Home Consortium

ASX RELEASE

24 February 2022

APPENDIX 4D AND HY22 FINANCIAL REPORT

Home Consortium (ASX: HMC) provides the attached Appendix 4D and HY22 Financial Report.

-ENDS-

For further information, please contact:

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Authorised for release by the Home Consortium Board

About HomeCo

HMC is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions and super funds.

HMC is the manager of HomeCo Daily Needs REIT (ASX: HDN) and HealthCo Healthcare and Wellness REIT (ASX: HCW) with external AUM of $5.2 billion.

Home Consortium
Appendix 4D
Half-year report

1. Company details

Name of entity:	Home Consortium
ACN:	138 990 593
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

The comparative period results are for the stapled group comprising Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700). The current year results are for the stapled group until 24 December 2021 and for the Home Consortium Limited destapled group from 25 December 2021 to 31 December 2021.

2. Results for announcement to the market

This Appendix 4D should be read in conjunction with the attached directors' report which includes details of the results for the period.

	31 Dec 2021 $'000	31 Dec 2020 $'000	Change $'000	Change %
Revenues from ordinary activities	28,479	41,894	(13,415)	(32%)
Profit/(loss) from ordinary activities after tax	48,258	(34,698)	82,956	(239%)
Profit/(loss) for the half-year for owners of Home Consortium Ltd	48,258	(34,698)	82,956	(239%)
Profit/(loss) for the half-year including Home Consortium Developments Limited that was stapled to Home Consortium Limited	78,271	(33,898)	112,169	(331%)

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 1 October 2021 to shareholders registered on 3 September 2021.	6.00	3.00
Interim dividend for the year ending 30 June 2022 will be paid on 7 April 2022 to shareholders registered on 2 March 2022.	6.00	6.00

Comments

Refer to the attached directors' report for detailed commentary on the review of operations and financial performance.

3. Net tangible assets

	31 Dec 21 $	30 Jun 21 $
Net tangible assets per ordinary security	2.66	2.45

The net tangible assets calculations above include deferred tax assets, right-of-use assets and lease liabilities.

4. Loss of control over entities

During the half-year, the group established HealthCo Healthcare and Wellness REIT (ASX: HCW). Prior to listing HCW was a subsidiary of the group until 2 September 2021. Refer to note 15 of the notes to consolidated financial statements for further details.

5. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss)	
Name of associate / joint venture	**Reporting period %**	**Previous period %**	**Reporting period $'000**	**Previous period $'000**
HomeCo Daily Needs REIT (ASX: HDN)	25.3%	28.5%	30,545	(5,896)
HealthCo Healthcare and Wellness REIT (ASX: HCW)	20.0%	-	2,152	-
The George Trust	34.3%	-	-	-
General Medical Precinct Trust	25.0%	-	-	-
Life Sciences Medical Precinct Trust	30.1%	-	-	-
Group's aggregate share of associates and joint venture entities' profit/(loss)				
Profit/(loss) from ordinary activities after income tax			32,697	(5,896)

Refer note 15 for further details.

6. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Financial Report.

7. Attachments

Details of attachments (if any):

The Half Year Financial Report of Home Consortium for the half-year ended 31 December 2021 is attached.

8. Signed

As authorised by the Board of Directors

Signed ______________________ Date: 23 February 2022

Chris Saxon
Chair

Home Consortium

ACN 138 990 593

Half Year Financial Report - 31 December 2021

The directors of Home Consortium Limited (referred to hereafter as the 'Company' or 'parent entity' or 'HCL') present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group', 'HMC' or 'Home Consortium') consisting of HCL and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

The comparative period results are for the stapled group comprising of Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited (ACN 635 859 700) ('HCDL'). As detailed in note 2 of the notes to the financial statements, the shares of HCL and HCDL were destapled on 24 December 2021. As a result, the current year results are for the stapled group until 24 December 2021 and for the destapled group from 25 December 2021 to 31 December 2021.

Directors

Chris Saxon	Chair
David Di Pilla	Managing Director and Chief Executive Officer
Zac Fried	Non-Executive Director
Brendon Gale	Non-Executive Director
Greg Hayes	Non-Executive Director
Jane McAloon	Non-Executive Director
Kelly O'Dwyer	Non-Executive Director

Principal activity
The principal activities of the group during the period were the ownership, development and management of a property portfolio and the investment in and management of property funds.

Distributions
Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Final dividend to shareholders registered on 3 September 2021 of 6.0 cents (2020: 7.5 cents) per ordinary security	17,416	19,292

On 23 February 2022, the directors determined to pay a fully franked interim dividend of 6.0 cents per ordinary share. The dividends will be paid on 7 April 2022 to eligible shareholders on the register on 2 March 2022.

Significant changes in the state of affairs
During the period, the group completed or announced a number of strategic transactions to progress its funds management initiatives. Such transactions included the following:

HealthCo Healthcare and Wellness REIT (ASX: HCW)

- Establishment of the HealthCo Healthcare and Wellness REIT (‘HCW’), a real estate investment trust with a mandate to invest in hospitals, aged care, childcare, government, life sciences and research and primary care and wellness property assets, as well as other healthcare and wellness property adjacencies.

- HCW raised $650.0 million in equity and was listed on the ASX on 6 September 2021 with part of the proceeds being used to acquire all of Home Consortium’s existing healthcare and wellness property portfolio for $480.5 million.

- HCW is externally managed by Home Consortium via its subsidiary HCW Funds Management Limited (ACN 104 438 100) (AFSL 239882) which is also the responsible entity of HCW.

- The group retained a direct investment in HCW of 20.0% as at 31 December 2021.

