

30 JUNE 2021



HOME789

ANNUAL REPORT

789 HOLDINGS LIMITED

ABN 13 628 136 658

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ANNUAL REPORT	PAGE
Corporate directory	2
Directors' report	3
Auditor's independence declaration	12
Consolidated statement of profit or loss and other comprehensive income	13
Consolidated statement of financial position	14
Consolidated statement of changes in equity	15
Consolidated statement of cash flows	16
Notes to the financial statements	17
Directors' declaration	49
Independent auditor's report to the members of 789 Holdings Limited	50
Shareholder information	54

Directors	Mr Kai Zhu Mr John Huntley Knox Mr John Nakhoul Ms Carolyn Susan Chudleigh
Company secretary	Mr Chen Chik Ong
Notice of annual general meeting	The details of the annual general meeting of 789 Holdings Limited are: Suite 405 161 Redfern Street Redfern NSW 2016 3pm 24 November 2020
Registered office	Suite 405 161 Redfern Street Redfern NSW 2016 Phone: (02) 9698 8818
Principal place of business	Suite 405 161 Redfern Street Redfern NSW 2016 Phone: (02) 9698 8818
Share register	Registry Direct Limited Level 6 2 Russell Street Melbourne VIC 3000 Phone: 1300 556 635
Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney NSW 2000 Phone: (02) 8226 4500
Solicitors	Atkinson Corporate Lawyers Level 8 99 St. Georges Terrace Perth WA 6000 Phone: (08) 6263 1161
Stock exchange listing	789 Holdings Limited shares are listed on the National Stock Exchange of Australia (NSX code: 789)
Website	www.home789.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of 789 Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were directors of 789 Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Kai Zhu
Mr John Huntley Knox
Mr John Nakhoul
Ms Carolyn Susan Chudleigh (appointed 11 November 2020)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Sale of residential and commercial properties in Australia
- Property Management

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$125,088 (30 June 2020: \$226,542).

Significant changes in the state of affairs

On 20 August 2020, HOME789 (Dural) Pty Ltd was registered as a new subsidiary of 789 Holdings Limited with real estate as its core business focussing on second-hand property sales.

On 2 October 2020, the company appointed Mr Chen Chik Ong as the Company Secretary.

On 11 November 2020, the company appointed Ms Carolyn Susan Chudleigh as a non-executive director.

On 5 January 2021, Teamlink (Hurstville) Pty Ltd was registered as a new subsidiary of 789 Holdings Limited.

On 22 January 2021, the company acquired 100% of the ordinary shares of Teamlink Platform Pty Ltd, which is a PropTech business, at no cost. Teamlink Platform Pty Ltd had no asset and liability at the date of acquisition as it was a dormant company since established in January 2020.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is frequently changing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The company will continue in developing a strong and effective sales team to support the company's objectives to expand the current developer clients base.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mr Kai Zhu
Title:	Executive Chairman
Qualifications:	MB, MIPH
Experience and expertise:	Mr Zhu previously worked as a medical doctor before he set up GFI and entered into real estate business. Mr Zhu has been managing GFI since 2007 and HOME789 since 2012. Mr Zhu is the founder of GFI and HOME789.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	30,000,000 ordinary shares (see initial Director's notice released on NSX on 28 February 2019)
Interests in options:	None
Contractual rights to shares:	None
Name:	Mr John Huntley Knox
Title:	Non-executive Director
Qualifications:	Fellow of the Institute of Chartered Accountants
Experience and expertise:	Mr Knox previously worked with R A Forge & Co for 15 years and he is specialised in management services, insolvency and tax consultancy.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None
Name:	Mr John Nakhoul
Title:	Non-executive Director
Qualifications:	B.Ec, Fellow CPA, Justice of Peace
Experience and expertise:	Mr Nakhoul has approximately 30 years' experience at a senior corporate level in finance, business development and management and accounting.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Name:	Ms Carolyn Susan Chudleigh
Title:	Non-executive Director
Qualifications:	Member of the Property Council Academy's Property Development Committee in Australia. Qualified in England and Wales and New South Wales (Australia).
Experience and expertise:	Ms Chudleigh has over 25 years' experience in the real estate development and financing aspects of major projects. She is the global head of HFW's international construction team.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Company secretary

Mr Chen Chik Ong was appointed as company secretary on 2 October 2020. He holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. He was a Principal Adviser at the ASX and he has 15 years' experience in IPO, listing rules compliance and corporate governance. He is a member of the Governance Institute of Australia.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full board	
	Attended	Held
Mr Kai Zhu	12	12
Mr John Huntley Knox	11	12
Mr John Nakhoul	12	12
Ms Carolyn Susan Chudleigh	8	8

Remuneration report (audited)

Details of consolidated entity's remuneration policies and practices, together with details of Directors' and Executives' remuneration, as follows:

Executive Director

Kai Zhu: \$300,000 per annum plus performance bonus

Non-executive Director

John Huntley Knox: \$20,000 per annum

John Nakhoul: \$20,000 per annum

Carolyn Susan Chudleigh: \$20,000 per annum

The remuneration report is set out under the following main headings:

- Overview of remuneration structure
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Overview of remuneration structure

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Remuneration Committee has structured an executive remuneration framework that it believes is market competitive and complementary to the reward strategy of the consolidated entity.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration Committee. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Non-executive directors do not receive share options or other incentives.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable. Remunerations for executive directors are determined by the Board upon review and recommendation from the Remuneration Committee. The Remuneration Committee may also appoint an independent adviser to assist them in analysing and determining adequate pay-structure for an executive and recommending the same to the Board for final consideration and approval.

