Alloggio Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Alloggio Group Limited
ABN:	64 645 582 225
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	146.5%	to	27,834,802
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	up	113.4%	to	11,163,027
Profit from ordinary activities after tax attributable to the members of Alloggio Group Limited	up	1941.7%	to	2,010,680
Profit for the year attributable to the members of Alloggio Group Limited	up	1941.7%	to	2,010,680

	2022 Cents	2021 Cents
Basic earnings per share	1.24	0.12
Diluted earnings per share	1.24	0.12

Dividends
There were no dividends paid, recommended or declared during the current financial period.

A dividend of $680,000 was paid to the shareholders of Alloggio Pty Limited during the prior financial year, prior to the group restructure that occurred on 2 November 2020.

Comments
The profit for the consolidated entity after providing for income tax amounted to $2,010,680 (30 June 2021: $98,479).

Reference is made to the *Review of Operations* in the Directors' Report contained in the attached Annual Financial Report for Alloggio Group Limited for the year ended 30 June 2022.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.68)	(5.25)

4. Control gained over entities

Name of entities (or group of entities)	Great Ocean Road Accommodation Centre Pty Ltd
Date control gained	15 December 2021

Refer to note 16 'Intangibles' and note 30 'Interests in controlled entities' for further details.

5. Attachments

Details of attachments (if any):

The Annual Financial Report of Alloggio Group Limited for the year ended 30 June 2022 is attached.

Alloggio Group Limited

ABN 64 645 582 225

Annual Financial Report - 30 June 2022

Alloggio Group Limited
Corporate directory
30 June 2022

Directors	John Murphy - Non-Executive Chairman Will Creedon - Managing Director and Chief Executive Officer Karen Howard - Non-Executive Director Christopher Sneddon - Non-Executive Director Matthew Keen - Non-Executive Director
Company secretary	Michael Potts
Principal place of business and registered office	840 Hunter Street Newcastle NSW 2300 Phone: (02) 4047 9987
Share register	Automic Pty Limited Level 5 126 Phillip Street Sydney NSW 2000 Phone: 1300 288 664
Auditor	PKF (NS) Audit & Assurance Limited Partnership 755 Hunter Street Newcastle West NSW 2302
Solicitors	Travis Partners 1 Honeysuckle Drive Newcastle NSW 2300
Bankers	Commonwealth Bank of Australia 136 Parry Street Newcastle West 2302
Stock exchange listing	Alloggio Group Limited shares are listed on the Australian Securities Exchange (ASX code: ALO)
Website	www.alloggio.com.au
Corporate Governance Statement	www.investors.alloggio.com.au/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Alloggio Group Limited (referred to hereafter as the 'company' or 'legal parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

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

John Murphy (appointed 6 August 2021)
Will Creedon
Karen Howard
Christopher Sneddon
Matthew Keen (appointed 2 August 2021)
David Fairfull (resigned 13 August 2021)

Principal activities

The principal activities of the consolidated entity during the year consisted of the management of short-term accommodation through hotels, motels and rent rolls.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	2022	**2021**
	$	**$**
Dividends paid to the shareholders	-	680,000

The above dividend payments occurred prior to the group restructure on 2 November 2020 and were paid to the shareholders of Alloggio Pty Limited.

Review of operations

The profit for the consolidated entity after providing for income tax amounted to $2,010,680 (30 June 2021: $98,479).

Reconciliation of profit before income tax to EBITDA (unaudited):

	Consolidated	
	2022	**2021**
	$	**$**
Profit before income tax	3,389,729	220,633
Depreciation and amortisation	5,622,359	3,351,910
Finance costs	2,150,939	1,658,848
EBITDA	11,163,027	5,231,391

EBITDA is a non-IFRS earnings measure that does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the consolidated entity's performance.