Aventus Group transaction

- On 18 October 2021, Home Consortium and HomeCo Daily Needs REIT (ASX: HDN) announced that HMC and HDN had entered into a binding Scheme Implementation Deed ('SID') with Aventus Group (ASX: AVN) to acquire all AVN securities comprising units in Aventus Retail Property Fund and shares in Aventus Holdings Limited via schemes of arrangement subject to certain conditions.

- Aventus Group is currently an internally managed owner of a large format retail portfolio comprising of 19 properties independently valued at $2.5 billion as at 31 December 2021 which will transfer to HDN as part of the merger.

- HMC Funds Management Limited, a subsidiary of HMC, will continue its role as the responsible entity and trustee of the merged HDN group.

- Under the SID and subject to conditions of the merger being satisfied, AVN security holders will receive 2.20 HDN units for each unit in Aventus Retail Property Fund and could elect to receive either $0.285 in cash or 0.038 HMC securities for each share in Aventus Holdings Limited which will equate to consideration of approximately $163.0 million by HMC to effectively acquire the management rights in Aventus. 33.5% of AVN security holders elected to receive HMC scrip which will result in approximately 7.3 million HMC shares being issued.

- HMC also entered into a put and call option over 34,243,758 AVN securities with major Aventus group shareholder BB Retail Capital Pty Ltd and associated entities ('BBRC') which equated to a cash price of approximately $118.0 million.

- HMC is scheduled to receive an acquisition fee of $22.3 million on completion of the transaction which it intends to elect to receive as scrip in HDN and expects to own approximately 14.2% of the merged HDN group following completion of the transaction which includes the acquisition fee units and AVN option units.

- The expected implementation date of the transaction is 4 March 2022.

Capital recycling
In addition to the establishment of HCW and the HDN asset sales announced in April 2021 that completed on 1 July 2021, the group completed $62.5 million of asset disposals during the half-year. This included the sale of 2 large format retail assets at Coffs Harbour and Lismore to HDN at their 30 June 2021 carrying amounts of $22.4 million and $17.2 million respectively. In addition, the sale of a large format retail asset at Wagga Wagga was completed in November 2021.

Destapling of HCL and HCDL shares
In November 2021, HMC proposed a simplification of the structure of the group from a stapled company structure to a single company structure. The proposal was approved by shareholder vote and the shares of HCL and HCDL were destapled on 24 December 2021.

There were no other significant changes in the state of affairs of the group during the financial half-year.

Review of operations and financial performance
A summary of the financial performance of the group for the half-year ended 31 December 2021 is outlined below.

	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Total revenue including share of profit/loss of associates	61,291	31,758
Net profit/(loss) for the period	78,271	(33,898)
Funds from operations ('FFO')	29,890	18,714
Weighted average securities on issue (million)	290.2	256.7
FFO per security (cents)	10.3	7.3

The group recorded total revenue (including share of profit/loss of associates) of $61.3 million (31 December 2020: $31.8 million) and a statutory profit after tax for the current financial half-year of $78.3 million compared to a loss of $33.9 million for the half-year ended 31 December 2020. The statutory profit is primarily attributable to share of associate profit from investments in HDN and HCW of $32.7 million as well as favourable fair value movements in the period of $14.2 million and gain on sale of investment property of $13.0 million. Additionally, the fair value of the investment in HCW was calculated using the volume-weighted average price of HCW shares as traded on the ASX over the first five trading days after listing, resulting in a gain of $16.9 million on initial recognition.

FFO was $31.9 million for the current financial half-year compared to FFO of $18.7 million for the half-year ended 31 December 2020. FFO is a financial measure which is not prescribed by Australian Accounting Standards and represents the group's underlying and recurring earnings from its operations and is determined by adjusting the statutory net profit after tax for items that are non-cash, unrealised or capital in nature. The directors consider FFO to represent the core earnings of the group.

Funds from operations
The table below provides a reconciliation between the net profit/(loss) after tax for the period and FFO:

	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Statutory profit/(loss) after tax	78,271	(33,898)
Profit before tax on discontinued operations	-	(9,883)
Income tax expense	2,253	21,943
Straight lining and amortisation	256	2,045
Amortisation of borrowing costs	1,594	2,341
Acquisition and transaction costs	2,415	1,450
Fair value movements	(14,221)	11,750
Loss on demerger	-	15,446
Share of associate profit to FFO	(23,778)	6,668
Gain on investment in associates	(16,900)	-
Other adjustments	-	852
FFO	29,890	18,714

Summary of financial position
A summary of the group's financial position as at 31 December 2021 is outlined below:

	Consolidated 31 Dec 2021 $'000	Consolidated 30 June 2021 $'000
Assets		
Investment properties	137,000	188,100
Total assets	792,840	982,412
Net assets	771,496	710,979
Net tangible assets *	771,496	710,979
Adjusted net tangible assets **	745,812	691,344
Number of securities on issue (million)	290.3	290.1
Net tangible assets ($ per security)*	2.66	2.45
Adjusted net tangible assets ($ per security)**	2.57	2.38
Capital management		
Debt facility limit	275,000	315,000
Drawn debt	-	254,750
Cash and undrawn debt	419,033	71,944

Gearing ratio (%)	-	25.6%
Hedged debt (%)	-	68.7%
Cost of debt (% p.a.)	-	2.5%

* *Net tangible assets include deferred tax assets, right-of-use assets and lease liabilities.*
** *Adjusted net tangible assets exclude the following: right-of-use assets, lease liabilities, provisions, option derivatives and deferred tax assets.*

Financing:
On 29 July 2021, the group completed an upsize and extension of its existing three-year senior secured syndicated debt facility to a $375.0 million senior secured syndicated debt facility expiring in November 2023 which was used to provide and guarantee acquisition financing for the establishment of HCW. Following the establishment of HCW, the drawn debt facilities were repaid. There were no outstanding borrowings as at 31 December 2021 and the group reduced its facility limit to $275.0 million in December 2021.