The executive remuneration and reward framework has two components:

- base pay and non-monetary benefits
- other remuneration such as superannuation and long service leave

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Voting and comments made at the company's 2020 Annual General Meeting ('AGM')

The Company received 100% of "yes" proxy votes on its remuneration report for the 2020 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of 789 Holdings Limited:

- Kai Zhu - Executive Chairman
- John Huntley Knox - Non-Executive Director
- John Nakhoul - Non-Executive Director
- Carolyn Susan Chudleigh - Non-Executive Director

	Short-term benefits			Post-employment benefits	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	
2021	\$	\$	\$	\$	\$
<i>Executive Directors:</i>					
Kai Zhu (Chairman)	300,000	-	-	28,500	328,500
<i>Non-executive Directors:</i>					
John Huntley Knox	20,000	-	-	-	20,000
John Nakhoul	20,000	-	-	-	20,000
Carolyn Susan Chudleigh*	14,074	-	-	-	14,074
	<u>354,074</u>	<u>-</u>	<u>-</u>	<u>28,500</u>	<u>382,574</u>

* Represents remuneration from 11 November 2020 to 30 June 2021

	Short-term benefits			Post-employment benefits	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	
2020	\$	\$	\$	\$	\$
<i>Executive Directors:</i>					
Kai Zhu (Chairman)	300,000	-	-	28,500	328,500
<i>Non-executive Directors:</i>					
John Huntley Knox	20,000	-	-	-	20,000
John Nakhoul	20,000	-	-	-	20,000
	<u>340,000</u>	<u>-</u>	<u>-</u>	<u>28,500</u>	<u>368,500</u>

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020	2021	2020	2021	2020
<i>Executive Directors:</i>						
Kai Zhu	100%	100%	-	-	-	-
<i>Non-executive Directors:</i>						
John Huntley Knox	100%	100%	-	-	-	-
John Nakhoul	100%	100%	-	-	-	-
Carolyn Susan Chudleigh	100%	-	-	-	-	-

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Remuneration Committee.

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2021	2020	2021	2020
<i>Executive Directors:</i>				
Kai Zhu	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Kai Zhu
Title:	Executive Chairman
Agreement commenced:	1 September 2018
Term of agreement:	Continuing until terminated in accordance with the service agreement
Details:	Base salary for the year ending 30 June 2021 of \$300,000 plus superannuation, to be reviewed annually by the company in accordance with service agreement. Minimum of 3 months written termination notice is required by either party. Performance bonus of \$100,000 for a given financial year when the net profit before tax of the group exceeded \$1million for that financial year.
Name:	John Huntley Knox
Title:	Non-executive Director
Agreement commenced:	8 September 2018
Term of agreement:	3 years
Details:	Base salary is \$20,000 per annum (including statutory superannuation), paid on a quarterly basis. The Director is also entitled to fees or other amounts as the Board determines of special duties or services outside the scope of the ordinary duties of the director.
Name:	John Nakhoul
Title:	Non-executive Director
Agreement commenced:	22 September 2018
Term of agreement:	3 years
Details:	Base salary is \$20,000 per annum (including statutory superannuation), paid on a quarterly basis. The Director is also entitled to fees or other amounts as the Board determines of special duties or services outside the scope of the ordinary duties of the director.
Name:	Carolyn Susan Chudleigh
Title:	Non-executive Director
Agreement commenced:	11 November 2020
Term of agreement:	3 years
Details:	Base salary is \$20,000 per annum (including statutory superannuation), paid on a quarterly basis. The Director is also entitled to fees or other amounts as the Board determines of special duties or services outside the scope of the ordinary duties of the director.

Share-based compensation

No share-based compensation was paid during the year.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2021 are summarised below:

	2021	2020	2019	2018	2017
	\$	\$	\$	\$	\$
Sales revenue	5,043,376	4,056,535	7,048,091	4,762,767	5,862,741
EBITDA	895,306	202,183	424,195	5,724	1,461,725
EBIT	395,051	(264,952)	160,222	(84,655)	1,447,626
Profit after income tax	(125,088)	(226,542)	49,853	(92,892)	782,338

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2021	2020	2019 (Restated)	2018	2017
Share price at financial year end (\$)	0.25	0.25	0.25	1	1
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings/(loss) per share (cents per share)	(0.31)	(0.56)	0.35	(910.70)	7,617.64

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Kai Zhu	30,000,000	-	-	-	30,000,000
John Huntley Knox	-	-	-	-	-
John Nakhoul	-	-	-	-	-
Carolyn Susan Chudleigh	-	-	-	-	-
	<u>30,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000,000</u>

This concludes the remuneration report, which has been audited.

Shares under option

At the date of this report, there were no options over unissued ordinary shares in the Company on issue.

Shares issued on the exercise of options

At the date of this report, there were no shares issued on the exercise of options.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

No fees were paid or payable to RSM Australia for non-audit services provided during the year ended 30 June 2021.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Kai ZHU
Director

29 September 2021
Sydney

RSM Australia Partners

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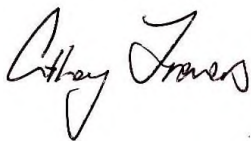
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of 789 Holdings Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

A handwritten signature in dark ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in dark ink that reads "Anthony Travers".