During the year the consolidated entity executed the following significant transactions:

- On 27 July 2021 entered into a purchase agreement to acquire a commercial lease agreement to operate a hotel and serviced apartments in Brisbane QLD. The current lease term expires on 31 March 2039. The total consideration paid was $500,000.
- During August 2021 issued convertible notes for $2,235,000. The net cash received from the issue of the convertible notes was utilised for strategic acquisitions, including the rent roll management agreement asset in the Mornington Peninsula geography acquired on 24 August 2021 as well as for working capital and costs associated with the company's Initial Public Offering ("IPO").
- On 29 November 2021 completed the IPO and listed on the ASX having raised $16.5M. The funds raised allowed the continued implementation of the growth strategies outlined in the prospectus issued for the IPO.
- On 15 December 2021 acquired the entire share capital in Great Ocean Road Accommodation Centre Pty Ltd, a leading Victorian based holiday property management business managing over 600 holiday properties for $8M. Proceeds from the IPO were used to pay $6.5M of the purchase consideration.
- On 27 January 2022 signed binding agreements to acquire Accom Noosa and the management rights of Fairshore and Noosa International Resort for $4.5M. This acquisition added ~110 premium holiday properties to the existing Noosa portfolio, generating an average of ~$8M in gross booking value per year and ~$2M annual gross revenue per year.
- On 8 February 2022 signed binding agreements to acquire Best of Magnetic holiday accommodation provider on Magnetic Island for $2.95M. This acquisition added ~160 properties to Alloggio's portfolio, generating ~$6.5M in gross booking value and ~$1.5M annual gross revenue per year.
- On 1 June 2022 acquired the Coolum-based Prestige Holiday Homes management business for $900K, adding 37 luxury holiday homes to the property management portfolio. This business has generated ~$2.3M gross booking value over the past three years and ~$310K in annual gross revenue.
- On 22 June 2022 acquired The Edge Holiday Rent Roll in Coffs Harbour, adding a further 28 properties to this location's portfolio, for $310K. This business has generated ~$1.03M gross booking value over the past three years and ~$200K in annual gross revenue.

The rent roll acquisitions during FY22 contributed additional gross revenue of $7.6M from the respective acquisition dates to 30 June 2022. Upon the immediate integration of the new acquisitions to the existing platform, the consolidated entity anticipates the realisation of synergies delivered by the technology platform into the future.

The acquisitions undertaken in FY22 were funded from a combination of capital raised from the November 2021 IPO, cash generated from operations, and part use of the new CBA facility executed in October 2021. The remaining funds available from the CBA facility executed in October 2022, and the expansion of the CBA debt facility executed in March 2022 remain available to continue the consolidated entity's strategic growth plans into the future.

Significant changes in the state of affairs
On 25 November 2021, the company was admitted to the Official List of ASX Limited and the official quotation of the company's ordinary fully paid shares commenced on 29 November 2021. The company raised $16,500,000 pursuant to the offer under the prospectus dated 18 October 2021, by the issue and transfer of 82,500,000 shares at an offer price of $0.20 per share (refer to note 22).

On 30 October 2021, Alloggio Group Limited entered into a new facility agreement with the Commonwealth Bank of Australia for the provision of a committed $7.645 million secured Market Rate Loan that replaced the existing $5.395 million Market Rate Loan. On 21 February 2022, the company announced that it had signed a letter of approval and acceptance of terms to increase its senior debt facilities with the Commonwealth Bank of Australia from $7.65 million to $17.65 million. The expanded senior debt facilities comprise a new $17.65 million tranche maturing three years from the execution of the loan agreements.

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

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Material business risks
The consolidated entity's operations were directly impacted by the continued effects of the global pandemic COVID-19. The impacts arose due to the domestic and global government health responses in relation to the movement of people away from their homes to holiday destinations. During the course of the year, as restrictions started to be relaxed the consolidated entity experienced a rapid upturn to holiday bookings.

