

LAND & HOMES GROUP LIMITED

ABN: 33 090 865 357

**Annual Financial Report
For the Year Ended 30 June 2023**

LAND & HOMES GROUP LIMITED

ABN: 33 090 865 357

Annual Financial Report For the Year Ended 30 June 2023

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LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
DIRECTORS' REPORT

The Directors present their report on Land & Homes Group Limited ("the Company") and its subsidiaries (referred to hereafter as the "Group"), for the financial year ended 30 June 2023.

General Information

Directors

The following persons were directors of the Company during or since the end of the financial year up to the date of this report:

Choon Keng (CK) Kho
Non-Executive Chairman

Mr CK Kho graduated with First Class Honours in BSc (Engineering) from King's College University of London. He was also awarded the President's Scholarship by the Government of Singapore.

Mr Kho served in the Singapore Civil Service until joining Lian Huat Group in Singapore in 1985 and has extensive experience in developing major property projects in Australia, Singapore and China. After joining the Lian Huat Group, Mr Kho was responsible in upgrading and modernising the group's management systems and expansion plan while preserving the qualities of the traditional Chinese ethics and culture to lead the group to be one with international perspectives and practices and yet nimble with long-term vision.

Other current directorships of listed companies

Lionhub Group Limited - Delisted 19 July 2021

Former directorships of other listed companies (last 3 years)

N/A

Shawn Chuan Chi Kao
Non-Executive Director

Mr Kao obtained his Business Administration degree from Fullerton University in the USA and a Master degree in Hotel Management in 2009 from Hotel and Tourism Management Institute (HTMI) in Switzerland.

Mr Kao is an experienced investment and real estate professional with extensive expertise in China and Singapore. Among his executive and non-executive roles in Asia, he is currently Executive Chairman of San Teh Pte. Ltd, a company previously listed as San Teh Ltd on the SGX with extensive business in China and Singapore, which include real estate, hotel investment and manufacturing.

In addition, Mr Kao actively involves himself in trade associations, having assumed the leadership position of Vice President at the Shanghai Overseas Chinese Chamber of Commerce in 2004, providing assistance to those who are interested in running businesses in China and promoting investment in China.

Other current directorships of listed companies

N/A

Former directorships of other listed companies (last 3 years)

N/A

Kwee Jee Lee
Independent Non-Executive Director

Ms Lee obtained her BSc (Hons) and MSc from the University of Singapore and attended an Executive Development Programme in INSEAD, Fontainebleau.

Ms Lee had very extensive experience in both the public and private sector. She spent 20 years in the public sector formulating and overseeing policies in the Ministries of Finance, Defence and the Environment of the Government of Singapore. Her scope of work included finance and budgetary control, personnel and human resource allocation, public relations and international relations.

Ms Lee also spent a further 20 years in the private sector, working in manufacturing, electronic and technology companies, including Electronic Component of General Electric (USA), TDB Holdings Pte Ltd, ST Aerospace Pte Ltd, and Singapore Technologies Pte Ltd. She held key positions in these companies, mostly specialised in human resources and building strategic relationships for these companies, both locally and internationally, to expand and promote their operations and businesses.

Prior to her retirement, Ms Lee was the SVP (Strategic Relations and Corporate Communications) of Singapore Technologies Telemedia Pte Ltd where she spent over 9 years building and strengthening external relationships with the media, the public and international partners.

Other current directorships of listed companies

Lionhub Group Limited - Delisted 19 July 2021

Former directorships of other listed companies (last 3 years)

N/A

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Kim Huat Koh
Independent Non-Executive Director

Mr Koh graduated from National University of Singapore in Bachelor of Engineering (civil), 2nd Upper Honors.

Mr Koh spent many years serving the Singapore government in different departments. They included administrative service of Singapore Government, its diplomatic mission in Shanghai and Government of Singapore Investment Corporation (GIC).

Mr Koh has extensive experience as a member of the boards of many private and publicly listed companies, including Singapore and Hong Kong listed Rowsley Ltd, UPP Holdings Ltd, Eagle Brand Holdings Ltd and Hong Kong Fortune Ltd. He was Executive Director of Hong Kong Fortune Ltd in 1994 and retired in May 2013 as Executive Chairman of UPP Ltd. Mr Koh has intimate knowledge of China and of property development. He was head of Singapore's diplomatic missions in Shanghai from 1991 until 1994. He then went on to head up the property businesses for Chia Tai group in China. Chia Tai was then one of the largest foreign investors in China. Its property investments include the commercial downtown of Pudong, Shanghai and other cities. He was also a director of Vantage Bay, a company involved in property development in Iskandar Johor.

Other current directorships of listed companies

Lionhub Group Limited - Delisted 19 July 2021

Former directorships of other listed companies (last 3 years)

N/A

Grant Archibald
Independent Non-Executive Director

Mr Archibald is a graduate in Construction Management of RMIT in Melbourne and a Full Member of the Australian Institute of Building since 1974.

Mr Archibald spent 10 years in Melbourne as a construction company executive before moving to Sydney and gaining extensive experience in the overall delivery of major hotels, large-scale retail and residential

Since 1993, he has acted as CEO and director of a number of major development project companies for investors from Malaysia, Singapore and China. In this role, he was responsible for the successful undertaking of substantial property investment commitments. Mr Archibald's duties and experience have included most aspects of the related fiduciary duties required for corporate formation, operation, governance and accountability. From 2008 to 2012, Mr Archibald was a senior management executive for a publicly listed development corporation based in Shanghai, where he was responsible to lead the international consultant team on developing large scale mixed use projects.

Mr Archibald returned to Australia and established a residential property development company undertaking a variety of large scale projects for Chinese and Australian investors.

Other current directorships of listed companies

Lionhub Group Limited - Delisted 19 July 2021

Former directorships of other listed companies (last 3 years)

N/A

Charles Chow Cher Lim
Independent Non-Executive Director

Mr Lim holds a B.A. Hons (Economics & Finance) from the University of California, Los Angeles.

Mr Lim has over 20 years of experience in Finance and Management. He was formerly a Chief Financial Officer and Executive Director of a public listed company in Singapore that had investments in property, publishing and manufacturing of consumer projects, in various countries including Australia, UK, France and several South East Asian countries. In that capacity, he has executed several cross-border M&A and other corporate finance transactions.

Other current directorships of listed companies

N/A

Former directorships of other listed companies (last 3 years)

N/A

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Peter Henry Mackinlay
Independent Non-Executive Director/ Deputy Chairman
Resigned 12 September 2023

Mr Mackinlay is a Fellow of the Australian Institute of Company Directors, Fellow of FINSEA and a Life Member of the Overseas Bankers Association of Australia.

Mr Mackinlay has been in the banking industry since 1961, having commenced with the National Bank of Australasia in managerial roles in Australia, Singapore and Hong Kong. In 1995, Mr Mackinlay was recruited by Singapore based Overseas Union Bank Limited as Head of Australasia, Overseas Union Bank of Singapore and retired in March 2014 when he was CEO of Australia and New Zealand of United Overseas Bank, Singapore, following the merger with Overseas Union Bank.

