	60.8
Sadanika Solutions Private Limited[9]	India	**-**	60.8
PropTiger Marketing Services Private Limited[7]	India	**73.3**	60.8
Aarde Technosoft Private Limited[7]	India	**73.3**	60.8
Makaan.com Private Limited[7]	India	**73.3**	60.8
Oku Tech Private Limited[10]	India	**58.6**	48.6
Associates:			
Move, Inc.[11]	United States	**20.0**	20.0
Managed Platforms Pty Ltd[12]	Australia	**27.5**	27.6
99 Group Pte. Ltd[13]	Singapore		27.0
ScaleUp Media Fund 2.0 Pty Limited[14]	Australia	**16.7**	16.7
Realtair Pty Limited[15]	Australia	**35.8**	24.7

Campaign Agent Pty Ltd[16]	Australia	**29.8**	30.4
Simpology Pty Limited[17]	Australia	**35.2**	35.2
PropertyGuru Group Limited[18]	Grand Cayman	**17.5**	-

1 HomeGuru Finance Pty Ltd is 100% owned by NOVII Pty Ltd.
2 The deregistration process commenced on 10 March 2022.
3 The deregistration process commenced on 23 February 2022.
4 An external liquidator was appointed on 22 June 2022 to manage the deregistration and liquidation process of iProperty Group Asia Pte. Ltd. On 28 June 2022, the liquidator made a formal declaration that he has reasonable grounds to believe that there is no likelihood that the sole shareholder of iProperty Group Asia Pte. Ltd. will receive any further distributions for their shares.
5 Divested on 3 August 2021, refer to Notes 9(b) and Note 17 for further details.
6 Equity Holding increased to 65.6% on 5 July 2021, 68.0% on 3 December 2021 and 73.3% on 30 June 2022. Diluted holding is 73.2% (2021: 60.7%)
7 100% owned by REA India Pte. Ltd.
8 Deregistered on 31 January 2022.
9 Deregistered on 21 March 2022.
10 80.09% owned by REA India Group (7.73% held by Locon Solutions Private Limited and 72.36% held by REA India Pte. Ltd.). Balance owned by external parties.
11 Investment is held by REA US Holding Co. Pty Ltd.
12 Investment is held by realestate.com.au Pty Limited and decreased to 27.5% on 28 February 2022. Diluted holding is 22.7% (2021: 27.6%).
13 Refer to Notes 9(b) and Note 17 for further details.
14 Investment is held by realestate.com.au Pty Limited.
15 Investment is held by realestate.com.au Pty Limited and increased to 35.8% on 21 December 2021. Diluted holding is 30.7% (2021: 22.3%).
16 Investment is held by realestate.com.au Pty Limited and decreased to 29.8% on 8 July 2021. Diluted holding is 26.5% (2021: 27.0%).
17 Investment is held by realestate.com.au Pty Limited. Diluted holding is 33.8% (2021: 34.4%).
18 Investment is held by REA Asia Holding Co. Pty Ltd. Initial investment of 18% (undiluted) in PropertyGuru Pte. Ltd. was acquired on 3 August 2021. On 17 March 2022 the investment was converted into shares in PropertyGuru Group Limited upon its listing on the NYSE. This together with an additional investment made at the same time resulted in a 17.5% (undiluted) investment in the new entity.

(c) Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, relief has been granted to realestate.com.au Pty Limited, Austin Bidco Pty Ltd, PropTrack Pty Ltd (previously Hometrack Australia Pty Limited), Flatmates.com.au Pty Ltd, Smartline Home Loans Pty Ltd, Smartline Operations Pty Limited, iProperty Group Pty Ltd, REA Financial Services Holding Co. Pty Ltd, Mortgage Choice Pty Ltd and REA Asia Holding Co. Pty Ltd (the **Closed Group**) from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of separate Financial Statements.

As a condition of the Class Order, REA Group Ltd and realestate.com.au Pty Limited entered into a Deed of Cross Guarantee (the **Deed**) on 26 May 2009, with all other entities added to the Deed during the 2019, 2020, 2021 and 2022 financial years. The effect of the Deed is that REA Group Ltd guarantees to each creditor payment in full of any debt in the event of winding up of the aforementioned entities under certain provisions or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that any other party to the Deed is wound up or if it does not meet its obligations under the terms of overdrafts, leases or other liabilities subject to the guarantee.

The summarised Consolidated Income Statement, Consolidated Statement of Financial Position and Retained Earnings of the Closed Group are below.