Given the nature of the operations of the consolidated entity, there is a risk that further outbreaks in the domestic geography will again lead to a downturn in revenues from traveller bookings, however with a high uptake of vaccinations within the Australian population, and a return to inbound and outbound travel, such a downturn is expected to be more moderate that previous outbreaks.

With the economy being impacted by rising interest rates and inflation, there is the likelihood that there will be additional pressures on disposable incomes that may lead to a softening of demand for short term holiday rentals in the domestic market. The consolidated entity closely monitors “pace” of forward bookings and have observed that forward bookings remain strong, despite the shortening of the time between making the booking to the arrival.

Following the impact of COVID-19 and the closure of international travel, the consolidated entity has endured supply chain shortages and escalating costs associated with labour. This, together with the economic challenges noted above, the consolidated entity has acknowledged that this risk relating to supply chain and associated costs is likely to continue and as such is planning to optimise both technology and procurement management to address these risks in the future.

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

Information on directors

Name:	**John Murphy** (appointed 6 August 2021)
Title:	Non-Executive Chairman
Qualifications:	BCom, MCom, FCPA, CA
Experience and expertise:	Mr Murphy was appointed a director and Chairman on 6 August 2021. He was a partner in international accounting firm Arthur Andersen where he specialised in merger and acquisition and insolvency and reconstruction. He held management positions in that firm at the Australian, Regional and Global levels. He has also spent 20 years as founder and managing director of various private equity funds including Investec Wentworth Private Equity and Adexum Capital Limited. He was director of Investec Bank Australia Limited from 2004 to 2012. Mr Murphy has extensive public company experience having been a director previously of Southcorp Limited, Specialty Fashion Group Limited,Vocus Communications Limited, Gale Pacific Limited, Redflex Limited, and Australian Pharmaceutical Industries Limited.
Other current directorships:	Ariadne Australia Limited (since 6 December 2006) Shriro Holdings Limited (since 25 May 2022)
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Board Member of the Remuneration Committee Member of the Nomination Committee Member of the Audit and Risk Committee
Interests in shares:	4,721,429
Interests in options:	2,000,000

Name:	**William Creedon**
Title:	Managing Director and Chief Executive Officer
Qualifications:	None
Experience and expertise:	More than 30 years experience in the hospitality industry globally.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director
Interests in shares:	46,929,510
Interests in options:	3,000,000

Name:	**Karen Howard**
Title:	Non-Executive Director
Qualifications:	FAICD
Experience and expertise:	More than 20 years' experience as a Non-Executive Director on not-for-profit, Charity, State & Federal Government boards, and more than 21 years' business experience.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination Committee
Interests in shares:	10,941,290
Interests in options:	1,000,000

Name:	**Christopher Sneddon**
Title:	Non-Executive Director
Qualifications:	BCom, FCA, FAICD
Experience and expertise:	Corporate advice to small and medium businesses since 1984. Mr Sneddon is a Director with Maxim Advisors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee Member of the Remuneration Committee
Interests in shares:	6,678,700
Interests in options:	1,000,000

Name:	**Matthew Keen** (appointed 2 August 2021)
Title:	Non-Executive Director
Qualifications:	BEng(Elec)
Experience and expertise:	Corporate and mergers and acquisitions experience.
Other current directorships:	Ronin Resources Limited (since 1 April 2018)
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee Chairman of the Remuneration Committee Chairman of the Nomination Committee
Interests in shares:	150,000
Interests in options:	1,000,000

Name:	**David Fairfull** (resigned 13 August 2021)
Title:	Non-Executive Director
Qualifications:	BCom, ACIS, CPA, FFin, MAICD
Experience and expertise:	Mr David Fairfull is the Chairman of Hall Chadwick Chartered Accountants. He has had over 50 years’ experience in the investment and merchant banking industry and has previously held the positions of Managing Director of Kleinwort Benson Australia Ltd and Pitt Capital Partners Limited as well as CEO of the Glebe Board.
Other current directorships:	None
Former directorships (last 3 years):	Heritage Brands Limited (resigned 28 November 2019)
Special responsibilities:	None
Interests in shares:	4,571,429*
Interests in options:	Nil*

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

* Interests in the shares and options of the company as at the date of resignation as a director.