Property portfolio
The property portfolio comprised freehold investment properties as at 31 December 2021 with a fair value of $137.0 million (30 June 2021: $188.1 million). The reduction in the freehold investment properties was primarily driven by the disposal of assets for $62.5 million, offset by capital additions of $7.1 million and fair value uplift on remaining investment properties of $3.8 million.

Matters subsequent to the end of the financial half-year
Aventus group transaction
On 1 February 2022, the group completed the acquisition of 34,243,758 Aventus securities from BB Retail Capital for total consideration of $118.0 million.

The Schemes were approved by the Supreme Court of New South Wales on 22 February 2022 with a planned implementation date of 4 March 2022. This followed securityholder approval of all required resolutions at each of the AVN scheme meeting held on 25 January 2022 and the HDN general meeting held on 24 January 2022. The identification and valuation of all assets and liabilities and any resultant accounting adjustment on the implementation date will be completed within one year as required by AASB 3 'Business Combinations'.

COVID-19
The impact of the COVID-19 pandemic is ongoing including the impacts from the recent Omicron variant outbreaks across multiple Australian states and territories. Whilst no lockdown restrictions are currently imposed at any Home Consortium managed properties the outlook remains uncertain.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar. Comparatives in the interim financial report have been realigned to the current period rounding.

Related party confirmation
The directors confirm that since listing the Company has complied with, and continues to comply with, its Related Party Transaction Policy which is publicly available.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Chris Saxon
Chair

David Di Pilla
Director

23 February 2022

Auditor's Independence Declaration

As lead auditor for the review of Home Consortium Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Home Consortium Limited and the entities it controlled during the period.

S J Hadfield
Partner
PricewaterhouseCoopers

Sydney
23 February 2022

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Home Consortium
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Revenue			
Revenue from continuing operations	5	28,479	37,654
Other income			
Share of profits/(losses) of associates accounted for using the equity method	15	32,697	(5,896)
Gain recognised on investments in associates	15	16,900	-
Interest revenue		115	43
Change in assets/liabilities at fair value through profit or loss	6	27,202	(11,750)
Expenses			
Property expenses		(7,576)	(13,551)
Corporate expenses		(9,019)	(4,509)
Loss on demerger		-	(15,446)
Acquisition and transaction costs	7	(2,415)	(1,450)
Finance costs	7	(3,891)	(6,933)
Profit/(loss) before income tax expense from continuing operations		82,492	(21,838)
Income tax expense		(4,221)	(21,943)
Profit/(loss) after income tax expense from continuing operations		78,271	(43,781)
Profit after income tax expense from discontinued operations	8	-	9,883
Profit/(loss) after income tax expense for the half-year		78,271	(33,898)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		78,271	(33,898)
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		30,013	800
Owners of Home Consortium		48,258	(34,698)
		78,271	(33,898)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		30,013	800
Discontinued operations		-	-
Non-controlling interest		30,013	800
Continuing operations		48,258	(44,581)
Discontinued operations		-	9,883
Owners of Home Consortium		48,258	(34,698)
		78,271	(33,898)

Non-controlling interest ('NCI') represents the results of HCDL for the period that it was stapled to HCL.

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

		Cents	Cents
Earnings per security for profit/(loss) from continuing operations			
Basic earnings per security	24	16.63	(17.37)
Diluted earnings per security	24	16.55	(17.37)
Earnings per security for profit from discontinued operations			
Basic earnings per security	24	-	3.85
Diluted earnings per security	24	-	3.85
Earnings per security for profit/(loss)			
Basic earnings per security	24	16.63	(13.52)
Diluted earnings per security	24	16.55	(13.52)

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

Home Consortium
Consolidated statement of financial position
As at 31 December 2021

	Note	Consolidated 31 Dec 2021 $'000	Consolidated 30 Jun 2021 $'000
Assets			
Current assets			
Cash and cash equivalents	9	144,033	11,694
Trade and other receivables	10	4,193	6,125
Other assets	11	16,915	13,563
Derivative financial instruments	12	8,304	-
		173,445	31,382
Assets classified as held for sale	13	-	478,592
Total current assets		173,445	509,974
Non-current assets			
Investment property - freehold	14	137,000	188,100
Right-of-use assets		177	277
Investments accounted for using the equity method	15	461,810	263,878
Convertible notes		2,282	548
Other assets	11	743	-
Deferred tax assets		17,383	19,635
Total non-current assets		619,395	472,438
Total assets		792,840	982,412
Liabilities			
Current liabilities			
Trade and other payables		14,549	13,354
Employee benefit obligations		2,008	1,137
Lease liabilities		178	205
Income tax		3,676	1,707
Total current liabilities		20,411	16,403
Non-current liabilities			
Borrowings	16	-	253,111
Derivative financial instruments		933	1,847
Lease liabilities		-	72
Total non-current liabilities		933	255,030
Total liabilities		21,344	271,433
Net assets		771,496	710,979
Equity			
Contributed equity	17	4,976,022	3,710,382
Reserves	18	(1,229,750)	4,013
Accumulated losses		(2,974,776)	(3,007,503)
Equity attributable to the owners of Home Consortium		771,496	706,892
Non-controlling interest		-	4,087
Total equity		771,496	710,979