Consolidated Income Statement	**2022 $M**	2021 $M
Profit from continuing operations before income tax	**597.1**	505.7
Income tax expense	**(180.8)**	(156.6)
Profit for the year	**416.3**	349.1
Summary of movements in consolidated retained earnings		
Retained earnings at beginning of the financial year	**1,587.9**	1,429.0
Earnings for the year	**416.3**	349.1
Other	**99.5**	(39.8)
Dividends provided for or paid during the year	**(194.2)**	(150.4)
Retained earnings at end of the financial year	**1,909.5**	1,587.9

Consolidated Statement of Financial Position	**2022 $M**	2021 $M
ASSETS		
Current assets		
Cash and cash equivalents	**207.2**	161.0
Trade and other receivables	**375.7**	589.9
Total current assets	**582.9**	750.9
Non-current assets		
Plant and equipment	**81.0**	84.7
Intangible assets	**132.6**	99.3
Deferred tax assets	**13.9**	6.0
Other non-current assets	**446.3**	282.8
Investment in associates	**319.7**	37.4
Investment in subsidiaries	**450.1**	682.3
Total non-current assets	**1,443.6**	1,192.5
Total assets	**2,026.5**	1,943.4
LIABILITIES		
Current liabilities		
Trade and other payables	**287.7**	307.1
Current tax liabilities	**19.3**	29.3
Provisions	**14.9**	11.4
Contract liabilities	**79.7**	70.0
Interest bearing loans and borrowings	**8.5**	6.7
Total current liabilities	**410.1**	424.5
Non-current liabilities		
Provisions	**5.9**	4.7
Other non-current liabilities	**330.6**	188.9
Interest bearing loans and borrowings	**478.3**	485.2
Total non-current liabilities	**814.8**	678.8
Total liabilities	**1,224.9**	1,103.3
Net assets	**801.6**	840.1
EQUITY		
Contributed equity	**(1,156.4)**	(782.9)
Reserves	**48.5**	35.1
Retained earnings	**1,909.5**	1,587.9
Total Equity	**801.6**	840.1

24. Remuneration of auditors

Services provided by the auditor of the parent entity and the auditor's related practices, as well as non-EY audit firms, are categorised as below:

- Category 1: Fees paid or payable to the auditor of the parent entity for auditing the statutory financial report of the parent covering the group, and for auditing statutory financial reports of any controlled entities;
- Category 2: Fees paid or payable for assurance services that are required by legislation, and are required by that legislation to be provided by the auditor of the parent entity;
- Category 3: Fees paid or payable for other assurance and agreed-upon procedures services that are required by legislation or other contractual arrangements, where there is discretion as to whether the service is provided by the auditor of the parent or another non-EY audit firm; and
- Category 4: Fees paid or payable for other services (including tax compliance).

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices, as well as non-EY audit firms, split for the categories described above:

	EY Australia		**Related practices of EY Australia**		**Non EY Audit Firms**[1]	
	2022 $	2021 $	**2022 $**	2021 $	**2022 $**	2021 $
Category 1 fees	**1,650,875**	1,682,027	**294,730**	695,575	**235,360**	196,620
Category 2 fees	**13,000**	12,000	**-**	-	**-**	-
Category 3 fees	**12,000**	10,000	**-**	-	**394,045**	304,105
Category 4 fees	**272,175**	280,650	**41,473**	42,503	**1,098,293**	1,141,468
Total auditor's remuneration	**1,948,050**	1,984,677	**336,203**	738,078	**1,727,698**	1,642,193

[1] Non EY Audit Firms are not the group auditors.

25. Other accounting policies

Accounting policies

Foreign currency translation

The consolidated Financial Statements are presented in Australian dollars, which is the Group's **presentation currency.** Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environments in which the entity operates ("the functional currency").

Foreign currency transactions are translated into the functional currency 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the Income Statement on a net basis within operations and administration expenses.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the Income Statement as part of the fair value gain or loss. Translation differences on non-monetary assets are included in the fair value reserve in equity.

The results and financial position of all the **Group entities** (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows, with all resulting exchange differences are recognised in OCI:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position; and
- Income and expenses for each Income Statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

New standards, interpretations and amendments adopted by the Group

Several new or amended accounting standards and interpretations were effective for the Group from 1 July 2021. However, these are not considered relevant to the activities of the Group, nor have a material impact on the financial statements of the Group.

New standards, interpretations and amendments not yet adopted by the Group

New accounting standards, interpretations and amendments have been issued but are not yet effective. However, these are not considered relevant to the activities of the Group, nor are they expected to have a material impact on the financial statements of the Group.