In April 2002, Mr Mackinlay was appointed by the Singapore Government as the Honorary Business Representative (Sydney) for International Enterprise Singapore and held that position until December 2008.

Other current directorships of listed companies

N/A

Former directorships of other listed companies (last 3 years)

N/A

Prior to Ms Goh's return to Australia, she was an Associate Director in a Singapore based investment company, Temasek Holdings Limited (one of the biggest sovereign fund managers in the world) and has also spent several years working in Temasek's subsidiaries - Temasek Management Services Pty Ltd and Singapore Technologies Pte Ltd. Ms Goh led a team to plan, organise and manage high profile events in Singapore, Asia and Europe for diplomats and senior regional corporate leaders.

Ms Goh has extensive experience working in regional corporate environments. She has a diverse range of industry skills and experience in the areas of international corporate events management, marketing communications and strategic relations.

Other current directorships of listed companies

Lionhub Group Limited - Delisted 19 July 2021

Former directorships of other listed companies (last 3 years)

N/A

Siew Goh
Non-Executive Director
Resigned 30 September 2022

Company Secretary
Andrew Draffin
Appointed 30 September 2022

Andrew is an experienced ASX company secretary with a strong focus on governance and financial reporting. Andrew is currently a Partner at DW Accounting & Advisory Pty Ltd.

Andrew Cooke
Resigned 30 September 2022

Andrew has more than twenty years' experience in law and corporate finance and has served as the Company Secretary of a number of listed companies. He is responsible for the company secretarial function together with stock exchange and regulatory compliance.

Shareholdings of directors and other key management personnel

	Date of this report		30 June 2023	
	Ordinary Shares	Share Options	Ordinary Shares	Share Options
Mr Choon Keng (CK) Kho ¹	503,229,092	-	503,229,092	-
Mr Peter Henry Mackinlay	-	-	-	-
Mr Shawn Chuan Chi Kao ²	207,356,000	-	207,356,000	-
Ms Kwee Jee Lee	-	-	-	-
Mr Kim Huat Koh	-	-	-	-
Mr Grant Archibald	-	-	-	-
Mr Charles Chow Cher Lim	-	-	-	-
Ms Siew Goh (Resigned 30 September 2022)	-	-	-	-

¹ Shares held in Telok Ayer Holdings Pte Ltd and Telok Ayer Capital Pte Ltd, of which Mr Choon Keng Kho and Mr Patrick Chuan Thye Kho have a relevant interest.

² Shares held in San Teh Xing Investment Pte Ltd, of which Mr Shawn Chuan Chi Kao has a relevant interest.

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DIRECTORS' REPORT

Meetings of Directors

During the financial year, 2 meeting of directors (including circular resolutions) was held. Attendance by each director during the year was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Choon Keng (CK) Kho	2	2
Mr Shawn Chuan Chi Kao	2	2
Ms Kwee Jee Lee	2	2
Mr Kim Huat Koh	2	2
Mr Grant Archibald	2	2
Mr Charles Chow Cher Lim	2	-
Mr Peter Henry Mackinlay (Resigned 12 September 2023)	2	2
Ms Siew Goh (Resigned 30 September 2022)	-	-

Principal activities and significant changes in nature of activities

The principal activity of the Group is to develop quality, medium to high-density residential apartments initially focusing on developments in the city of Brisbane, Australia.

Review of operations and operating results

The Land & Homes Group's business strategy is focused on property investment and multi-purpose property development in Australia. The Group's preferred property development model is to develop quality, medium to high density residential apartments in South East Queensland, focussing initially on Brisbane. The residential developments are to be in attractive, convenient locations of the inner Brisbane area suitable for a balance of both investors and owner occupiers.

During the financial year, the Company has maintained its position to prudently defer the launch of its project marketing strategy from 2022 to at least late 2023 when cost of borrowing and construction costs are expected to stabilise.

In preparation of the launch, the Company has undertaken some improvements, including leasing new premises adjacent to the project for the sales and marketing venue, whilst continuing to monitor the industry economic environment.

The loss after income tax of the Group for the financial year amounted to \$1,132,168 (2022: loss of \$1,965,696).

Financial position

The net deficit of assets of the Group at 30 June 2023 are \$401,540 (2022: net assets of \$730,628). On 31 October 2017, the Land & Homes Group Limited announced that it would be conducting a private placement of Convertible Notes to sophisticated investors initially to raise up to \$3.0 million. The first Notes were issued on 3 November 2017 and as at 30 June 2022, 489,379,679 Class A Notes and 391,500 Class B Notes had been issued. In addition to issuing further convertible notes, the Company is also considering various options such as Joint Venture partners' participation, a further rights issue and/or private placements, to cover any cash shortfalls for working capital and development requirements.

Dividend Paid or Recommended

No dividends were paid during the period and no recommendation is made as to the payment of a dividend.

Events subsequent to the end of the financial year

There are no events subsequent to the end of the financial year.

Future Developments

Other than the information disclosed elsewhere in this report, information on likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this directors' report. The Company has maintained its position to prudently defer the launch of its project to at least the second quarter of 2024 financial year when cost of borrowing and construction costs are expected to stabilise.

Environmental regulations

The Group is subject to compliance with both Commonwealth and State environment protection legislation. The directors are satisfied that adequate policies and procedures are in place to ensure the Group's compliance with the applicable legislation.

The Group is not aware of any incidents that have resulted in material non-compliance with environmental regulations during the financial year and up to the date of the directors' report.

Audit/Non-Audit Services

Auditors' remuneration is disclosed in Note 7.

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no non-audit services paid or payable to the auditor of the parent entity, its related practices and non-related audit firms during the year ended 30 June 2023 (2022: Nil)

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DIRECTORS' REPORT

Capital Raising and Capital Structure

As at 30 June 2023, the Company has 1,049,389,287 fully paid ordinary shares. No shares were issued during the year. Please refer to Note 18 - Issued capital for further details.

Summary of Options

There were no options issued during the financial year.

There are no options on issue as at the date of this report.

Indemnifications and insurance of officers and auditors

During the financial year, the Group paid insurance premiums of \$39,903 (2022: \$39,888) to insure the Directors and Officers of the Group against certain risks associated with their activities as Officers of the Company.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Group.

Proceedings on behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2023 has been received and can be found on page 8 of the financial report.

This directors' report, incorporating the remuneration report is signed in accordance with a resolution of the Board of Directors.

REMUNERATION REPORT (AUDITED)

This remuneration report sets out remuneration information for non-executive directors, executive directors and other key management personnel.

Remuneration policy

The remuneration policy of Land & Homes Group Limited has been designed to align Key Management Personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Land & Homes Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best KMP to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

- The remuneration policy has been developed by the Board of Directors.
- A base salary which is based on factors such as length of service and experience, and includes superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interest of the KMP and Group with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sector. The Remuneration Committee consists of Choon Keng (CK) Kho, Kwee Jee Lee and Kim Huat Koh.