Anthony Travers
Partner

Sydney, NSW

Dated: 29 September 2021

789 HOLDINGS LIMITED ANNUAL REPORT | 30 JUNE 2021
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

	Note	2021 \$	2020 \$
Revenue	4	5,043,376	4,056,535
Other income	5	1,144,982	527,985
Interest revenue		1,087	3,701
Expenses			
Depreciation and amortisation expense	6	(500,255)	(467,135)
Employee benefit expenses		(1,844,452)	(1,367,488)
Commission expense		(1,720,434)	(2,090,216)
Marketing expenses		(197,548)	-
Legal expense		(182,776)	(95,193)
Other expenses		(1,347,841)	(829,440)
Finance costs	6	(76,472)	(101,050)
Profit/(loss) before income tax expense		319,667	(362,301)
Income tax (expense)/benefit	7	(444,755)	135,759
Loss after income tax expense for the year		<u>(125,088)</u>	<u>(226,542)</u>
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		<u>(125,088)</u>	<u>(226,542)</u>
		Cents	Cents
Losses per share for profit attributable to the owners of 789 Holdings Limited			
Basic loss per share	31	(0.31)	(0.56)
Diluted loss per share	31	(0.31)	(0.56)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	30 June 2021 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,719,339	3,079,959
Trade and other receivables	9	1,108,760	2,240,777
Current tax refundable		80,242	-
Other	10	110,964	54,444
Total current assets		5,019,305	5,375,180
Non-current assets			
Property, plant and equipment	11	319,474	101,631
Right of use assets	12	1,059,733	1,652,805
Intangible assets	13	576,969	341,890
Deferred tax assets	14	241,356	320,899
Other	15	108,382	90,232
Total non-current assets		2,305,914	2,507,457
Total assets		7,325,219	7,882,637
Liabilities			
Current liabilities			
Trade and other payables	16	1,638,205	1,246,231
Lease liabilities	17	317,113	371,239
Current tax payable		-	208,892
Provisions	18	96,132	48,367
Total current liabilities		2,051,450	1,874,729
Non-current liabilities			
Lease liabilities	17	849,919	1,514,726
Provisions		19,766	10,633
Total non-current liabilities		869,685	1,525,359
Total liabilities		2,921,135	3,400,088
Net assets		4,404,084	4,482,549
Equity			
Share capital	19	9,954,535	9,954,535
Other reserves	20	(5,190,173)	(5,190,173)
Accumulated losses	21	(360,278)	(281,813)
Total equity		4,404,084	4,482,549

The above statement of financial position should be read in conjunction with the accompanying notes

789 HOLDINGS LIMITED ANNUAL REPORT | 30 JUNE 2021
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2019	9,954,535	(5,190,173)	(55,271)	4,709,091
Loss after income tax expense for the year	-	-	(226,542)	(226,542)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(226,542)	(226,542)
Balance at 30 June 2020	<u>9,954,535</u>	<u>(5,190,173)</u>	<u>(281,813)</u>	<u>4,482,549</u>
	Share capital	Other reserves	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2020	9,954,535	(5,190,173)	(281,813)	4,482,549
Adjustment to correct opening retained earnings in relation to prior period errors	-	-	46,623	46,623
Loss after income tax expense for the year	-	-	(125,088)	(125,088)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(125,088)	(125,088)
Balance at 30 June 2021	<u>9,954,535</u>	<u>(5,190,173)</u>	<u>(360,278)</u>	<u>4,404,084</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidation	
	Note	2021	2020
		\$	\$
Operating activities			
Receipts from customers (inclusive of GST)		6,409,432	9,866,937
Payments to suppliers and employees (inclusive of GST)		(5,071,878)	(7,550,823)
Interest received		1,088	3,701
Government grants		353,156	170,040
Interest and other finance costs paid		(76,472)	(101,050)
Income taxes paid		12,329	(82,264)
		<u>1,627,655</u>	<u>2,306,541</u>
Net cash from operating activities	29		
Investing activities			
Payments for purchases of property, plant and equipment	11	(302,570)	(30,909)
Payments for purchases of intangible assets	13	(314,300)	(138,785)
		<u>(616,870)</u>	<u>(169,694)</u>
Net cash used in investing activities			
Financing activities			
Repayment of lease liabilities		(371,405)	(293,919)
		<u>(371,405)</u>	<u>(293,919)</u>
Net cash used in financing activities			
Net increase in cash and cash equivalents		639,380	1,842,928
Cash and cash equivalents at the beginning of the financial year		3,079,959	1,237,031
		<u>3,719,339</u>	<u>3,079,959</u>
Cash and cash equivalents at the end of the financial year	8		

The above statement of cash flows should be read in conjunction with the accompanying notes

General information

The financial statements cover 789 Holdings Limited as a consolidated entity consisting of 789 Holdings Limited and entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is 789 Holdings Limited's functional and presentation currency.

789 Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 405
161 Redfern street
Redfern NSW 2016

Principal place of business

Suite 405
161 Redfern street
Redfern NSW 2016

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2021. The directors have the power to amend and reissue the financial statements.

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for profit entity for the purposes of preparing the financial statements. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the significant accounting policies below.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its 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 in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 789 Holdings Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. 789 Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

Note 1. Significant accounting policies (continued)

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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

Operating segments

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

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of Services - real estate sales commissions

Revenue from a contract to provide services (i.e. arranging the sales of the units in the development properties) is recognised by reference to the sale of an individual unit that forms part of the development property. 50% of the total commission earned for the sale of an individual unit is recognised at the exchange of the contract between the vendor and the buyer and the remaining 50% of the total commission earned is recognised at settlement.

Rendering of Services - letting and property management

Letting fees are earned (normally one weeks rent) from the letting of properties and management fees are earned for the usual property management and charged as a percentage of the rent (approximately 5%).

Interest

Revenue is recognised as the interest accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Government Grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies (continued)

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30-60 days.

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from the default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Other receivables are recognised at amortised cost, less any provision for impairment.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 1. Significant accounting policies (continued)

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part of all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- Financial assets measured at amortised cost.
- Debt investments measured at FVOCI

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies (continued)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- The other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- The financial assets is more than 90 days past due.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets and bringing the asset to working condition for its intended use.

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful lives.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Office equipment	5-7 years
Furniture and fittings	5-10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in other property, plant and equipment. Upon review adjustment or impairment shall be made, if required.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Intangible assets

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

Software (Teamlink Platform)

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Rental roll

Rental rolls acquired in an asset acquisition are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 6.7 years.