Company secretary
Michael Potts was appointed Company Secretary on 14 April 2021. Michael is the Chief Finance Officer (CFO) of Alloggio Group Limited and has more than 30 years of experience in major firms including Deloitte, Nexia Australia, MasterPack Systems and JUA Underwriting Agency. Michael's expertise has seen him in roles and responsibilities ranging from consultancy to CFO. Michael holds a Bachelor's Degree in Economics from Macquarie University and is a member of the Chartered Accountants Australia and New Zealand.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
John Murphy*	16	16	2	2
William Creedon	18	18	2	2
Karen Howard	18	18	-	-
Christopher Sneddon	18	18	2	2
Matthew Keen*	16	16	2	2
David Fairfull**	2	2	-	-

Held: represents the number of meetings held during the time the director held office.

* Matthew Keen and John Murphy were appointed on 2 August 2021 and 6 August 2021 respectively
** David Fairfull resigned on 13 August 2021

The functions of the Remuneration and the Nomination Committees were completed by the full Board.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

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

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

Use of remuneration consultants
The consolidated entity did not engage remuneration consultants during the year ended 30 June 2022.

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

The key management personnel of the consolidated entity consisted of the following directors of Alloggio Group Limited:
- John Murphy (appointed 6 August 2021)
- William Creedon
- Karen Howard
- Christopher Sneddon
- Matthew Keen (appointed 2 August 2021)
- David Fairfull (resigned 13 August 2021)

And the following person:
- Michael Potts - Chief Financial Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2022	Cash salary and fees $	Annual leave $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
J Murphy*	62,667	-	-	4,667	-	33,259	100,593
K Howard	56,050	-	-	3,500	-	16,630	76,180
C Sneddon	49,080	-	-	4,908	-	16,630	70,618
M Keen*	45,700	-	-	3,500	-	16,630	65,830
D Fairfull**	-	-	-	-	-	-	-
Executive Directors:							
W Creedon	249,496	55,967	-	21,138	850	49,889	377,340
Other Key Management Personnel:							
M Potts	182,773	15,683	-	18,265	316	12,299	229,336
	645,766	71,650	-	55,978	1,166	145,337	919,897

* Matthew Keen and John Murphy were appointed Directors on 2 August 2021 and 6 August 2021 respectively
** David Fairfull resigned on 13 August 2021

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2021	Cash salary and fees $	Annual leave $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
K Howard*	12,650	-	-	-	-	-	12,650
C Sneddon*	11,870	-	-	1,128	-	-	12,998
Executive Directors:							
W Creedon*	149,999	11,538	-	14,250	-	-	175,787
Other Key Management Personnel:							
M Potts	46,414	3,865	-	4,405	-	-	54,684
	220,933	15,403	-	19,783	-	-	256,119

* The remuneration disclosed includes amounts paid prior to the incorporation of Alloggio Group Ltd on 2 November 2020.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2022	2021	2022	2021	2022	2021
Non-Executive Directors:						
J Murphy	67%	-	-	-	33%	-
K Howard	78%	100%	-	-	22%	-
C Sneddon	76%	100%	-	-	24%	-
M Keen	75%	-	-	-	25%	-
D Fairfull	-	-	-	-	-	-
Executive Directors:						
W Creedon	87%	100%	-	-	13%	-
Other Key Management Personnel:						
M Potts	95%	100%	-	-	5%	-

Service agreements

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

Name:	Will Creedon
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	6 September 2021
Term of agreement:	On-going
Details:	Will is entitled to a base salary of $295,000 plus superannuation and other non-monetary benefits. Will is also entitled to 3,000,000 share options. The options were granted on 25 November 2021. The term of the contract is open-ended and requires Will to provide 6 months' notice in the event of resignation, and for the company to provide 6 months' notice in the event of termination.