26. Events after the Statement of Financial Position date

From the end of the reporting period to the date of this report, no matters or circumstances have arisen which have significantly affected the operations of the Group, the results of the operations or the state of affairs of the Group.

Directors' Declaration

The Directors of REA Group Ltd (the Company) declare that:

a) in the Directors' opinion the Financial Statements and notes for the financial year ended 30 June 2022 set out on pages 38 to 92 are in accordance with the *Corporations Act 2001* (Cth), including:

 (i) complying with the Australian Accounting Standards and *Corporations Regulations 2001*; and

 (ii) giving a true and fair view of the financial position and performance of the Company and the consolidated entity;

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

c) the Basis of Preparation note confirms that the Financial Statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

d) the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022; and

e) as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 23 to the Financial Statements will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

This declaration is made in accordance with a resolution of the Directors.

Mr Hamish McLennan
Chairman

Mr Owen Wilson
Chief Executive Officer

Melbourne
8 August 2022

Building a better working world

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Independent auditor's report to the members of REA Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of REA Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Property and online advertising revenue recognition and its reliance on automated processes and controls

Why significant	How our audit addressed the key audit matter
The Group recognised $1,048.4m in Property and Online Advertising revenue for the year ended 30 June 2022. The Group's revenue recognition processes are heavily reliant on IT systems with automated processes and controls over the capturing and measurement of transactions. These processes include a combination of manual and automated controls. The understanding and testing of the IT systems and controls that process revenue transactions is a key part of our audit. The recognition of revenue is considered a key audit matter due to the significance of revenue to the financial report and the level of audit effort required, with the associated disclosures found in Note 3.	In performing our audit procedures, we: • Assessed the design and operating effectiveness of relevant controls over the capture and measurement of revenue transactions. • Assessed the Group's manual and automated controls over IT systems relevant to revenue recognition. • Examined the process and controls over the capture and determination of the timing of revenue recognised, as well as performed testing on a sample of transactions to supporting evidence. • Performed data analysis procedures over the revenue transactions and the relationship of these transactions against the contract liability, trade receivables and cash accounts. We also assessed the timing, aging profile and nature of the transactions. • Assessed the Group accounting policies set out in Note 3, and the adequacy of disclosures for compliance with the revenue recognition requirements of Australian Accounting Standards. Our IT specialists were involved in the conduct of these procedures where appropriate.

Impairment Assessment of Intangible Assets

Why significant	How our audit addressed the key audit matter
At 30 June 2022, the Group held $842.3m in goodwill and other identifiable intangible assets (relating to software, customer contracts and brands). As outlined in Note 6 to the financial report, impairment testing is performed by the Group annually to support the carrying value of goodwill and other identifiable intangible assets. The recoverable amount for both the Australia – Property and Online Advertising Cash Generating Units ("CGU") and Australia – Financial Services CGU, to which goodwill is allocated has been determined using a value-in-use model, whereas the carrying value of the India CGU to which goodwill is allocated, was determined using the fair value less cost of disposal model. As this process involves estimates and significant judgments regarding forecasted future cash flow projections, discount rate, growth rates and terminal values, as well as the significant value of the intangible asset balances, we have determined that this is a Key Audit Matter.	In performing our audit procedures, we: • Assessed the appropriateness and application of the methodologies applied to estimate recoverable amount. • Assessed the key inputs and assumptions including board approved cash flows, discount rates and growth rates adopted in the estimate of recoverable amount. • Evaluated whether the Group's determination of its CGUs is in accordance with Australian Accounting Standards, including the consideration of the level at which goodwill is allocated and monitored. • Compared the cash flows used in the assessment to the actual and budgeted financial performance of the underlying CGUs. • Assessed the reasonableness of the Group's sensitivity analysis around the key assumptions to determine whether any reasonably possible changes would result in an impairment where no impairment had been recognised. • Compared earnings multiples to those observable from external market data of comparable listed entities, where available. • Assessed the adequacy of the disclosures made in the financial report. Our valuation specialists were involved in the conduct of these procedures where appropriate.