Impairment of non-financial assets

Other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount

Note 1. Significant accounting policies (continued)

may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Issued capital

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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of 789 Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

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

Estimation of allocating the transaction price to performance obligations of the real estate sales agency contracts

The Directors of the Group have determined that the current accounting policy of revenue recognition best reflects how the performance obligations are met by transferring promised services to customers according to the real estate sales agency contracts with the property developers. The Directors of the Group estimate that on average 50% of transaction price (sales commissions) is attributable to the performance obligations that are satisfied at the exchange of the contract between the vendor and the buyer and the remaining 50% of transaction price is attributable to the performance obligations that are satisfied at the time of settlement (i.e. in line with the contractual entitlements for the sales commissions).

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

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

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Note 3. Operating segments

Identification of reportable operating segments

The group is organised into two operating segments based on difference in services provided: property sales and property management. These operating segments are based on the internal reports that are reviewed by the Board of Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the marketing revenue and Government grant of the group.

The Board of Directors reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the Board of Directors are consistent with those adopted in the financial statements.

The information reported to the Board of Directors is on a monthly basis.

Type of services

The principal services of each of these operating segments are as follows:

Property sales	the wholesaling of residential properties in Australia
Property management	the daily oversight of residential and commercial investment properties in Australia

Operating segments information

Consolidated - 30 June 2021	Property sales	Property management	Other segments	Total
Revenue				
Sales to external customers	4,212,561	830,815	-	5,043,376
Intersegment sales	-	-	-	-
Total sales revenue	4,212,561	830,815	-	5,043,376
Other revenue	585,704	180,774	378,504	1,144,982
Total segment revenue	4,798,265	1,011,589	378,504	6,188,358
Intersegment eliminations				-
<i>Unallocated revenue:</i>				
Interest revenue				1,088
Total revenue				6,189,446
EBITDA	823,169	426,220	(354,083)	895,306
Depreciation and amortisation				(500,255)
Interest revenue				1,088
Finance costs				(76,472)
Profit before income tax expense				319,667
Income tax expense				(444,755)
Profit after income tax expense				(125,088)
Assets				
Segment assets	6,058,619	1,268,717	8,825,054	16,152,390
Intersegment eliminations				(8,827,171)
Total assets				7,325,219

Note 3. Operating segments (Continued)

Consolidated - 30 June 2021	Property sales	Property management	Other segments	Total
Liabilities				
Segment liabilities	<u>3,897,471</u>	<u>178,125</u>	<u>172,710</u>	4,248,306
Intersegment eliminations				<u>(1,327,171)</u>
Total liabilities				2,921,135
Consolidated - 30 June 2020	Property sales	Property management	Other segments	Total
Revenue				
Sales to external customers	3,165,251	891,284	-	4,056,535
Intersegment sales	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total sales revenue	3,165,251	891,284	-	4,056,535
Other revenue	<u>280,440</u>	<u>176,045</u>	<u>71,500</u>	<u>527,985</u>
Total segment revenue	<u>3,445,691</u>	<u>1,067,329</u>	<u>71,500</u>	<u>4,584,520</u>
Intersegment eliminations				-
<i>Unallocated revenue:</i>				
Interest revenue				<u>3,701</u>
Total revenue				4,588,221
EBITDA	<u>300,087</u>	<u>318,792</u>	<u>(416,696)</u>	202,183
Depreciation and amortisation				(467,135)
Interest revenue				3,701
Finance costs				<u>(101,050)</u>
Loss before income tax expense				(362,301)
Income tax expense				<u>135,759</u>
Loss after income tax expense				(226,542)
Assets				
Segment assets	6,359,510	995,486	9,594,340	16,949,336
Intersegment eliminations				<u>(9,066,699)</u>
Total assets				7,882,637
Liabilities				
Segment liabilities	<u>4,522,973</u>	<u>334,170</u>	<u>109,644</u>	4,966,787
Intersegment eliminations				<u>(1,566,699)</u>
Total liabilities				3,400,088

<i>Geographical information</i>	Sales to external customers		Geographical non-current assets	
	2021	2020	2021	2020
Australia	<u>5,043,376</u>	<u>4,056,535</u>	<u>2,064,558</u>	<u>2,186,558</u>
	<u>5,043,376</u>	<u>4,056,535</u>	<u>2,064,558</u>	<u>2,186,558</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue

	Consolidated	
	2021	2020
	\$	\$
From continuing operations		
<i>Revenue from contracts with customers</i>		
<i>Rendering of services</i>	5,043,376	4,056,535
Revenue from continuing operations	5,043,376	4,056,535

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Property sales	Property management	Other segments	Total
	\$	\$	\$	\$
Consolidated - 2021				
<i>Major service lines</i>				
Sales to external customers	4,212,561	830,815	-	5,043,376
	<u>4,212,561</u>	<u>830,815</u>	<u>-</u>	<u>5,043,376</u>
<i>Geographical regions</i>				
Australia	4,212,561	830,815	-	5,043,376
	<u>4,212,561</u>	<u>830,815</u>	<u>-</u>	<u>5,043,376</u>
<i>Timing of revenue recognition</i>				
Services transferred over time	4,212,561	830,815	-	5,043,376
	<u>4,212,561</u>	<u>830,815</u>	<u>-</u>	<u>5,043,376</u>

Note 4. Revenue (Continued)

	Property sales	Property management	Other segments	Total
	\$	\$	\$	\$
Consolidated - 2020				
<i>Major service lines</i>				
Sales to external customers	3,165,250	891,285	-	4,056,535
	<u>3,165,250</u>	<u>891,285</u>	<u>-</u>	<u>4,056,535</u>
<i>Geographical regions</i>				
Australia	3,165,250	891,285	-	4,056,535
	<u>3,165,250</u>	<u>891,285</u>	<u>-</u>	<u>4,056,535</u>
<i>Timing of revenue recognition</i>				
Services transferred over time	3,165,250	891,285	-	4,056,535
	<u>3,165,250</u>	<u>891,285</u>	<u>-</u>	<u>4,056,535</u>