The performance of KMP is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

KMP receive a superannuation guarantee contribution required by the law, which is currently 11%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to KMP is valued at the cost to the Group and expensed. The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is \$600,000, as approved at the general meeting on 2 November 2015.

Relations between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to directors and executives to encourage the alignment of personal and shareholder interests.

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Performance conditions linked to remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with KMP to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

The Group's earnings and movement in shareholder's wealth for the past five years are detailed in the following table:

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Revenue	82,949	77,472	138,482	185,790	253,766
Net (loss) before tax	(1,132,168)	(1,965,696)	(4,058,242)	(2,093,972)	(3,061,131)
Net (loss) after tax	(1,132,168)	(1,965,696)	(4,058,242)	(2,093,972)	(3,061,131)
Share price at start of the year	\$0.015	\$0.012	\$0.005	\$0.009	\$0.028
Share price at end of the year	\$0.009	\$0.015	\$0.012	\$0.005	\$0.009
Dividends paid	-	-	-	-	-
Basic (loss) per share (cents)	(0.1079)	(0.1873)	(0.3867)	(0.1995)	(0.2917)

Employment details of members of KMP

The following table provides employment details who were, during the financial year, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

The names of the directors of the Company and their position are as follows:

Name	Position Held
Choon Keng (CK) Kho	Non-Executive Chairman
Peter Henry Mackinlay (Resigned 12 September 2023)	Independent Non-Executive Director/ Deputy Chairman
Shawn Chuan Chi Kao	Non-Executive Director
Kwee Jee Lee	Independent Non-Executive Director
Kim Huat Koh	Independent Non-Executive Director
Grant Archibald	Independent Non-Executive Director
Charles Chow Cher Lim	Independent Non-Executive Director
Siew Goh (Resigned 30 September 2022)	Non-Executive Director

Remuneration of Directors and Other Key Management Personnel (KMP) for the Year Ended 30 June 2023

	Short Term Employment Benefits		Post-Employment Benefits	Share-Based Payments	Total	
	Salary, fees and leave	Other	Super	Shares/Options	Total	Proportion of remuneration that is performance %
	\$	\$	\$	\$	\$	%
Directors						
Choon Keng (CK) Kho	-	15,000	-	-	15,000	-
Shawn Chuan Chi Kao	30,000	-	-	-	30,000	-
Kwee Jee Lee	45,000	-	4,725	-	49,725	-
Kim Huat Koh	35,000	-	-	-	35,000	-
Grant Archibald	35,000	10,000	4,725	-	49,725	-
Charles Chow Cher Lim	-	5,000	-	-	5,000	-
Peter Henry Mackinlay (Resigned 12 September 2023)	70,000	-	7,350	-	77,350	-
Siew Goh (Resigned 30 September 2022)	-	1,667	-	-	1,667	-
	215,000	31,667	16,800	-	263,467	-

Remuneration of Directors and Other Key Management Personnel (KMP) for the Year Ended 30 June 2022

	Short Term Employment Benefits		Post-Employment Benefits	Share-Based Payments	Total	
	Salary, fees and leave	Other	Super	Shares/Options	Total	Proportion of remuneration that is performance %
	\$	\$	\$	\$	\$	%
Directors						
Choon Keng (CK) Kho	-	15,000	-	-	15,000	-
Peter Henry Mackinlay	70,000	-	7,000	-	77,000	-
Shawn Chuan Chi Kao	30,000	-	-	-	30,000	-
Kwee Jee Lee	45,000	-	4,500	-	49,500	-
Kim Huat Koh	35,000	-	-	-	35,000	-
Grant Archibald	35,000	5,833	4,083	-	44,916	-
Charles Chow Cher Lim	-	5,000	-	-	5,000	-
Siew Goh (Resigned 30 September 2022)	-	7,917	125	-	8,042	-
Patrick Chuan Thye Kho (Resigned 1 April 2022)	-	7,500	-	-	7,500	-
	215,000	41,250	15,708	-	271,958	-

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DIRECTORS' REPORT

Cash performance-related bonuses

No cash bonuses, performance related bonuses and share based payments were made during the current financial year. (2022: nil)

KMP Shareholdings

The number of ordinary shares in Land & Homes Group Limited held by each KMP of the Group during the financial year are as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Mr Choon Keng (CK) Kho ¹	503,229,092	-	-	-	503,229,092
Mr Peter Henry Mackinlay (Resigned 12 September 2023)	-	-	-	-	-
Mr Shawn Chuan Chi Kao ²	207,356,000	-	-	-	207,356,000
Ms Kwee Jee Lee	-	-	-	-	-
Mr Kim Huat Koh	-	-	-	-	-
Mr Grant Archibald	-	-	-	-	-
Mr Charles Chow Cher Lim	-	-	-	-	-
Ms Siew Goh (Resigned 30 September 2022)	-	-	-	-	-

¹ Shares held in Telok Ayer Holdings Pte Ltd and Telok Ayer Capital Pte Ltd, of which Mr Choon Keng Kho has a relevant interest.

² Shares held in San Teh Xing Investment Pte Ltd, of which Mr Shawn Chuan Chi Kao has a relevant interest.

Other transactions and balances with Key Management Personnel

Please refer to Note 23 - for further information

This concludes the remuneration report, which has been audited.

The Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.



Mr Choon Keng Kho
 Director
 Dated 29 September 2023

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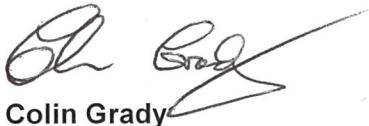
**Lead Auditor's Independence Declaration under
Section 307C of the Corporations Act 2001 to the Directors
of Land and Homes Group Limited**

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2023, there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Land and Homes Group Limited and the entities it controlled during the year.

DFK Laurence Varnay Auditors Pty Ltd



Colin Grady
Director
Sydney

Dated: 29th day of September 2023

Local knowledge. National connections. Global reach.



DFK Laurence Varnay is a member of DFK International, a worldwide association of independent accounting firms and business advisers. Our DFK membership means that we can assist you with expanding your business overseas by networking with other member firms. You can have the essential combination of global reach and local knowledge. Liability Limited by a scheme approved under Professional Standards Legislation.

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LAND & HOMES GROUP LIMITED

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

		Group	
	Note	2023 \$	2022 \$
Revenue			
Revenue	3	72,000	77,472
Other income	3	10,949	20
		<u>82,949</u>	<u>77,492</u>
Exoenses			
Employee benefits expense	4	(331,335)	(338,898)
Professional fees		(177,717)	(144,145)
Share registry expenses		(9,148)	(15,877)
Insurance		(56,598)	(48,011)
Travel expenses		(40,315)	(23,300)
Rental costs - Investment property		-	(28,660)
Depreciation and amortisation expense		-	(15)
Other expenses		(165,497)	(120,599)
Commission paid		-	(234,000)
Total expenses		<u>(780,610)</u>	<u>(953,505)</u>
Loss before financial costs and income tax		<u>(697,661)</u>	<u>(876,013)</u>
Finance costs	4	(434,507)	(1,089,683)
Loss before income tax		<u>(1,132,168)</u>	<u>(1,965,696)</u>
Income tax expense	4	-	-
Loss for the year		<u>(1,132,168)</u>	<u>(1,965,696)</u>
Other comprehensive income		-	-
Total comprehensive loss		<u><u>(1,132,168)</u></u>	<u><u>(1,965,696)</u></u>
Earnings per share			
Basic and diluted loss per share (cents)	8	(0.11)	(0.19)

The accompanying notes form part of these financial statements.