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Financial Services: Trailing Commissions

Why significant	How our audit addressed the key audit matter
At 30 June 2022, the Group recognised a contract asset representing the expected value of trailing commissions receivable of $579.0m and a corresponding trailing commission payable of $452.3m representing the net present value of trailing commissions payable by the Group, as disclosed in Note 9. The measurement of the trailing commissions is considered a key audit matter due to the size of the contract assets and trailing commission payable and the degree of judgment and estimation uncertainty associated with the calculations. Key areas of judgment include: ► The estimation of the discount rate; ► The payout ratio; and ► Loan book run off rate assumptions.	In performing our audit procedures, we: • Assessed the appropriateness and application of the measurement methodologies applied, including the mathematical accuracy. • Assessed the key inputs and assumptions applied, including the discount rate and the assessment of the run-off rate assumptions • Assessed the completeness and accuracy of the loan data used in managements model by testing a sample of the data back to external supporting documents such as lender commission statements and contracts with lenders and brokers. • Tested the key management controls in place to assess the reasonableness of the measurement outcome. • Performed an independent assessment, developed by internal experts, using the loan data inputs and assumptions applied by management, to recalculate the trailing commission receivable and payable. • Assessed the adequacy and appropriateness of the disclosures related to trailing commission within the financial report. Our actuarial specialists were involved in the conduct of these procedures where appropriate.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 Annual Report, but does not include the financial report and our auditor's report thereon.

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

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

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

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Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

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

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

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 36 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of REA Group Ltd for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst + Young

Ernst & Young

Alison Parker

Alison Parker
Partner
Melbourne, Australia
8 August 2022

Historical Results

A$M (except where indicated)	2022	2021	2020	2019	2018
Consolidated Results:					
Revenue from continuing operations	1,160.2	927.8	820.3	874.9	807.7
Profit before interest and tax (EBIT)	554.8	473.0	239.3	252.6	390.5
Profit before income tax	547.9	468.4	233.7	245.0	377.7
Profit for the year attributable to owners of the parent	384.8	322.7	112.4	105.0	252.8
Earnings per share from continuing operations (cents)	291.3	244.6	85.3	79.7	191.9
Return on average shareholders' equity (% p.a.)	30%	31%	13%	11%	24%
Dividend and distribution	194.2	150.3	155.4	154.1	129.1
Dividend per ordinary share (cents)	164.0	131.0	110.0	118.0	109.0
Dividend franking (% p.a)	100%	100%	100%	100%	100%
Dividend cover (times)	1.91	2.08	0.72	0.68	1.96
Financial Ratios:					
Net tangible asset backing per share ($)	3.94	0.84	1.63	0.93	(0.01)
Net EBITDA (continuing operations) interest cover (times)	132.65	262.36	68.14	30.02	37.67
Gearing (debt / debt and shareholders' equity) (%)	26%	30%	27%	26%	31%
Financial Statistics:					
Income from dividends and interest	1.3	2.2	2.9	2.2	4.6
Depreciation and amortisation provided during the year	93.1	82.6	78.6	59.6	48.7
Net finance expense / (income)	6.9	4.6	5.6	7.6	12.8
Net cash inflow from operating activities	487.6	321.4	419.1	364.1	326.3
Capital expenditure and acquisitions	194.7	381.5	101.2	64.7	372.1
Balance Sheet Data as at 30 June:					
Current assets	560.0	687.1	373.1	306.9	289.6
Non-current assets	2,008.8	1,668.1	1,217.4	1,274.8	1,438.5
Total Assets	**2,568.8**	**2,355.2**	**1,590.5**	**1,581.7**	**1,728.1**
Current liabilities	349.8	351.6	317.7	444.9	311.0
Non-current liabilities	855.7	864.4	408.3	231.4	476.3
Total Liabilities	**1,205.5**	**1,216.0**	**726.0**	**676.3**	**787.3**
Net Assets	**1,363.3**	**1,139.2**	**864.5**	**905.4**	**940.8**
Shareholders' Equity					
Contributed equity	146.4	152.1	92.0	89.6	91.4
Reserves	88.5	40.4	67.8	68.1	52.5
Retained profits	1,067.1	876.5	704.3	747.3	796.4
Shareholders' equity attributable to REA	**1,302.0**	**1,069.0**	**864.1**	**905.0**	**940.3**
Non-controlling interests in controlled entities	61.3	70.2	0.4	0.4	0.5
Total Shareholders' equity	**1,363.3**	**1,139.2**	**864.5**	**905.4**	**940.8**
Other data as at 30 June:					
Fully paid shares (000's)	132,117	132,117	131,715	131,715	131,715
REA share price:					
– year's high ($)	176.81	173.11	117.30	97.37	93.20
– year's low ($)	95.29	102.95	62.05	69.23	62.17
– close ($)	111.83	169.03	107.88	96.04	90.87
Market capitalisation ($b)	14.8	22.3	14.2	12.6	12.0
Employee numbers (continuing operations)	3,103	2,931	1,496	1,642	1,519
Number of shareholders	24,531	20,842	19,155	14,359	12,985