Note 5. Other income

	Consolidated	
	2021	2020
	\$	\$
Marketing service income	199,548	231,454
Government grant - JobKeeper payment	186,300	99,000
Government grant - Cash Flow Boost	92,577	154,295
Government grant – R&D	557,397	-
Other income	109,160	43,236
	<u>1,144,982</u>	<u>527,985</u>

Note 6. Expenses

	Consolidated	
	2021	2020
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Furniture and fittings	29,414	8,655
Office equipment	11,235	11,541
Leased motor vehicle	37,896	38,000
Motor vehicle	6,182	3,938
Right of use asset	336,307	357,009
Total depreciation	421,034	419,143
Amortisation		
Teamlink platform	31,539	-
Rental roll	47,682	47,992
Total amortisation	79,221	47,992
Total depreciation and amortisation	500,255	467,135
Finance costs		
Interest and finance charges paid	76,472	101,050
Finance costs expenses	76,472	101,050

Note 7. Income tax expense

	Consolidated	
	2021	2020
	\$	\$
Income tax expense		
Current tax	365,212	82,264
Deferred tax	79,543	(218,023)
	<hr/>	<hr/>
Aggregate income tax expense/(benefit)	444,755	(135,759)
Income tax expense is attributable to:		
Profit from continuing operations	444,755	(135,759)
	<hr/>	<hr/>
Aggregate income tax expense/(benefit)	444,755	(135,759)
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	79,543	(218,023)
Increase/(decrease) in deferred tax liabilities	-	-
	<hr/>	<hr/>
Deferred tax	79,543	(218,023)
	<hr/>	<hr/>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense from continuing operations	319,667	(362,301)
	<hr/>	<hr/>
Tax (benefit)/expense at the statutory tax rate of 26% (2020: 27.5%)	83,114	(99,633)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Car depreciation over luxury limit	8,413	6,295
R&D tax expenditure	110,804	-
R&D tax incentive refunded	(61,176)	-
Cashflow boost	(24,070)	-
Non-assessable items	32,237	(42,421)
	<hr/>	<hr/>
	149,322	(135,759)
	<hr/>	<hr/>
Adjustment recognised for prior periods	295,433	-
	<hr/>	<hr/>
Income tax expense/(benefit)	444,755	(135,759)
	<hr/>	<hr/>

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2021	2020
	\$	\$
Cash at bank	3,719,339	3,079,959
	<u>3,719,339</u>	<u>3,079,959</u>

For the statement of cash flows presentation purposes, cash and cash equivalents includes cash at bank.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2021	2020
	\$	\$
Trade debtor	1,353	1,353
Government grant receivable	-	33,000
Service income receivable from Aust Sunshine Marketing Pty Ltd (related party)	-	103,111
Sales commission receivable from developer	1,018,387	1,823,864
Loans receivable from others	17,733	170,171
	<u>1,037,473</u>	<u>2,131,499</u>
Other receivables	71,287	109,278
	<u>1,108,760</u>	<u>2,240,777</u>

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Allowance for expected credit losses

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group has recognised a loss allowance of NIL % against all receivables greater than 90 days because historical experience has indicated that these receivables are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Note 10. Current assets - other

	Consolidated	
	2021	2020
	\$	\$
Prepayments	33,384	54,444
Security deposit	2,000	-
Funds refundable	75,580	-
	<u>110,964</u>	<u>54,444</u>

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	2021	2020
	\$	\$
Furniture and fittings - at cost	360,116	57,546
Less: Accumulated depreciation	(77,389)	(47,975)
	<u>282,727</u>	<u>9,571</u>
Office equipment - at cost	80,695	80,695
Less: Accumulated depreciation	(80,695)	(69,460)
	<u>-</u>	<u>11,235</u>
Leased motor vehicle - at cost	189,482	189,482
Less: Accumulated depreciation	(173,524)	(135,628)
	<u>15,958</u>	<u>53,854</u>
Motor vehicle - at cost	30,909	30,909
Less: Accumulated depreciation	(10,120)	(3,938)
	<u>20,789</u>	<u>26,971</u>
	<u>319,474</u>	<u>101,631</u>

Note 11. Non-current assets - property, plant and equipment (Continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Furniture and fittings	Office equipment	Leased Motor vehicle	Motor vehicle	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 30 Jun 2019	18,226	22,776	91,854	-	132,856
Addition	-	-	-	30,909	30,909
Disposal	-	-	-	-	-
Depreciation expense	(8,655)	(11,541)	(38,000)	(3,938)	(62,134)
Balance at 30 Jun 2020	9,571	11,235	53,854	26,971	101,631
Addition	302,570	-	-	-	302,570
Disposal	-	-	-	-	-
Depreciation expense	(29,414)	(11,235)	(37,896)	(6,182)	(84,727)
Balance at 30 Jun 2021	<u>282,727</u>	<u>-</u>	<u>15,958</u>	<u>20,789</u>	<u>319,474</u>

Note 12. Right of use assets

	Consolidated	
	2021	2020
	\$	\$
Right of use asset	1,748,332	2,009,814
Less: Accumulated depreciation	<u>(688,599)</u>	<u>(357,009)</u>
	<u>1,059,733</u>	<u>1,652,805</u>

Additions to the right of use assets during the year is 261,482.

The consolidated entity leases land and buildings for its offices under agreements of between three to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The reduction to right-of-use assets during the year were \$336,307 due to early termination of a lease.