LAND & HOMES GROUP LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Group	
	Note	2023	2022
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	9	858,795	2,569,509
Trade and other receivables	10	7,881	38,523
Other assets	13	152,732	75,095
Total Current Assets		<u>1,019,408</u>	<u>2,683,127</u>
Non-Current Assets			
Inventories	11	31,725,820	29,239,688
Total Non-Current Assets		<u>31,725,820</u>	<u>29,239,688</u>
Total Assets		<u>32,745,228</u>	<u>31,922,815</u>
Liabilities			
Current Liabilities			
Trade and other payables	14	3,514,982	2,382,650
Borrowings	15	25,193,786	19,715,294
Total Current Liabilities		<u>28,708,768</u>	<u>22,097,944</u>
Non-Current Liabilities			
Borrowings	15	4,438,000	9,094,243
Total Non-Current Liabilities		<u>4,438,000</u>	<u>9,094,243</u>
Total Liabilities		<u>33,146,768</u>	<u>31,192,187</u>
(Deficiency in net assets)/Net assets		<u>(401,540)</u>	<u>730,628</u>
Equity			
Issued capital	16	69,078,509	69,078,509
Accumulated losses		(69,480,049)	(68,347,881)
Total Equity		<u>(401,540)</u>	<u>730,628</u>

The accompanying notes form part of these financial statements.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Ordinary Shares	Accumulated Losses	Option Reserve	Total
	\$	\$	\$	\$
Consolidated Group				
Balance at 1 July 2021	69,078,509	(66,406,146)	23,961	2,696,324
Comprehensive income				
Loss for the year	-	(1,965,696)	-	(1,965,696)
Total comprehensive income for the year	-	(1,965,696)	-	(1,965,696)
Transactions with owners, in their capacity as owners, and other transfers				
Expiry of options during the year	-	23,961	(23,961)	-
Total transactions with owners and other transfers	-	23,961	(23,961)	-
Balance at 30 June 2022	69,078,509	(68,347,881)	-	730,628
Balance at 1 July 2022	69,078,509	(68,347,881)	-	730,628
Comprehensive income				
Loss for the year	-	(1,132,168)	-	(1,132,168)
Total comprehensive income for the year	-	(1,132,168)	-	(1,132,168)
Balance at 30 June 2023	69,078,509	(69,480,049)	-	(401,540)

The accompanying notes form part of these financial statements.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

Note	Group	
	2023 \$	2022 \$
Cash Flows from Operating Activities		
Receipts from customers	72,000	88,782
Payments to suppliers and employees	(783,348)	(826,522)
Interest received	10,949	20
Finance costs	(782,498)	(331,152)
Payments for land and development	(812,817)	(1,132,789)
Net cash used in operating activities	19a (2,295,714)	(2,201,661)
Cash Flows from Investing Activities		
Proceeds from sale of investment property	-	19,500,000
Net cash provided by investing activities	-	19,500,000
Cash Flows from Financing Activities		
Proceeds from borrowings - external lenders	-	3,000,000
Repayment of borrowings - external lenders	-	(18,960,000)
Proceeds from borrowings - related parties	585,000	-
Net cash (used in) financing activities	585,000	(15,960,000)
Net increase in cash held	(1,710,714)	1,338,339
Cash and cash equivalents at beginning of financial year	2,569,509	1,231,170
Cash and cash equivalents at end of financial year	9 858,795	2,569,509

The accompanying notes form part of these financial statements.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Corporate Information

The financial statements of Land & Homes Group Limited (the 'Group') for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 28 September 2023 and covers the consolidated entity consisting of Land & Homes Group Limited and its subsidiaries, as required by the Corporations Act 2001. Land & Homes Group Limited is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars.

Land & Homes Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Land and Homes Group Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling Interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- (i) the consideration transferred at fair value;
- (ii) any non-controlling interest (determined under either fair value or proportionate interest method); and
- (iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASB Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9: Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

(b) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

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

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

Tax consolidation

Land & Homes Group Limited has formed a tax consolidated group with the wholly-owned subsidiaries, Land and Homes Investment Pty Ltd, Brisbane Land Holdings Pty Ltd and BLH Wharf Pty Ltd. The tax consolidation legislation has been implemented from the date of acquisition of these entities and Land & Homes Group Limited is the head entity in the tax consolidated group. These entities are taxed as a single entity and deferred tax assets and liabilities have been offset in these consolidated financial statements.

(c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Inventories

Property held for development and resale

Property purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes acquisition and subsequent development costs, and applicable borrowing costs incurred during development. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. All property held for development and sale is regarded as inventory and is classified as such in the balance sheet. Property is classified as current inventory only when sales are expected to result in realisation of cash within the next twelve months, based on management's sales forecasts.

(e) Land Held for Sale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, foreign currency movements, borrowing costs and holding costs until completion of development. Finance costs, foreign currency movements and holding costs incurred after development is completed are expensed. Gains and losses are recognised in profit or loss on the signing of an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

(f) Investment Property

Investment properties comprise significant portions of freehold office buildings that are held for long-term rental yields and / or for capital appreciation. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 40 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(g) Leases (the Group as lessee)

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(h) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, the change in credit risk is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the simplified approach

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc.).

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(i) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(j) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(k) Cash and Cash Equivalents

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

(l) Revenue and Other Income

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised.

Rental income

Rental income on investment properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(m) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans and borrowings using the effective interest method. Fees paid for establishing loan facilities are recognised as transaction costs if it is probable that some or all of the facility will be drawn down, and deferred until the draw down occurs. If it is not probable that the facility will be drawn down, fees are capitalised as prepayments for liquidity services and amortised over the period to which the facility relates.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs.

Where the terms of a borrowing are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of a borrowing, the equity instruments issued as part of the debt for equity swap are measured at the fair value of the equity instruments issued, unless the fair value cannot be measured reliably, in which case, they are measured at the fair value of the debt extinguished. The difference between the carrying amount of the debt extinguished and the fair value of the equity instruments issued is recognised as a gain or loss in profit or loss. All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(o) Trade and Other Receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts and have repayment terms between 30 and 90 days. Collectability of trade receivable is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Objective evidence of impairment includes financial difficulties of the debtor, default payments or debts more than 120 days overdue. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and are not, in the view of the directors, sufficient to require the de-recognition of the original instrument.

(p) Comparative Figures

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

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(q) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and generally have 30-day payment terms.

They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing of the financial statements, however as additional information is known, then the actual results may differ from the estimates.

Key Judgements

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with debtors and prior history.