Name:	Michael Potts
Title:	Chief Financial Officer
Agreement commenced:	23 March 2021
Term of agreement:	On going
Details:	Michael is paid a based salary of $182,650 plus superannuation and is subject to annual review. Under the terms of his agreement, Michael is required to provide 12 weeks' notice of his resignation, with the company also required to provide 12 weeks' notice in the event of termination.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
John Murphy	2,000,000	25/11/2021	25/11/2023	25/11/2026	$0.30	$0.04995
William Creedon	3,000,000	25/11/2021	25/11/2023	25/11/2026	$0.30	$0.04995
Karen Howard	1,000,000	25/11/2021	25/11/2023	25/11/2026	$0.30	$0.04995
Christopher Sneddon	1,000,000	25/11/2021	25/11/2023	25/11/2026	$0.30	$0.04995
Matthew Keen	1,000,000	25/11/2021	25/11/2023	25/11/2026	$0.30	$0.04995
Michael Potts	1,000,000	23/6/2022	25/11/2023	25/11/2026	$0.14	$0.04217

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the holder becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Options granted carry no dividend or voting rights.

There were no options that vested during the year, and no options were exercised or lapsed.

Additional information
The company aims to align its executive remuneration to its strategic and business objectives and the creation of shareholder wealth. The tables below show measures of the consolidated entity’s financial performance over the last four years (being the extent of available historic audited performance information) as required by the Corporations Act 2001.

The earnings of the consolidated entity for the four years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $	2019 $
Sales revenue	27,834,802	11,293,072	7,456,114	5,780,430
EBITDA	-	-	2,744,087	1,534,163
Profit/(loss) after income tax	2,010,680	98,479	(940,725)	(918,728)

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

	2022	2021
Share price at financial year end (cents)*	12.50	-
Basic earnings per share (cents per share)	1.24	0.12

* The company's shares first traded on the ASX on 29 November 2021 after successful completion of its IPO. Accordingly, no share price information has been provided prior to the 2022 financial year.

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other*	Balance at the end of the year
Ordinary shares					
John Murphy	-	-	1,150,000	3,571,429	4,721,429
William Creedon	46,929,510	-	-	-	46,929,510
Karen Howard	10,928,790	-	12,500	-	10,941,290
Christopher Sneddon	6,428,700	-	250,000	-	6,678,700
Matthew Keen	-	-	150,000	-	150,000
David Fairfull	3,571,429	-	1,000,000	(4,571,429)	-
Michael Potts	-	-	354,762	-	354,762
	67,858,429	-	2,917,262	(1,000,000)	69,775,691

*   Includes the balance of shares held on appointment/resignation

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
John Murphy	-	2,000,000	-	-	2,000,000
William Creedon	-	3,000,000	-	-	3,000,000
Karen Howard	-	1,000,000	-	-	1,000,000
Christopher Sneddon	-	1,000,000	-	-	1,000,000
Matthew Keen	-	1,000,000	-	-	1,000,000
Michael Potts	-	1,000,000	-	-	1,000,000
	-	9,000,000	-	-	9,000,000

Loans to key management personnel and their related parties
There were no loans owing by key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2022.

Other transactions with key management personnel and their related parties
Related party transactions - Christopher Sneddon:
Christopher Sneddon is a Director in the Australian firm Maxim Advisors. Maxim Advisors provides tax, regulatory compliance, and business advisory services to the consolidated entity and the fees are based on normal commercial terms and conditions. The total value of the services provided by Maxim Advisors from the date of appointment of Christopher Sneddon was $99,716 (2021: $22,523) and is included in *Consulting and professional fees* in the statement of profit or loss. At the end of the reporting period, $13,143 (2021: $nil) was owing to Maxim Advisors.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Alloggio Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
25 November 2021	25 November 2026	$0.30	11,000,000
23 June 2022	25 November 2026	$0.14	2,000,000
			13,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Alloggio Group Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

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

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of PKF (NS) Audit & Assurance Limited Partnership
There are no officers of the company who are former partners of PKF (NS) Audit & Assurance Limited Partnership.