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

Home Consortium
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Contributed equity $'000	Profits reserve $'000	Share-based payments reserve $'000	Accumulated losses $'000	Non-controlling interest* $'000	Total equity $'000
Balance at 1 July 2020	3,607,986	38,584	472	(2,917,512)	-	729,530
Profit/(loss) after income tax expense for the half-year	-	-	-	(34,698)	800	(33,898)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(34,698)	800	(33,898)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	292,234	-	-	-	-	292,234
Share-based payments	-	-	605	-	-	605
Capital Distribution	(189,600)	-	-	-	-	(189,600)
Dividends paid (note 19)	-	(19,292)	-	-	-	(19,292)
Balance at 31 December 2020	3,710,620	19,292	1,077	(2,952,210)	800	779,579

Consolidated	Contri-buted equity $'000	Profits reserve $'000	Share-based payments reserve $'000	NCI reserve $'000	Accumu-lated losses $'000	Non-controlling interest* $'000	Total equity $'000
Balance at 1 July 2021	3,710,382	1,885	2,128	-	(3,007,503)	4,087	710,979
Profit after income tax expense for the half-year	-	-	-	-	48,258	30,013	78,271
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	48,258	30,013	78,271
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs (note 17)	473	-	(478)	-	-	-	(5)
Share-based payments	-	-	1,140	-	-	-	1,140
Share issue upon acquisition of HCDL (note 17)	1,265,167	-	-	(1,265,167)	-	-	-
Transfer from NCI on de-stapling (note 18)	-	-	-	34,100	-	(34,100)	-
Destapling transaction costs	-	-	-	(1,473)	-	-	(1,473)
Dividends paid	-	(1,885)	-	-	-	-	(1,885)
Dividends paid	-	-	-	-	(15,531)	-	(15,531)
Balance at 31 December 2021	4,976,022	-	2,790	(1,232,540)	(2,974,776)	-	771,496

* Non-controlling interest represents the contributed retained earnings of HCDL.

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

	Note	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Cash flows from operating activities			
Receipts from vendors and tenants (inclusive of GST)		25,113	40,687
Payments to suppliers and employees (inclusive of GST)		(14,082)	(22,249)
Other income - lease mitigation account		-	11,000
Interest paid		(1,779)	(8,500)
Net cash from operating activities		9,252	20,938
Cash flows from investing activities			
Payment for acquisition of investment property - freehold		(5,450)	(243,205)
Payment for acquisition of investment property - leasehold		-	(5,805)
Payments for convertible notes		(1,734)	(548)
Payment for equity accounted investments		(166,192)	-
Proceeds from disposal of investment property		563,044	22,610
Proceeds from deposits		-	1,383
Distributions received		7,387	-
Proceeds from demerger		-	204,954
Cash balance held by subsidiary on disposal of discontinued operations	8	-	(18,538)
Net cash from/(used in) investing activities		397,055	(39,149)
Cash flows from financing activities			
Proceeds from issue of shares		-	275,637
Share issue transaction costs		(999)	(4,900)
Proceeds from borrowings		133,000	83,500
Repayment of bank loans		(387,750)	(244,700)
Borrowing costs paid		(698)	-
Repayment of lease liabilities and surrenders		(105)	(11,895)
Dividends paid	19	(17,416)	(19,292)
Net cash (used in)/from financing activities		(273,968)	78,350
Net increase in cash and cash equivalents		132,339	60,139
Cash and cash equivalents at the beginning of the financial half-year		11,694	29,600
Cash and cash equivalents at the end of the financial half-year		144,033	89,739

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

Note 1. General information

The financial statements cover Home Consortium as a group consisting of Home Consortium Limited (the 'Company', 'parent entity' or 'HCL') and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Home Consortium's functional and presentation currency.

The comparative period results are for the stapled group comprising of Home Consortium Limited (ACN 138 990 593) and Home Consortium Developments Limited ('HCDL') (ACN 635 859 700). As detailed in note 2 below, the shares of HCL and HCDL were destapled on 24 December 2021. As a result, the current period results are for the stapled group until 24 December 2021 and for the destapled group from 25 December 2021 to 31 December 2021.

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

19 Bay Street
Double Bay
NSW 2028

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Destapling of Home Consortium Developments Limited

The shares in HCDL were stapled to the shares in HCL to form stapled securities such that shares in HCL and HCDL had to be purchased or sold together. The stapled securities, known as 'Home Consortium' were admitted to the official list of the Australian Securities Exchange ('ASX') on 11 October 2019 with the ASX code HMC.

During the periods HCL and HCDL were stapled, the financial statements presented both the financial statements and accompanying notes of HCL and its controlled entities and HCDL jointly as permitted by ASIC Corporations (Stapled Group Reports) Instrument 2015/838. HCL was the deemed parent of the stapled group in accordance with AASB 3 ‘Business Combinations’. The contributed equity and retained earnings of HCDL were shown as a non-controlling interest in the financial statements even though the equity holders of HCDL (the acquiree) are also equity holders in HCL (the acquirer) by virtue of the stapling arrangement.

On 10 December 2021, the security holders of HCL and HCDL approved the destapling of securities. Eligible security holders then received approximately 1.65 HCL Shares for each Home Consortium stapled share they held on 17 December 2021. HCL acquired, in consideration for the issue of HCL Shares, all of the HCDL shares. HCL shares were then consolidated on the basis that approximately every 2.65 HCL shares were converted into 1 HCL share so that eligible security holders now hold one HCL share for each Home Consortium stapled share they held. HCDL was delisted from the ASX on 29 December 2021.