Impairment of investment property

The carrying value of the investment property, is reviewed against the market valuation for any evidence of impairment at each balance sheet date.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Summary of Significant Accounting Policies (continued)

(s) Going Concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlements of liabilities in the ordinary course of business. For the year ended 30 June 2023, the Group made a loss of \$1,132,168 (2022: loss of \$1,965,696) and had net current liabilities at 30 June 2023 of \$27,689,360 (30 June 2022: net current liabilities of \$19,414,817).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity and debt markets. These conditions indicate a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result, should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Khosland Management Pte Ltd (Koshland) a related party of Mr CK Kho had advanced \$585,000 via loan (see Note 15 to terms and conditions) in June 2023 to the Company for operational capital. Whilst the loan is repayable at call, the Company has received written assertions that Koshland, a related party of the Company, will endeavour to support the Company to the extent necessary to ensure that the Company will be able to continue to fund ongoing operations and meet its liabilities as and when they fall due.

Note 2 Parent Information

The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

	2023	2022
	\$	\$
Current Assets	18,419,332	15,538,992
Non-Current Assets	6,610,001	6,610,001
Total Assets	25,029,333	22,148,993
Current Liabilities	15,916,744	12,189,386
Non-current Liabilities	-	-
Total Liabilities	15,916,744	12,189,386
Net Assets	9,112,589	9,959,607
Issued Capital	69,078,509	69,078,509
Accumulated losses	(60,314,360)	(59,118,902)
Total Equity	8,764,149	9,959,607

Statement of Profit and Loss and Other Comprehensive Income

Loss for the year	(1,195,458)	(1,732,889)
Other comprehensive losses for the year	-	-
Total comprehensive losses for the year	(1,195,458)	(1,732,889)

Note 3 Revenue and Other Income

	Group	
	2023	2022
	\$	\$
Revenue from contracts with customers		
Rental revenue	72,000	77,472
Other income		
- interest received	10,949	20
	10,949	20

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Note 4 Profit for the Year

	Group	
	2023	2022
Profit before income tax from continuing operations includes the following specific expenses:		
(a) Expenses	\$	\$
Interest expense on borrowings	434,507	1,089,683
Depreciation expense	-	15
Rental costs	-	28,660
Employee benefits expense		
— wages and salary expense	307,929	317,190
— superannuation expense	23,407	21,708

Note 5 Tax Expense

	Group	
	2023	2022
	\$	\$
(a) The components of tax (expense) income comprise:		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
	-	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022: 25%)		
— consolidated group	(283,042)	(491,424)
Add:		
Tax effect of:		
— non-deductible depreciation and amortisation	-	(4)
— unrealised movement in fair value in investment property	-	-
	<hr/>	<hr/>
	(283,042)	(491,428)
Less:		
Tax effect of:		
— deductible depreciation	-	(4)
Non-recognition of deferred tax assets	(283,042)	(491,424)
Income tax attributable to group	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	Group	
	2023	2022
	\$	\$
(c) Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in the Statement of Financial Position for the following items:		
- Unused income tax losses	16,977,729	15,845,561
	<hr/>	<hr/>
	16,977,729	15,845,561
Carried forward tax losses from prior years and the current period may not be available to be offset against future taxable profits, due to there being both a change of ownership and change in the principal activity of the business.		
Deferred tax assets not taken up at 25% (2022: 26%)	4,244,432	3,961,390
	<hr/>	<hr/>

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Note 6 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2023.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2023	2022
	\$	\$
Short-term employee benefits	215,000	215,000
Post-employment benefits	16,800	15,708
Total KMP compensation	<u>231,800</u>	<u>230,708</u>

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

These amounts are the current year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Note 7 Auditor's Remuneration

	Group	
	2023	2022
	\$	\$
Remuneration of the auditor, DFK Laurence Varnay Auditors Pty Ltd for:		
— auditing or reviewing the financial statements	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

Note 8 Earnings per Share

	Group	
	2023	2022
	\$	\$
(a) Reconciliation of earnings to profit or loss		
(Loss) from continuing operations	(1,132,168)	(1,965,696)
Losses used in the calculation of basic and dilutive EPS	<u>(1,132,168)</u>	<u>(1,965,696)</u>
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,049,389,293	1,049,389,293
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>1,049,389,293</u>	<u>1,049,389,293</u>
Losses per share		
From continuing operations:		
Basic and Diluted losses per share (cents)	(0.1079)	(0.1873)

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Note 9 Cash and Cash Equivalents

	Group	
	2023	2022
	\$	\$
Cash at bank and on hand	858,795	2,569,509
	<u>858,795</u>	<u>2,569,509</u>

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	858,795	2,569,509
Bank overdrafts	-	-
	<u>858,795</u>	<u>2,569,509</u>

A floating charge over cash and cash equivalents has been provided for certain debts. Refer to Note 16 for further details.

Note 10 Trade and Other Receivables

	Group	
	2023	2022
	\$	\$
Current		
Other receivables	7,881	38,523
Total current trade and other receivables	<u>7,881</u>	<u>38,523</u>

(a) Collateral Held as Security

No collateral was held as security at balance date of this report.

	Group	
	2023	2022
	\$	\$
(b) Financial Assets Measured at Amortised Cost		
Trade and other Receivables		
— Total current	7,881	38,523
— Total non-current	-	-
Total financial assets measured at amortised cost	<u>7,881</u>	<u>38,523</u>

(c) Collateral Pledged

The properties held by the Group have been pledged as security for the United Overseas Bank loans.

Note 11 Inventories

	Group	
	2023	2022
	\$	\$
Non-Current		
Property held for resale		
Land held for sale	21,319,234	21,319,234
Capitalised Development Costs	10,406,586	7,920,454
Aggregate Carrying Costs	<u>31,725,820</u>	<u>29,239,688</u>

This property held as inventory, located at 100 Barry Parade, Brisbane is pledged as security with United Overseas Bank Ltd. (Refer to Note 16 - Borrowings and Note 22 - Related Party Transactions) for further information.

The Accounting Policy for Inventory is detailed in the Summary of Significant Accounting Policies - 1(d).

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Note 12 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	
		2023 (%)	2022 (%)
Land & Homes Investment Pty Ltd	Australia	100	100
Brisbane Land Holdings Pty Limited	Australia	100	100
BLH Wharf Pty Ltd	Australia	100	100

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Note 13 Other Assets

	Group	
	2023 \$	2022 \$
Current		
Prepayments	118,131	75,095
Deposits paid	34,601	-
	<u>152,732</u>	<u>75,095</u>

Note 14 Trade and Other Payables

	Group	
	2023 \$	2022 \$
Current		
Trade payables	2,665,982	615,565
Accrued expenses and payroll liabilities	849,000	1,767,085
	<u>3,514,982</u>	<u>2,382,650</u>

	Group	
	2023 \$	2022 \$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total current	3,514,982	2,382,650
— Total non-current	-	-
Financial liabilities as trade and other payables	<u>3,514,982</u>	<u>2,382,650</u>

For further information regarding related party transaction, refer to Note 22.