Note 13. Non-current assets – intangible asset

	Consolidated	
	2021	2020
	\$	\$
Rental roll – at cost	317,882	317,882
Less: Accumulated amortisation	(95,674)	(47,992)
	<u>222,208</u>	<u>269,890</u>
Teamlink platform – at cost	445,903	131,603
Less: Accumulated amortisation	(31,539)	-
Less: Accumulated loss on impairment	(59,603)	(59,603)
	<u>354,761</u>	<u>72,000</u>
	<u>576,969</u>	<u>341,890</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Rental roll	Teamlink platform	Total
Consolidated	\$	\$	\$
Balance at 30 Jun 2019	310,700	-	310,700
Addition	7,182	131,603	138,785
Impairment		(59,603)	(59,603)
Amortisation expense	<u>(47,992)</u>	<u>-</u>	<u>(47,992)</u>
Balance at 30 Jun 2020	269,890	72,000	341,890
Addition	-	314,300	314,300
Impairment	-	-	-
Amortisation expense	<u>(47,682)</u>	<u>(31,539)</u>	<u>(79,221)</u>
Balance at 30 Jun 2021	<u>222,208</u>	<u>354,761</u>	<u>576,969</u>

Note 14. Non-current assets – deferred tax

	Consolidated	
	2021	2020
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Property, plant and equipment	9,433	7,590
Employee benefits	15,557	16,225
Intangible asset	(64,772)	-
Leases	26,825	32,081
Listing costs	31,102	51,318
Provision for lease make good	2,475	2,578
Impairment of assets	-	16,391
Accrued expenses	175,093	21,106
Benefit of tax losses	18,643	173,610
	<u>214,356</u>	<u>320,899</u>
Deferred tax asset	<u><u>214,356</u></u>	<u><u>320,899</u></u>
<i>Movements:</i>		
Opening balance	320,899	102,876
(Charged)/credited to profit or loss (note 7)	<u>(79,543)</u>	<u>218,023</u>
Closing balance	<u><u>241,356</u></u>	<u><u>320,899</u></u>

Note 15. Non-current assets - other

	Consolidated	
	2021	2020
	\$	\$
Bond refundable	<u>108,382</u>	<u>90,232</u>
	<u><u>108,382</u></u>	<u><u>90,232</u></u>

Note 16. Current liabilities - trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade payable	7,658	22,052
Accrued commissions payable	593,111	268,768
GST & PAYG payable (net)	40,925	24,206
Make good provision	9,518	9,376
Accrued expense	928,395	909,662
Other payable	58,598	12,167
	<u>1,638,205</u>	<u>1,246,231</u>

Refer to Note 22 for further information on financial instruments.

Note 17. Lease Liabilities

	Consolidated	
	2021	2020
	\$	\$
<i>Short term</i>		
Lease liability	<u>317,113</u>	<u>371,239</u>
	<u>317,113</u>	<u>371,239</u>
<i>Long term</i>		
Lease liability	<u>849,919</u>	<u>1,514,726</u>
	<u>849,919</u>	<u>1,514,726</u>

Note 18. Current liabilities – employee benefits

	Consolidated	
	2021	2020
	\$	\$
Employee benefits	<u>96,132</u>	<u>48,367</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2021	2020
	\$	\$
Employee benefits obligation expected to be settled after 12 months	<u>25,153</u>	<u>2,176</u>

Note 19. Equity - issued capital

	2021	Consolidated	2021	2020
	Shares	2020	\$	\$
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>40,014,400</u>	<u>40,000,000</u>	<u>9,954,535</u>	<u>9,954,535</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	40,000,000		9,954,535
Issue of shares to IT consultant	25 January 2021	<u>14,400</u>	\$0	<u>-</u>
Balance	30 June 2021	<u>40,014,400</u>		<u>9,954,535</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 19. Equity - issued capital (Continued)

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

Note 20. Equity - reserves

	Consolidated	
	2021	2020
	\$	\$
Other reserves		
Group reorganisation reserve	(5,190,173)	(5,190,173)
	<u>(5,190,173)</u>	<u>(5,190,173)</u>

This corporate reorganisation does not represent a business combination in accordance with AASB 3 'Business Combinations', and the appropriate accounting treatment for recognising the new group structure is on the basis that the transaction is a form of capital reconstruction and group reorganisation. Accordingly, the financial statements have been presented as a continuation of the Pre-IPO 789 Group. As such, financial statements of the Group include the historical financial information of the Pre-IPO 789 Group for the period before the acquisition. These financial statements include the financial results for the Group from acquisition to 30 June 2019 and the Pre-IPO 789 Group for the period 1 July 2018 to the date of acquisition.

The equity structure in the consolidated financial statements, including the number and type of equity instruments issued at the date of acquisition reflects the equity structure of the Company. A corporate reorganisation reserve is recognised to record the difference between the amount paid to acquire the Pre-IPO 789 Group and the share capital of 789 Holdings Limited.

Note 21. Equity – accumulated losses

	Consolidated	
	2021	2020
	\$	\$
Accumulated losses at the beginning of the financial year	(281,813)	(55,271)
Correction of opening retained earnings in relation to prior period errors	46,623	-
Re-stated balance at the beginning of the financial year	<u>(235,190)</u>	<u>(55,271)</u>
Loss after income tax expense for the year	<u>(125,088)</u>	<u>(226,542)</u>
Accumulated losses at the end of the financial year	<u><u>(360,278)</u></u>	<u><u>(281,813)</u></u>

Note 22. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks in particular, credit risks and liquidity risks however, the Group is not susceptible to market risks (including price risks and interest rate risks). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise, if not mitigate potential adverse effects on the financial performance of the Group. The consolidated entity uses different methods to measure different types of risks to which it potentially is or is exposed. These methods include sensitivity analysis in the case of interest rates and other price risks and aging analysis for credit risk.