These consolidated financial statements are presented as a continuation of the existing group with HCL as the accounting parent entity. The acquisition constitutes a transaction amongst owners, where previously they held their interest through HCL and HCDL (the non-controlling interest), and after the transaction they hold all of their interest directly through HCL. The impact of this transaction has been recognised in equity whereby the difference between the fair value of shares issued and the non-controlling interest of HCDL is recognised in the non-controlling interest ('NCI') reserve (refer note 18).

Note 3. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial half-year ended 31 December 2021 and are not expected to have any significant impact for the full financial year ending 30 June 2022.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 4. Operating segments

Identification of reportable operating segments
The group is organised into three operating segments: Investments (renamed from Freehold properties), Funds management and Corporate (renamed from Other). During the previous financial half-year, the group disposed of the former Masters Hardware leasehold properties via the sale of Home Consortium Leasehold Pty Ltd and its subsidiaries to Home Investment Consortium Trust (‘HICT’). Refer note 8 'Discontinued operations' for further information. As a result, the comparatives include Leasehold properties as a separate segment consisting of the discontinued operations.

The operating segments are based on the internal reports that are reviewed by the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

The CODM monitor the performance of the business on the basis of Funds from Operations (‘FFO’) for each segment. FFO represents the group's underlying and recurring earnings from its operations and is determined by adjusting the statutory net profit after tax for items which are non-cash, unrealised or capital in nature. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis. The group only operates in Australia.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2021	Investments $'000	Funds management $'000	Corporate $'000	Total $'000
Revenue				
Property rental income	9,185	-	-	9,185
Other property income	836	-	-	836
Management fee income	-	18,458	-	18,458
Total revenue	10,021	18,458	-	28,479
FFO (before tax)	26,128	14,749	(9,019)	31,858
Fair value movements	14,221	-	-	14,221
Acquisition and transaction costs	-	(2,415)	-	(2,415)
Amortisation of borrowing costs	(1,594)	-	-	(1,594)
Straight-lining and amortisation	(256)	-	-	(256)
Share of associate profit (adjusted)	23,778	-	-	23,778
Other adjustments	16,900	-	-	16,900
Profit/(loss) before income tax expense	79,177	12,334	(9,019)	82,492
Income tax expense				(4,221)
Profit after income tax expense				78,271
Assets				
Segment assets	727,902	37,211	27,727	792,840
Total assets				792,840
Total assets include:				
Investments in associates	461,810	-	-	461,810
Liabilities				
Segment liabilities	8,894	540	11,910	21,344
Total liabilities				21,344

Note 4. Operating segments (continued)

Consolidated - 31 Dec 2020	Investments $'000	Leasehold properties* $'000	Funds management $'000	Corporate $'000	Total $'000
Revenue					
Property rental income	29,266	4,026	-	-	33,292
Other property income	5,514	214	-	-	5,728
Management fee income	-	-	2,874	-	2,874
Total revenue	34,780	4,240	2,874	-	41,894
FFO (before tax)	20,025	-	2,706	(4,017)	18,714
Profit from discontinued operations	-	9,883	-	-	9,883
Fair value movements	(11,750)	-	-	-	(11,750)
Leasehold interest	(491)	-	-	-	(491)
Acquisition and transaction costs	(1,105)	-	(345)	-	(1,450)
Loss on demerger	(15,446)	-	-	-	(15,446)
Amortisation of borrowing costs	(2,341)	-	-	-	(2,341)
Straight-lining and amortisation	(2,045)	-	-	-	(2,045)
Share of loss from associate	(5,896)	-	-	-	(5,896)
Share of associate profit (adjusted)	(772)	-	-	-	(772)
Rent guarantees	(361)	-	-	-	(361)
Profit/(loss) before income tax expense	(20,182)	9,883	2,361	(4,017)	(11,955)
Income tax expense					(21,943)
Loss after income tax expense					(33,898)
Consolidated - 30 Jun 2021					
Assets					
Segment assets	947,704	-	11,899	22,809	982,412
Total assets					982,412
Total assets include:					
Investments in associates	263,878	-	-	-	263,878
Liabilities					
Segment liabilities	263,566	-	138	7,729	271,433
Total liabilities					271,433

* Revenue from leasehold properties is included in profit from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

Note 5. Revenue

	Consolidated	
	31 Dec 2021 $'000	**31 Dec 2020 $'000**
From continuing operations		
Property rental income	9,185	29,266
Other property income	836	5,514
Management fee income	18,458	2,874
Revenue from continuing operations	28,479	37,654

Disaggregation of revenue
The revenue from property rental is recognised on a straight-line basis over the lease term. Other property income and management fee income is recognised over time as services are rendered. All revenue is generated within Australia. Revenue from operating segments is set out in note 4.

Note 6. Change in assets/liabilities at fair value through profit or loss

	Consolidated	
	31 Dec 2021 $'000	**31 Dec 2020 $'000**
Net fair value gain/(loss) on investment properties - freehold	5,003	(11,952)
Gain on remeasurement of derivatives	9,218	202
Realised gain on disposal of investment property	12,981	-
	27,202	(11,750)

Note 7. Expenses

	Consolidated	
	31 Dec 2021 $'000	**31 Dec 2020 $'000**
Profit/(loss) before income tax from continuing operations includes the following specific expenses:		
Finance costs		
Interest and finance charges on borrowings	2,291	4,423
Interest and finance charges on lease liabilities	6	11
Amortisation of borrowing costs*	1,594	2,341
Interest expense - other	-	158
Finance costs expensed	3,891	6,933
Acquisition and transaction costs		
Transaction and group reorganisation costs	2,415	1,450

* Amortisation of borrowing costs include $1,281,000 (2020: $1,335,000) written off upon refinancing and limit reduction of the debt facilities (refer note 16).