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.

Auditor
PKF (NS) Audit & Assurance Limited Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

John Murphy
Chairman

William Creedon
Managing Director and Chief Executive Officer

25 August 2022
Newcastle

Alloggio Group Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Alloggio Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of 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.

PKF

PKF

MARTIN MATTHEWS
PARTNER

25 AUGUST 2022
NEWCASTLE, NSW

Alloggio Group Limited
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30 June 2022

General information

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

Alloggio Group Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

840 Hunter Street
Newcastle
NSW 2300

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 August 2022. The directors have the power to amend and reissue the financial statements.

Alloggio Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Revenue	5	27,834,802	11,293,072
Other income	6	577,991	1,351,567
Expenses			
Advertising and marketing		(396,641)	(196,459)
Booking fees		(517,326)	(267,410)
Consulting and professional fees		(634,259)	(273,189)
Depreciation and amortisation expense	7	(5,622,359)	(3,351,910)
Employee benefits expense		(6,586,701)	(2,627,256)
Food, beverage and supplies		(858,896)	(153,186)
Guest charges and supplies		(87,585)	(87,834)
Holiday guest or owner charges		(1,740,611)	(279,796)
Housekeeping		(988,874)	(672,964)
Information technology		(550,489)	(332,147)
Labour related costs		(844,935)	(628,474)
Merchant and bartercard fees		(434,287)	(210,158)
Property related costs		(1,326,001)	(967,001)
Rent - short term leases		(67,384)	(35,535)
Repairs and maintenance		(456,775)	(194,183)
Transaction costs in connection with the IPO		(154,009)	-
Other expenses		(1,604,993)	(487,656)
Finance costs	7	(2,150,939)	(1,658,848)
Total expenses		(25,023,064)	(12,424,006)
Profit before income tax expense		3,389,729	220,633
Income tax expense	8	(1,379,049)	(122,154)
Profit after income tax expense for the year attributable to the members of Alloggio Group Limited		2,010,680	98,479
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Alloggio Group Limited		2,010,680	98,479
		Cents	**Cents**
Basic earnings per share	34	1.24	0.12
Diluted earnings per share	34	1.24	0.12

Refer to note 3 for detailed information on Restatement of comparatives.

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

Alloggio Group Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	Consolidated 2021 $	1 July 2020 $
Assets				
Current assets				
Cash and cash equivalents	9	3,956,542	361,771	645,178
Restricted cash held in trust	10	17,361,970	6,124,095	1,478,888
Trade and other receivables	11	1,855,890	882,467	169,465
Contract assets		19,843	22,677	36,984
Inventories		14,345	-	-
Other assets	12	554,908	283,273	152,930
Total current assets		23,763,498	7,674,283	2,483,445
Non-current assets				
Other financial assets		50	50	50
Investment property	13	869,803	-	-
Property, plant and equipment	14	1,018,738	475,868	210,416
Right-of-use assets	15	40,427,874	29,872,515	15,042,815
Intangibles	16	25,113,427	9,511,074	4,945,176
Deferred tax	8	1,224,901	735,859	-
Other assets	12	249,587	66,026	69,312
Total non-current assets		68,904,380	40,661,392	20,267,769
Total assets		92,667,878	48,335,675	22,751,214
Liabilities				
Current liabilities				
Trade and other payables	17	1,877,365	1,248,245	1,265,975
Borrowings	18	72,957	1,184,205	494,587
Lease liabilities	19	3,794,237	2,571,567	1,464,350
Income tax	8	1,338,056	373,930	62,417
Employee benefits	20	573,491	187,636	-
Provisions	21	-	-	88,662
Client trust account liabilities	10	17,361,970	6,124,095	1,478,888
Total current liabilities		25,018,076	11,689,678	4,854,879
Non-current liabilities				
Borrowings	18	6,135,879	5,005,000	4,233,023
Lease liabilities	19	39,135,049	29,854,326	14,773,187
Employee benefits	20	87,567	40,153	-
Provisions	21	1,036,150	213,527	102,310
Total non-current liabilities		46,394,645	35,113,006	19,108,520
Total liabilities		71,412,721	46,802,684	23,963,399
Net assets/(liabilities)		21,255,157	1,532,991	(1,212,185)
Equity				
Issued capital	22	25,063,811	7,673,086	373,217
Reserves	23	(4,179,319)	(4,500,080)	-
Retained profits/(accumulated losses)		370,665	(1,640,015)	(1,585,402)
Total equity/(deficiency)		21,255,157	1,532,991	(1,212,185)