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Note 15 Borrowings

	Group	
	2023	2022
	\$	\$
Current		
Unsecured		
Loan from Related Party Shareholder ¹	2,008,154	1,291,975
Convertible Note - Class A ²	5,349,594	693,351
Convertible Note - Class B ³	836,038	729,968
	<u>8,193,786</u>	<u>2,715,294</u>
Secured		
Bank loans ⁴	17,000,000	17,000,000
	<u>17,000,000</u>	<u>17,000,000</u>
Total current borrowings	<u>25,193,786</u>	<u>19,715,294</u>
Non-Current		
Unsecured		
Convertible Note - Class A ²	4,438,000	9,094,243
	<u>4,438,000</u>	<u>9,094,243</u>
Total non-current borrowings	<u>4,438,000</u>	<u>9,094,243</u>

¹ The loan from SLH Corporation Pte Ltd (SLH) (primary loan) is interest bearing and unsecured and provides for a total facility of \$1 million (initial principle) Singapore dollars to the Group for its overhead expenses. On 22 November 2018, SLH Corporation Pte Ltd (SLH) assigned the loan to Khosland Management Pte Ltd, a related party of Mr CK Kho. The term of the loan expired 31 December 2019 with the loan now repayable at call and attracting interest of 7% per annum which has been compounded on the initial principle. In addition, Khosland Management Pte Ltd advanced a further \$585,000 in June 2023 to the Company on the same terms and conditions as the primary loan, 7% interest per annum and repayable at call. Whilst the loans are repayable at call, the Company has received written assertions that the lender, a related party of the Company, will endeavour to support the Company to the extent necessary to ensure that the Company will be able to continue to fund ongoing operations and meet its liabilities as and when they fall due.

The Convertible Notes each have a face value of \$0.02 and are unsecured. The Group has the right to redeem the Notes by paying the full-face value together with all accrued but unpaid interest (net of any withholding tax) in full at any time after 30 months following the date of issue, subject to giving each Noteholder not less than 21 days' notice in writing.

Unless earlier converted, the face value of each Note will be repaid in Australian dollars without counterclaim on the fifth anniversary of its date of issue, or on the date that is nine months from the date of issue if shareholder approval is not obtained to the convertibility of the Note as required under the terms of the agreement. The notes are classified as current on this basis.

² The Convertible Note - Class A have a term of 5 years with interest of 9% per annum payable at the end of each quarter and on conversion or redemption. There are various repayment dates and as at 30 June 2023, \$5,349,594 (2022: \$693,350) is now payable. The Company is in the process of renegotiating an extension of these convertible notes and are also in the process of seeking conversions of a portion of the convertible notes.

³ The Convertible Note - Class B have a term of 5 years with interest of 13.8% per annum payable at the end of each quarter and on conversion or redemption.

⁴ The loans from United Overseas Bank were entered into on 31 October 2016 for the purpose of buying 100 Barry Parade, Brisbane property (\$14,000,000) and on 18 March 2022, the loan was subsequently increased to \$17,000,000. The loans are subject to an interest margin of 1.5% and 2.0% per annum respectively over and above the relevant period Bank Bill Swap Reference Rate and are due for repayment on 31 October 2023. Negotiations on the extension of the loan has commenced and the Company has engaged a valuer to prepare a valuation report on Barry Parade as required under the loan agreement. At the date of this report, negotiations are still ongoing.

Assets pledged as security

The bank loans are secured by way of first mortgages over the property. The carrying amount of the assets pledged as security for current borrowings are:

	Note	Group	
		2023	2022
		\$	\$
First mortgage			
Inventories	11	31,725,820	29,239,688
		<u>31,725,820</u>	<u>29,239,688</u>

Fair value

The fair value of financial liabilities is determined by reference to market prices where they exist or by discounting contractual cash flows by current market interest rates for liabilities with similar risk profiles.

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Note 16 Issued Capital

	Group	
	2023	2022
	\$	\$
1,049,389,287 (2022: 1,049,389,287) Fully Paid Ordinary Shares	69,078,509	69,078,509
	<u>69,078,509</u>	<u>69,078,509</u>

The Group has authorised share capital amounting to 1,049,389,287 ordinary shares.

	Group			
	2023		2022	
	No.	\$	No.	\$
At the beginning of the reporting period	1,049,389,287	69,078,509	1,049,389,287	69,078,509
At the end of the reporting period	<u>1,049,389,287</u>	<u>69,078,509</u>	<u>1,049,389,287</u>	<u>69,078,509</u>

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid, on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands, and on a poll has one vote for each share held, but in respect of partly paid shares will have a fraction of a vote in proportion to the amount paid up on those shares.

(b) Options

The following reconciles with the outstanding listed options to subscribe for fully paid ordinary shares in the Company at the beginning and end of the financial year.

	Group	
	No.	No.
At the beginning of the reporting period	-	347,227,368
Expired during the financial year	-	(347,227,368)
At the end of the reporting period	<u>-</u>	<u>-</u>

(c) Capital Management

Management controls the capital of the Group in order to maintain an optimal debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. In order to achieve these objectives, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to maintain its gearing ratio within the range of 70-105%. The Group's gearing ratio at the end of the financial year is shown below.

	Note	Group	
		2023	2022
		\$	\$
Total borrowings	15	25,193,786	19,715,294
Trade and other payables	14	3,514,982	2,382,650
Less cash and cash equivalents	9	(858,795)	(2,569,509)
Net debt		<u>27,849,973</u>	<u>19,528,435</u>
Total equity		<u>(401,540)</u>	<u>730,628</u>
Total net debt and equity		<u>27,448,433</u>	<u>20,259,063</u>
Gearing ratio		101%	96%

Note 17 Contingent Liabilities and Contingent Assets

The Group did not have any contingent assets as at 30 June 2023. (30 June 2022: Nil)

These financial Statements disclose a liability to a former Director related entity in the amount of \$225,744. The amount owed to the former Director related entity is in dispute. The Director related entity claims that the amount due is \$1,567,818. The Director related entity believes that it is entitled to be paid management fees. No written management agreement exists between the Company and the Director related entity or any other entity and accordingly, the majority of Directors do not believe that the company has any obligation to pay the management fees claimed by the Director related party. Management fees that had been previously accrued by the Company have been reversed in the financial records of the Company with the approval of a majority of Directors.

In the event of any legal claim arising from the Director related entity in the future, the majority of the Board are of the view that such a claim would be fully contested.

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Note 18 Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision makers in assessing performance and determining the allocation of resources.

Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level.

Management currently identified the consolidated entity as having only one operating segment, being the acquisition of prime sites for project development into quality residential, commercial and mixed-used apartments. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segment are equivalent to the financial statements of the Group.

Note 19 Cash Flow Information

	Group	
	2023	2022
	\$	\$
(a) Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax		
Loss after income tax	(1,132,168)	(1,965,696)
Non-cash flows in loss		
Depreciation	-	15
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Decrease/(Increase) in trade and term receivables	30,642	(21,866)
(Increase)/Decrease in other assets	(77,637)	98,334
(Increase) in inventories	(2,248,883)	(958,133)
Increase in trade payables and accruals	1,132,332	645,685
Net cash generated by operating activities	<u>(2,295,714)</u>	<u>(2,201,661)</u>

Note 20 Events After the Reporting Period

There are no events subsequent to the reporting year.