Government grants
During the financial half-year, the group repaid the Australian government JobKeeper support payments amounting to $344,000 (2020: receipts of $208,000). These had been recognised as government grants in the financial statements and initially recorded as a deduction in corporate expenses and subsequently reversed.

Note 8. Discontinued operations

On 20 November 2020, the group disposed of the former Masters Hardware leasehold properties via the sale of Home Consortium Leasehold Pty Ltd and its subsidiaries to foundation shareholder Home Investment Consortium Company Pty Limited as trustee for the Home Investment Consortium Trust ('HICT'). The leasehold interest had a net asset position of $35.5 million and was sold for a nominal $1 consideration.

The impact of the discontinued operations on the comparative period statement of profit or loss is provided below.

Financial performance information

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Total revenue	-	4,240
Total other income	-	47,283
Total expenses	-	(6,147)
Profit before income tax expense	-	45,376
Income tax expense	-	-
Profit after income tax expense	-	45,376
Loss on disposal of subsidiary	-	(35,493)
Income tax expense	-	-
Loss on disposal after income tax expense	-	(35,493)
Profit after income tax expense from discontinued operations	-	9,883

Details of the disposal

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Total sale consideration*	-	-
Carrying amount of net assets disposed	-	(35,493)
Loss on disposal before income tax	-	(35,493)
Loss on disposal after income tax	-	(35,493)

* Nominal sale consideration of $1 was settled on disposal of leasehold operations.

Note 9. Cash and cash equivalents

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Current assets		
Cash at bank	144,033	11,694

Note 10. Trade and other receivables

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Current assets		
Trade receivables	4,669	6,287
Allowance for expected credit losses	(772)	(792)
	3,897	5,495
Accrued income	74	630
Related party receivable*	222	-
	4,193	6,125

* Related party receivables relates to GST funding on Joint Venture capital expenditure.

Note 11. Other assets

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Current assets		
Prepayments	1,343	3,776
Other deposits	432	432
Other receivables*	14,903	8,477
Other current assets	237	878
	16,915	13,563
Non-current assets		
Capitalised borrowing costs	743	-

* Other receivables include $6.1 million (30 Jun 2021: $3.6 million) distributions receivable and $5.9 million (30 Jun 2021: $2.9 million) management fees receivable from HDN and HCW (related parties).

Note 12. Derivative financial instruments

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Current assets		
Derivative asset	8,304	-

Refer to note 20 for further information on fair value measurement.

During the period, the group entered into put and call option over AVN securities equivalent to 6.0% of issued capital with a major Aventus group shareholder BB Retail Capital Pty Ltd and associated entities ('BBRC'). The amount recognised as a derivative financial asset represent the fair value of the instrument as at the reporting date.

On 1 February 2022, the group completed the acquisition of 34,243,758 Aventus securities from BBRC for total consideration of $118.0 million. The loss on derecognition of the derivative was $9,772,000.

Note 13. Assets classified as held for sale

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Investment property	-	478,592

During the previous financial year, the group had entered into conditional agreements to sell a 100% interest in a portfolio of seven large format retail assets ('LFR Portfolio') to HDN (a related party) for a total purchase price of $266.4 million less estimated costs of the bonus unit issue of $8.9 million. HDN unitholder approval was obtained at an extraordinary general meeting on 16 June 2021 and settlement occurred on 1 July 2021.

Ten other properties with a value of $221.1 million were seeded into the HealthCo Healthcare and Wellness REIT (ASX: HCW) which is a separate listed entity established during the current financial half-year (refer note 15).

Note 14. Investment property - freehold

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Non-current assets		
Investment property - freehold - at fair value	137,000	188,100

Reconciliation
Reconciliation of the fair values at the beginning and end of the current financial half-year is set out below

	Consolidated 31 Dec 2021 $'000
Opening balance	188,100
Disposals	(62,538)
Capitalised expenditure	7,108
Straight-lining and amortisation	570
Net gain/(loss) from fair value adjustments	3,760
Closing balance	137,000

Refer to note 20 for further information on fair value measurement.

Note 15. Investments accounted for using the equity method

Establishment of HealthCo Healthcare and Wellness REIT (ASX: HCW)
During the financial half-year, the group established HealthCo Healthcare and Wellness REIT, a Trust registered with the Australian Securities and Investment Commission ('ASIC') and listed on the Australian Securities Exchange ('ASX').

HCW was a subsidiary of Home Consortium as at 30 June 2021. In September 2021, HCW issued new equity units for $650 million with Home Consortium Limited subscribing for $130 million (20%). HCW repaid the net inter-company loans from Home Consortium (reflecting costs spent in relation to the properties in the portfolio which were owned and seeded by Home Consortium). Home Consortium derecognised assets classified as held for sale of $221.1 million as at 30 June 2021, recognised a $2.2 million rental guarantee payable, and recognised investment property gains of $13.7 million as part of this transaction.

The fair value of the investment in HCW as at the date when control was lost, being $146.9 million, was calculated using the volume-weighted average price (‘VWAP’) of HCW shares as traded on the ASX over the first five trading days after listing. This resulted in a gain of $16.9 million upon the recognition of the investment in associate.