Risk management is carried out by finance executives ('finance') under the policies approved by the Board of Directors ('the Board'). These policies include the identification and analysis of the various risk exposures that the Group may be vulnerable to and the appropriate minimisation or mitigation procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units and reports to the Board on a monthly basis.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk as it does not have any long-term borrowings.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. Furthermore, the consolidated entity obtains guarantees and undertakings where appropriate to mitigate potential credit risks. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

In essence, the Group's exposure to credit risk is largely in part to the counterparty's request for longer payment terms as opposed to the payment terms imposed by the Group's standard operating terms. There are a number of rationales with which a longer payment term may be requested such as the counterparty's requirements to acquire the pre-sale target as approved by their financier or the progress payment terms of the counterparty's construction loan. The Group grants leniency of payment terms based on a standardised set of key risk indicators in order to minimise or mitigate the Group's exposure to credit risk.

Note 22. Financial instruments (Continued)

Generally, the trade receivables are written off when there is no reasonable expectation of recovery. Key risk indicators of this include the failure of a debtor to engage in a repayment plan, a lack of active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows.

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 1 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables	Financial liabilities measured at amortised cost	Total
	\$	\$	\$
2021			
Financial Assets			
Trade receivables	1,108,760	-	1,108,760
	<u>1,108,760</u>	<u>-</u>	<u>1,108,760</u>
Financial Liabilities			
Trade payables	-	7,658	7,658
Accrued commissions payables	-	593,111	593,111
Accrued expenses	-	928,395	928,395
GST & PAYG payable (net)	-	40,925	40,925
Make good provision	-	9,518	9,518
Other liabilities	-	58,599	58,599
Lease liabilities	-	1,167,032	1,167,032
	<u>-</u>	<u>2,805,237</u>	<u>2,805,237</u>

Note 22. Financial instruments (Continued)

	Loans and receivables	Financial liabilities measured at amortised cost	Total
	\$	\$	\$
2020			
Financial Assets			
Trade receivables	2,240,777	-	2,240,777
Cash and bank balances	3,079,959	-	3,079,959
	<u>5,320,736</u>	<u>-</u>	<u>5,320,736</u>
Financial Liabilities			
Trade payables	-	22,052	22,052
Accrued commissions payables	-	268,768	268,768
Accrued expenses	-	909,662	909,662
GST & PAYG payable (net)	-	24,206	24,206
Make good provision	-	9,376	9,376
Other liabilities	-	12,167	12,167
Lease liabilities	-	1,885,965	1,885,965
	<u>-</u>	<u>3,132,196</u>	<u>3,132,196</u>

	Weighted average interest rate	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$
2021					
at 30 June 2021					
Trade payables	Nil	7,658	-	-	7,658
Accrued commissions payables	Nil	593,111	-	-	593,111
Accrued expenses	Nil	928,395	-	-	928,395
GST & PAYG payable (net)	Nil	40,925	-	-	40,925
Make good provision	Nil	9,518	-	-	9,518
Other liabilities	Nil	58,599	-	-	58,599
Lease liabilities	4.92	317,113	849,919	-	1,167,032
		<u>1,955,319</u>	<u>849,919</u>	<u>-</u>	<u>2,805,238</u>

Note 22. Financial instruments (Continued)

2020	Weighted average interest rate	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$
at 30 June 2020					
Trade payables	Nil	22,052	-	-	22,052
Accrued commissions payables	Nil	268,768	-	-	268,768
Accrued expenses	Nil	909,662	-	-	909,662
GST & PAYG payable (net)	Nil	24,206	-	-	24,206
Make good provision	Nil	9,376	-	-	9,376
Other liabilities	Nil	12,167	-	-	12,167
Lease liabilities	4.88	371,239	1,514,726	-	1,885,965
		1,617,470	1,514,726	-	3,132,196

Note 23. Key management personnel disclosures

Compensation

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

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	382,574	368,500
Long-term benefits	354	707
	382,928	369,207

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company:

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services – RSM Australia Partners</i>		
Audit of the financial statements	40,000	-
<i>Audit services – UHY Haines Norton</i>		
Audit of the financial statements	-	40,000
	<u>40,000</u>	<u>40,000</u>

Note 25. Contingent liabilities

The consolidated group has the bank guarantee of \$108,382 as at 30 June 2021 (2020: \$90,232), being the rental bond for the office leases.

Note 26. Related party transactions

Parent entity

The parent entity within the Group is 789 Holdings Limited.

Subsidiaries

	Country of incorporation	Class of shares	Ownership interest 2021	Ownership interest 2020
Subsidiaries				
HOME789 Resources Pty Ltd	Australia	Ordinary	100%	100%
Great Fortune Investment Pty Ltd	Australia	Ordinary	100%	100%
HOME789 (Dural) Pty Ltd	Australia	Ordinary	100%	-
Teamlink Platform Pty Ltd	Australia	Ordinary	100%	-
Teamlink Pty Ltd	Australia	Ordinary	100%	-
Teamlink (Hurstville) Pty Ltd	Australia	Ordinary	100%	-

HOME789 Resources Pty Ltd was incorporated on 17 November 2011.
 Great Fortune Investment Pty Ltd was incorporated on 22 November 2007.
 HOME789 (Dural) Pty Ltd was incorporated on 20 August 2020.
 Teamlink Platform Pty Ltd was incorporated on 6 January 2020.
 Teamlink Pty Ltd was incorporated on 10 January 2020.
 Teamlink (Hurstville) Pty Ltd was incorporated on 15 January 2021.

Note 26. Related party transactions (Continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties

The Director, or his personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The entities transacted with the Group in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arms-length basis. Details of these transactions are shown below:

Aust Sunshine Marketing Pty Ltd

The Group receives commission income from this entity that is collected on behalf of HOME789 Resources Pty Ltd.

	2021	2020
	\$	\$
Outstanding balances receivable at the end of the reporting period	-	103,111

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	(832,352)	(278,735)
Total comprehensive loss	(832,352)	(278,735)

Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	1,325,054	1,866,508
Total assets	8,825,054	9,594,340
Total current liabilities	172,356	108,937
Total liabilities	172,711	109,645
Equity		
Share capital	9,954,535	9,954,535
Retained earnings	(1,302,192)	(469,840)
Total equity	8,652,343	9,484,695

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

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially negative for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is frequently changing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than above no matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Group's state of affairs in future financial years.