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Note 21 Related Party Transactions

Related Parties

(a) The Group's main related parties are as follows:

i. Entities exercising control over the Group:

The ultimate parent entity that exercises control over the Group is Land & Homes Group Limited, which is incorporated in Australia.

ii. Key Management Personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6.

(b) Transactions with related parties:

(i) Loans from related parties

	Group 2023 \$	2022 \$
Beginning of the year	1,291,975	1,253,787
Additional loan drawn down	585,000	-
Loans repaid	(66,667)	(98,702)
Interest charged	98,170	88,921
Movement in foreign currency	99,676	47,969
End of the year	<u>2,008,154</u>	<u>1,291,975</u>

On 27 February 2017, Land & Homes Group Limited entered into a loan agreement with a related party, S.L.H Corporation Pte Ltd (SLH). SLH agreed to lend up to \$1 million Singapore dollars to the Group for its overhead expenses. To date, \$1,112,842 (2022: \$1,238,229) Singapore dollars has been drawn down (A\$1,423,154) (2022: A\$1,291,975) from this facility including capitalised interest.

The loan is drawn down in accordance with the approved expenditure plan, is unsecured, has a 12 month term commencing from the first drawdown on 14 June 2017 and bears interest at the SIBOR rate (Singapore Inter Bank overdraft rate) plus 1.75% (approximately a total of 2.75% to 3% at the current SIBOR rate). The loan maturity is the 11 June 2018. Effective 1 January 2018, SLH assigned its interest in the loan to Khosland Management Pte Ltd.

The term of the loan was extended to 31 December 2019 with an interest rate of 7% with effect from 1 April 2019. The Group is in the process of renewing this related party loan.

During the financial year, Khosland Management Pte Ltd loaned the Company \$585,000. The loan is repayable at call. However, assertions have been given that the lender will endeavour to support the Company to the extent necessary to ensure that the Company will be able to continue to fund ongoing operations and meet its liabilities as and when they fall due. The loan is subjected to an interest rate of 7% per annum and is unsecured.

(ii) Convertible Notes issued to related parties

Class A Convertible Notes

	Group 2023 \$	2022 \$
Beginning of the year	10,287,594	10,287,594
Issue of convertible note	-	-
End of the year	<u>10,287,594</u>	<u>10,287,594</u>

Class B Convertible Notes

	Group 2023 \$	2022 \$
Beginning of the year	729,968	637,356
Interest accrued	106,070	92,612
End of the year	<u>836,038</u>	<u>729,968</u>

Please refer to Note 15 - Borrowings for further details.

(c) Amounts due to related parties

	Group 2023 \$	2022 \$
Mr Choon Keng (CK) Kho	110,000	95,000
Mr Patrick Chuan Thye Kho	60,833	60,833
Mr Charles Chow Cher Lim	36,667	31,667
Siew Goh	31,667	31,667
	<u>239,167</u>	<u>219,167</u>

The above amounts relates to sub-committee fees that have been accrued.

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Note 22 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, payables to related parties and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		Group	
	Note	2023	2022
		\$	\$
Financial Assets			
Financial assets at amortised cost			
— cash and cash equivalents	9	858,795	2,569,509
— trade and other receivables	10	7,881	38,523
Total Financial Assets		866,676	2,608,032
Financial Liabilities			
Financial liabilities at amortised cost			
— trade and other payables	14	3,514,982	2,382,650
— Payables to related parties	16	2,008,154	1,291,975
— borrowings	15	23,185,632	18,423,319
Total Financial Liabilities		28,708,768	22,097,944

Financial Risk Management Policies

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risk and the method used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been designed and implemented by the Board of Directors. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

Land & Homes Group Limited does not actively engage in the trading of financial assets for speculative purposes.

Mitigation strategies for specific risks faced are described below:

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group and arises principally from the Group's cash deposits and receivables.

It is the Group's policy that all customers who wish to trade on credit terms undergo a credit assessment process which takes into account the customer's financial position, past experience and other factors. Credit limits are then set based on ratings in accordance with the limits set by the Board of Directors. These limits are reviewed on a regular basis.

The maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event that the other parties fail to perform their obligations under financial instruments for each class of reporting recognised financial asset at the reporting date is the carrying amount of those assets as indicated in the statement of financial position.

Cash and cash equivalents:

In order to manage the Group's credit risk arising from cash deposits, only reputable banks and financial institutions are dealt with.

The credit risk on cash and cash equivalents is limited given that the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

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Note 22: Financial Risk Management (continued)

b. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations as they fall due.

Financing arrangements

The following financing facilities were available to the Group at the end of the reporting period:

	Group	
	2023	2022
	\$	\$
Bank Loans		
Used at the end of the reporting period	17,000,000	17,000,000
Unused at the end of the reporting period	-	-
	<u>17,000,000</u>	<u>17,000,000</u>

The bank loan has been fully drawn. The repayment terms are reflected in the table below.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	3,514,982	2,382,650	-	-	-	-	3,514,982	2,382,650
Amounts payable to related parties	2,008,154	1,291,975	-	-	-	-	2,008,154	1,291,975
Convertible Notes	6,185,632	1,423,319	-	-	-	-	6,185,632	1,423,319
Bank loans	17,000,000	17,000,000	-	-	-	-	17,000,000	17,000,000
Total expected outflows	<u>28,708,768</u>	<u>22,097,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,708,768</u>	<u>22,097,944</u>
Consolidated Group	Within 1 Year		1 to 5 years		Over 5 years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets - cash flows realisable								
Cash and cash equivalents	858,795	2,569,509	-	-	-	-	858,795	2,569,509
Trade, term and loan receivables	7,881	38,523	-	-	-	-	7,881	38,523
Total anticipated inflows	<u>866,676</u>	<u>2,608,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>866,676</u>	<u>2,608,032</u>
Net (outflow) / inflow on financial instruments	<u>(27,842,092)</u>	<u>(19,489,912)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,842,092)</u>	<u>(19,489,912)</u>

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The Group monitors its interest rate exposure continuously and also considers on a continual basis alternative financial opportunities.

The Group's exposure to interest rate risk and the effective weighted average interest rate by maturity period is set out in the below tables.

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 22: Financial Risk Management (continued)

	30 June 2023		30 June 2022	
	Effective Average Fixed Interest Rate Pavable %	Balance \$	Effective Average Fixed Interest Rate Pavable %	Balance \$
Floating Rate Balances				
Cash and cash equivalents	0.01	858,881	0.01	1,231,170
Borrowings	2.08	(29,631,786)	2.08	(28,809,537)
Net exposure to interest rate risk		(28,772,905)		(27,578,367)

The Group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

Sensitivity Analysis

Based on the simulations performed, the annual impact on profit and loss of a one percent shift in interest rates, with all other variables held constant, is estimated to be a maximum increase or decrease of \$296,318 (2022:\$262,400).