Note 15. Investments accounted for using the equity method (continued)

	Consolidated 31 Dec 2021 $'000	Consolidated 30 Jun 2021 $'000
Non-current assets		
Associate - HomeCo Daily Needs REIT (ASX: HDN)	294,248	263,878
Associate - HealthCo Healthcare and Wellness REIT (ASX: HCW)	147,102	-
Joint venture - The George Trust	9,041	-
Joint venture - General Medical Precinct Trust	2,511	-
Joint venture - Life Sciences Medical Precinct Trust	8,908	-
	461,810	263,878

Reconciliation
The reconciliation of the carrying amounts at the beginning and end of the current financial half-year is set out below:

Opening carrying amount	263,878
Additional investments acquired during the half-year	166,192
Fair value gain on investments in HealthCo Healthcare and Wellness REIT	16,900
HDN bonus unit reduction	(7,916)
Share of profit after income tax	32,697
Share of distributions declared by associates	(9,941)
Closing carrying amount	461,810

Note 16. Borrowings

	Consolidated 31 Dec 2021 $'000	Consolidated 30 Jun 2021 $'000
Non-current liabilities		
Senior secured bank debt	-	254,750
Capitalised borrowing costs*	-	(1,639)
	-	253,111

* Capitalised borrowing costs of $743,000 as at 31 December 2021 is included in other assets (note 11).

On 29 July 2021, the group completed an upsize and extension of its existing three-year senior secured syndicated debt facility to a $375 million senior secured syndicated debt facility expiring in November 2023. The facility limit was reduced to $275.0 million in December 2021. The bank loans are secured by first mortgages over the group's freehold properties and other assets. The interest comprises a base rate plus a variable margin, determined by the prevailing loan to valuation ratio.

Note 16. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2021 $'000	**30 Jun 2021 $'000**
Total facilities		
Senior secured bank debt	275,000	315,000
Used at the reporting date		
Senior secured bank debt	-	254,750
Unused at the reporting date		
Senior secured bank debt	275,000	60,250

Note 17. Contributed equity

	Consolidated			
	31 Dec 2021 Shares	**30 Jun 2021 Shares**	**31 Dec 2021 $'000**	**30 Jun 2021 $'000**
Ordinary shares - fully paid	290,266,355	290,121,283	4,976,022	3,710,382

Movements in ordinary share capital

Details	**Date**	**Shares**	**$'000**
Balance	1 July 2021	290,121,283	3,710,382
Issue of shares on vesting of share rights	27 August 2021	145,072	478
Share issue transaction costs, net of tax		-	(5)
Share issue upon acquisition of HCDL (refer note 2)	17 December 2021	478,994,382	1,265,167
Share consolidation (refer note 2)	17 December 2021	(478,994,382)	-
Balance	31 December 2021	290,266,355	4,976,022

Until 24 December 2021, the issued shares of the group were made up of stapled securities comprising of one share of HCL and one share of HCDL. As noted in note 2, the stapled securities were destapled effective from 24 December 2021.

Note 18. Reserves

	Consolidated	
	31 Dec 2021 $'000	**30 Jun 2021 $'000**
Profits reserve	-	1,885
Share-based payments reserve	2,790	2,128
Non-controlling interest ('NCI') reserve	(1,232,540)	-
	(1,229,750)	4,013

Non-controlling interest reserve
The reserve is used to recognise the difference between the amount of the adjustment to non-controlling interests in Home Consortium Development Limited (HCDL) and any consideration paid or received attributable to Home Consortium Limited on de-stapling from the group.

Note 18. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Profits reserve $'000	Share-based payments reserve $'000	NCI reserve $'000	Total $'000
Balance at 1 July 2021	1,885	2,128	-	4,013
Share-based payments	-	1,140	-	1,140
Dividends paid	(1,885)	-	-	(1,885)
Transfer to contributed equity on vesting of rights	-	(478)	-	(478)
Transfer from contributed equity on destapling	-	-	(1,265,167)	(1,265,167)
Transfer from non-controlling interest	-	-	34,100	34,100
Destapling transaction costs	-	-	(1,473)	(1,473)
Balance at 31 December 2021	-	2,790	(1,232,540)	(1,229,750)

Note 19. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Final dividend to shareholders registered on 3 September 2021 of 6.0 cents (2020: 7.5 cents) per ordinary security	17,416	19,292

On 23 February 2022, the directors determined to pay a fully franked interim dividend of 6.0 cents per ordinary share. The dividends will be paid on 7 April 2022 to eligible shareholders on the register on 2 March 2022.

Note 20. Fair value measurement

Fair value hierarchy
The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment property - freehold	-	-	137,000	137,000
Convertible notes	-	-	2,282	2,282
Derivative financial instruments	-	8,304	-	8,304
Total assets	-	8,304	139,282	147,586
Liabilities				
Derivative financial instruments	-	933	-	933
Total liabilities	-	933	-	933

Note 20. Fair value measurement (continued)

Consolidated - 30 Jun 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Investment property - freehold	-	-	188,100	188,100
Investment property - held for sale	-	-	478,592	478,592
Convertible notes	-	-	548	548
Total assets	-	-	667,240	667,240
Liabilities				
Derivative financial instruments	-	1,847	-	1,847
Total liabilities	-	1,847	-	1,847

Assets held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
The basis of the valuation of investment properties is fair value. Independent valuations are obtained on a rotational basis to ensure each property is valued at least once every 24 months by an independent external valuer. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. For properties not independently valued during a reporting period, a directors' valuation is carried out to determine the appropriate carrying value of the property as at the date of the report. Where directors' valuations are performed, the valuation methods include using the discounted cash flow method and the capitalisation method.