Note 29. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2021	2020
	\$	\$
Loss after income tax expense for the year	(125,088)	(226,542)
Adjustments for:		
Depreciation and amortisation	500,255	467,135
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,087,877	4,563,337
Decrease/(increase) in deferred tax assets	79,543	(218,023)
(Increase)/decrease in other assets	(74,670)	34,446
Increase/(decrease) in trade and other payables	373,241	(3,296,890)
Increase/(decrease) in provision for income tax	(289,134)	82,264
Increase in employee benefits	56,898	35,024
Increase in other liabilities	18,733	865,790
Net cash provided by from operating activities	<u>1,627,655</u>	<u>2,306,541</u>

Note 30. Changes in liabilities arising from financing activities

Consolidated	Lease liability \$	Total \$
Balance at 1 July 2019	2,186,349	2,186,349
Net cash used in financing activities	(293,919)	(293,919)
Other changes from AASB 16 impact	(6,465)	(6,465)
	<u>2,186,349</u>	<u>2,186,349</u>
Balance at 1 July 2020	1,885,965	1,885,965
Net cash used in financing activities	(371,405)	(371,405)
Decrease due to early termination of lease	(347,529)	(347,529)
	<u>1,885,965</u>	<u>1,885,965</u>
Balance at 30 June 2021	<u>1,167,031</u>	<u>1,167,031</u>

Note 31. Losses per share

	Consolidated	
	2021 \$	2020 \$
<i>Losses per share for losses from continuing operations</i>		
Loss after income tax	(125,088)	(226,542)
Loss after income tax attributable to the owners of 789 Holdings Limited	(125,088)	(226,542)
	<u>(125,088)</u>	<u>(226,542)</u>
	Cents	Cents
Basic losses per share	(0.31)	(0.56)
Diluted losses per share	(0.31)	(0.56)
	<u>(0.31)</u>	<u>(0.56)</u>
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	40,006,194	40,000,000
	<u>40,006,194</u>	<u>40,000,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	40,006,194	40,000,000
	<u>40,006,194</u>	<u>40,000,000</u>

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Kai ZHU
Director

29 September 2021
Sydney

INDEPENDENT AUDITOR'S REPORT

To the Members of 789 Holdings Limited

Opinion

We have audited the financial report of 789 Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We 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* (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to 4 in the financial statements	
<p>Revenue for the year ended 30 Jun 2021 was \$5,043,376. The primary revenue streams are:</p> <ul style="list-style-type: none"> • Real estate sales commissions; and • Letting and property management fees. <p>Revenue is considered to be a Key Audit Matter because the application of AASB 15 Revenue from Contracts with Customers requires a significant number of assessments, judgements, and estimates by management, around:</p> <ul style="list-style-type: none"> • The identification of performance obligations; • The determination and allocation of the transaction price across the performance obligations; and • The method of recognition of revenue (over time or at a point in time). <p>For real estate sales commissions, management determine 50% of total commission shall be recognised at the exchange of the contract and remaining 50% of the total commission shall be recognised at the settlement.</p>	<p>Approach:</p> <p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • Obtaining a detailed understanding of each of the revenue streams and the process for calculating and recording revenue under AASB 15; • Assessing whether the Company's revenue recognition policies were in compliance with Australian Accounting Standards; • Performing tests of detail on each revenue stream on a sample basis to test the occurrence and accuracy of revenue. The detailed testing included: <ul style="list-style-type: none"> ○ Agreeing transactions to property exchange/settlement confirmations and customer invoices; ○ Agreeing the receipt of cash to bank statements; ○ Ensure revenue recognised is in accordance with the Company's revenue recognition policies; ○ Performing specific targeted cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period; and ○ Assessing the appropriateness of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 10 of the directors' report for the year ended 30 June 2021.

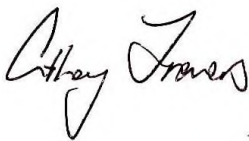
In our opinion, the Remuneration Report of 789 Holdings Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

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



RSM Australia Partners



Anthony Travers

Partner

Sydney, NSW

Dated: 29 September 2021

The shareholder information set out below was applicable as at 30 June 2021.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 10,000	24
10,001 to 100,000	24
100,001 to 1,000,000	13
1,000,001 and over	3
	<hr/>
	64
	<hr/> <hr/>
Holding less than a marketable parcel	-
	<hr/> <hr/>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Unicorn Propfin Limited	30,000,000	74.97
Jingzhu Lai	1,622,000	4.05
Jian Zhang	1,120,000	2.80
GLC Investments Group Pty Ltd (The Deiri Family Trust No 2)	1,000,000	2.50
Zongyang Li	972,800	2.43
Yingxia Liu	800,000	2.00
Yunshou Ye	800,000	2.00
Ruilan Zhou	795,200	1.99
Jiefeng Ye	400,000	1.00
Nan Li	320,000	0.80
Jieren Wang	240,000	0.60
Surewin Australia Pty Ltd	200,000	0.50
Xuming Tian	200,000	0.50
Jianying Wu	200,000	0.50
Jingjing Qian	200,000	0.50
Jianbin Zhuang	120,000	0.30
Shuxin Zong (Zong Family Investment Pty Ltd ATF Zong Family Trust)	100,000	0.25
Caroline Tjahja Ningsih	100,000	0.25
Wei Liu	40,000	0.10
S & K Nassif Pty Ltd (S & K Nassif SMSF)	40,000	0.10
Maroun Nassif	40,000	0.10
Leon Lin	40,000	0.10
Jianping Niu	40,000	0.10
Qian Zhang	40,000	0.10
Jie He	40,000	0.10
Lingmin Wu	40,000	0.10
Yubin Zhang	40,000	0.10
	39,550,000	98.84

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.