Fair Values

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- Inputs for the asset or liability that are not based in observable market data (unobservable inputs) (level 3).

At 30 June 2023, the Group did not have any financial instruments that were measured and recorded at fair value. The aggregate fair values of all financial assets and liabilities approximate their carrying values at the balance date.

Note 23 Company Details

The registered office of the company is:

Land & Homes Group Limited
Level 3A, 142-148 Elizabeth Street
Sydney NSW 2000

The principal places of business are:


Land & Homes Group Limited
Ground Floor, 112 Barry Parade
Fortitude Valley QLD 4006

LAND & HOMES GROUP LIMITED
ABN: 33 090 865 357
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Land & Homes Group Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 9 to 31, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

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



Mr Choon Keng Kho
Director

Dated this 29 September 2023

Land and Homes Group Limited
ABN 33 090 865 357

Independent Auditor's Report to the shareholders of Land and Homes Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Land and Homes Group Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 other explanatory information, and the directors' declaration.

In our opinion:

- a) 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 2023 and of their 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 (including Independence Standards)* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We 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.

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Emphasis of Matter – Material Uncertainty Relating to Going Concern

We draw attention to Note 1(s) in the Financial Report, which indicates that the ability of the Group to continue as a going concern is dependent upon the future successful raising of necessary funding through debt and equity. This condition, along with other matters as set out in Note 1(s) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

We also draw attention to Note 17 pertaining to contingent liabilities. Directors' remuneration disclosed in the Director's report is also being disputed. In the event of any legal claim arising from the director related entity in the future, the majority of the Board is of the view that such claim will be fully contested.

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 for the year ended 30 June 2023. 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.

Apart from above the key audit matters are:

Key audit matters	How our audit addressed the key audit matters
Going concern Refer to Note 1(s) in the financial statements We identified going concern as a key audit matter due to the Group's deficiency in net assets, current year loss, net current liabilities and negative cash flows from operating activities. For the year ended 30 June 2023, Management performed an assessment of the Group's ability to continue as a going concern and have determined that the use of going concern basis of accounting is appropriate. The following procedures were performed as part of this assessment: <ul style="list-style-type: none"> • Preparing cash flow projections up to September 2024; • Seeking to confirm commitments from arm's length third party investors in the private placement of convertible notes; • Reviewing options to fund ongoing development of non-current inventory; and • Considering other debt and equity funding options. 	Our audit procedures in relation to going concern included: <ul style="list-style-type: none"> • We critically analysed The Group's forecasts for the next 12 months from the date of signing the financial statements, assessing the sensitivity and basis of the assumptions used; • We reviewed the financial position and assessed a number of key ratios; • Reviewed communication with lender pertaining to renewal of \$17m bank loan; • Reviewed FY 2023 YTD results and post year end bank statements against 12 months forecast; and • Review letter of financial support and the ability to provide such ongoing financial support.
Contingent Liabilities We identified above as a key audit matter due to the fact that as disclosed at Note 19, there	Our audit procedures included:

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Key audit matters	How our audit addressed the key audit matters
is a dispute pertaining to amount owed to directors and director related entities and respective remuneration.	<ul style="list-style-type: none"> • Review of legal fee expenses incurred in FY 23 to date of signing; • Review of director confirmations; • Review of minutes of Board meeting; and • Reliance on management representation.

Additional Information

The directors are responsible for the additional information. The additional information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the additional 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 additional information and, in doing so, consider whether the additional 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 additional information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters 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 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 the financial report.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

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Opinion on the Remuneration Report

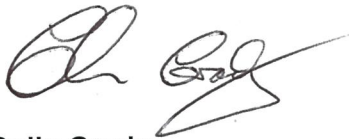
We have audited the Remuneration Report included on pages 6-9 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Land and Homes Group Limited, for the year ended 30 June 2023 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.

DFK Laurence Varnay Auditors Pty Ltd



Colin Grady

Director

Sydney

Dated: 29th day of September 2023

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LAND & HOMES GROUP LIMITED**ABN: 33 090 865 357****ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES**

The following information is current as at 27 September 2023:

1. Shareholding

	No. of Holders	No. of Ordinary Shares
a. Distribution of Shareholders		
1 – 1,000	1,077	27,225
1,001 – 5,000	9	21,512
5,001 – 10,000	215	2,140,637
10,001 – 100,000	103	2,751,260
100,001 – and over	51	1,044,448,653
	1,455	1,049,389,287

b. The number of shareholdings held in less than marketable parcels is 1,383.

c. The names of the substantial shareholders listed in the holding company's register are:

	Number	
Shareholder	No. of Fully Paid Ordinary Shares	% Held of Issued Ordinary Capital
TELOK AYER HOLDINGS PTE LTD	453,000,000	43.17%
SAN TEH XING INVESTMENT PTE LTD	207,356,000	19.76%
MR LAI HUAT YEO	165,909,091	15.81%

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. TELOK AYER HOLDINGS PTE LTD	453,000,000	43.17%
2. SAN TEH XING INVESTMENT PTE LTD	207,356,000	19.76%
3. MR LAI HUAT YEO	165,909,091	15.81%
4. TELOK AYER CAPITAL PTE LTD	47,000,000	4.48%
5. CITICORP NOMINEES PTY LIMITED	45,983,646	4.38%
6. MS GEK SWEE FANNY SEAH	27,000,001	2.57%
7. BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS	19,307,258	1.84%
8. MR TAI MIN LOH	12,500,000	1.19%
9. MR KAY MENG ANDY LEE	12,500,000	1.19%
10. FIVE TREES PTY LIMITED	7,750,000	0.74%
11. MR STEPHEN MILLER	6,500,000	0.62%
12. RONAGE PTY LTD	5,000,000	0.48%
13. MR GARFIELD KAM TIM IP	5,000,000	0.48%
14. TELOK AYER CAPITAL PTE LTD	3,229,092	0.31%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,882,400	0.27%
16. RITEREA PTY LTD	2,500,000	0.24%
17. MR BRUCE ERIC MACKINLAY	2,500,000	0.24%
18. MR NG CHEE KWONG COLIN	2,500,000	0.24%
19. MS SU MING CELINE TEO	2,175,000	0.21%
20. MR TERENCE GOON EU JIN	1,320,000	0.13%
	1,031,912,488	98.33%

2. The name of the company secretary is Andrew J. Draffin.

LAND & HOMES GROUP LIMITED

ABN: 33 090 865 357

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

3. Registered Office:

Level 3A, Hyde Park Tower
148 Elizabeth Street
Sydney NSW 2000
Tel: +61 2 8281 3008

Head Office & Principal Place of Business

Ground Floor, 112 Barry Parade
Fortitude Valley QLD 4006
Tel: +61 7 3905 5658

4. Registers of securities are held at the following addresses

Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000
Investor Services: 1300 288 664
Web: automicgroup.com.au

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited. ASX Code: LHM

7. **Other Disclosures**

The Company's 2023 Corporate Governance Statement is located on the Company's website at:
<http://www.landnhomesgroup.com/irm/content/corporate-governance.aspx?RID=330>