Derivative financial instruments have been valued using quoted market inputs. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Level 3 assets and liabilities
The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average) 31 December 2021	Range (weighted average) 30 June 2021
Investment property - freehold and held for sale	(i) Capitalisation rate	5.8% to 6.3% (6.0%)	4.8% to 8.0% (6.5%)
	(ii) Discount rate	6.3% to 7.3% (6.8%)	5.5% to 9.0% (7.1%)
	(iii) Terminal yield	6.0% to 6.5% (6.3%)	5.3% to 8.3% (6.6%)
	(iv) Rental growth	2.9% to 3.0% (2.9%)	2.0% to 3.5% (2.7%)

A higher capitalisation rate, discount rate or terminal yield will lead to a lower fair value. A higher growth rate will lead to a higher fair value. The capitalisation rate is the most significant input into the valuation of investment property and therefore most sensitive to changes in valuation. A 25 basis point change in capitalisation rate would increase/decrease the fair value by $5,400,000.

The ongoing COVID-19 pandemic requires a higher degree of judgement when considering the significant inputs that are assessed to determine the fair value of investment property. This is due to the uncertain future impact of the pandemic on key market inputs as well as the future financial performance of the investment properties. Some external valuation firms have acknowledged a 'material valuation uncertainty', which does not invalidate the market valuation however serves to highlight that the fair value assessment has been conducted using the information available at the time of the report and best estimates of future performance, however, the future impacts of the COVID-19 pandemic are unknown and may impact property valuations.

Note 21. Contingent liabilities

Refer note 12 for the put and call option entered into with BBRC over AVN securities.

Note 22. Commitments

	Consolidated	
	31 Dec 2021 $'000	30 Jun 2021 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Capital expenditure	38,228	17,556
Property acquisitions (exchanged but not settled)	-	125,045
	38,228	142,601

Note 23. Related party transactions

Related party transactions with HealthCo Healthcare Wellness REIT ('HCW') during the financial half-year
HCW Funds Management Limited (the Responsible Entity) was acquired by the group during the period and then became the responsible entity of HCW. The Responsible Entity has appointed HomeCo Property Management Pty Limited (the 'Property Manager') and HomeCo Investment Management Pty Ltd (the 'Investment Manager) to provide certain asset management, investment management and development management services to the HCW group in accordance with an Investment Management and Property and Development Management Agreement ('Management Agreements'). The Responsible Entity, Property Manager and Investment Manager are wholly owned subsidiaries of the group. Refer note 15 for details of the establishment of HCW.

The following transactions occurred with HCW during the financial half-year:

	Consolidated 31 Dec 2021 $
Sale of goods and services:	
Investment management and property management fees from HCW	2,589,735
Responsible Entity expenses reimbursed from HCW	361,447
Other transactions:	
Receipts from HCW (reimbursement for IPO transaction costs and settlement adjustments)	12,460,961
Rent and income guarantee expenses payable to HCW	1,302,417
Sale of 50% interest in Proxima (Southport) QLD to HCW	5,000,000

Settlement of assets classified as held for sale
Refer to note 13 for assets classified as held for sale for properties that were later settled during the half-year to HCW and HDN.

Note 23. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with HCW:

	Consolidated 31 Dec 2021 $
Current receivables:	
Receivable from HCW	1,619,753
Distribution receivable from HCW	1,950,000
Current payables:	
Trade payables to HCW	1,306,914

Note 24. Earnings per security

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Earnings per security for profit/(loss) from continuing operations		
Profit/(loss) after income tax	78,271	(43,781)
Non-controlling interest	(30,013)	(800)
Profit/(loss) after income tax	48,258	(44,581)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	290,221,414	256,645,221
Adjustments for calculation of diluted earnings per share:		
Rights over ordinary shares	1,379,795	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	291,601,209	256,645,221

	Cents	Cents
Basic earnings per security	16.63	(17.37)
Diluted earnings per security	16.55	(17.37)

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Earnings per security for profit from discontinued operations		
Profit after income tax	-	9,883
Non-controlling interest	-	-
Profit after income tax	-	9,883

	Cents	Cents
Basic earnings per security	-	3.85
Diluted earnings per security	-	3.85

Note 24. Earnings per security (continued)

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Earnings per security for profit/(loss)		
Profit/(loss) after income tax	78,271	(33,898)
Non-controlling interest	(30,013)	(800)
Profit/(loss) after income tax	48,258	(34,698)
	Cents	**Cents**
Basic earnings per security	16.63	(13.52)
Diluted earnings per security	16.55	(13.52)

Note 25. Events after the reporting period

Aventus group transaction
On 1 February 2022, the group completed the acquisition of 34,243,758 Aventus securities from BB Retail Capital for total consideration of $118.0 million.

The Schemes were approved by the Supreme Court of New South Wales on 22 February 2022 with a planned implementation date of 4 March 2022. This followed securityholder approval of all required resolutions at each of the AVN scheme meeting held on 25 January 2022 and the HDN general meeting held on 24 January 2022. The identification and valuation of all assets and liabilities and any resultant accounting adjustment on the implementation date will be completed within one year as required by AASB 3 'Business Combinations'.

COVID-19
The impact of the COVID-19 pandemic is ongoing including the impacts from the recent Omicron variant outbreaks across multiple Australian states and territories. Whilst no lockdown restrictions are currently imposed at any Home Consortium managed properties the outlook remains uncertain.

Apart from the dividend determined as disclosed in note 19, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes of Home Consortium Limited ('HCL') comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes of HCL give a true and fair view of the group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations, in a form similar to that referred to by section 295A of the Corporations Act 2001, from the Chief Executive Officer and Chief Financial Officer for the period ended 31 December 2021.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Chris Saxon
Chair

David Di Pilla
Director

23 February 2022

Independent auditor's review report to the members of Home Consortium Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Home Consortium Limited (the Company) and the entities it controlled from time to time during the half-year (together 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Home Consortium Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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PricewaterhouseCoopers

S Hadfield

S J Hadfield
Partner

Sydney
23 February 2022