Refer to note 3 for detailed information on Restatement of comparatives.

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

Alloggio Group Limited
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	373,218	-	(1,585,402)	(1,212,184)
Adjustment for change in accounting policy (note 3)	-	-	526,908	526,908
Balance at 1 July 2020 - restated	373,218	-	(1,058,494)	(685,276)
Profit after income tax expense for the year	-	-	98,479	98,479
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	98,479	98,479
Transactions with members in their capacity as members:				
Contributions of equity, net of transaction costs (note 22)	7,299,868	-	-	7,299,868
Reserve arising from business combinations under common control (note 23)	-	(4,500,080)	-	(4,500,080)
Dividends paid (note 24)	-	-	(680,000)	(680,000)
Balance at 30 June 2021	7,673,086	(4,500,080)	(1,640,015)	1,532,991

Refer to note 3 for detailed information on Restatement of comparatives.

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	7,673,086	(4,500,080)	(1,640,015)	1,532,991
Profit after income tax expense for the year	-	-	2,010,680	2,010,680
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	2,010,680	2,010,680
Transactions with members in their capacity as members:				
Contributions of equity, net of transaction costs (note 22)	17,390,725	-	-	17,390,725
Share-based payments (note 33)	-	320,761	-	320,761
Balance at 30 June 2022	25,063,811	(4,179,319)	370,665	21,255,157

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

Alloggio Group Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		29,959,186	11,821,030
Payments to suppliers and employees (inclusive of GST)		(19,622,670)	(8,108,889)
		10,336,516	3,712,141
Government grants and subsidies		323,406	535,216
Interest and other finance costs paid		(2,150,939)	(1,658,848)
Income taxes paid		(455,873)	(19,592)
Net cash from operating activities	32	8,053,110	2,568,917
Cash flows from investing activities			
Payment of deposit on rent roll acquisition		(13,890)	(61,300)
Payments for investment property		(869,803)	-
Payments for property, plant and equipment		(1,221,932)	(360,977)
Payments for intangibles		(16,479,989)	(4,691,577)
Payments for security deposits		(177,983)	-
Proceeds from disposal of property, plant and equipment		4,085	-
Proceeds from release of security deposits		-	12,319
Net cash used in investing activities		(18,759,512)	(5,101,535)
Cash flows from financing activities			
Proceeds from issue of shares/units	22	16,500,000	2,913,010
Repayment of lease liabilities	19	(2,810,936)	(972,172)
Share issue transaction costs		(1,642,525)	(113,222)
Dividends paid	24	-	(680,000)
Net proceeds from/(repayment of) borrowings		2,454,880	901,349
Net cash from financing activities		14,501,419	2,048,965
Net increase/(decrease) in cash and cash equivalents		3,795,017	(483,653)
Cash and cash equivalents at the beginning of the financial year		161,525	645,178
Cash and cash equivalents at the end of the financial year	9	3,956,542	161,525

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The consolidated entity 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 new or amended standards and interpretations did not have a material impact on the financial position and financial performance of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted except for the standard noted below.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The consolidated entity has early adopted this amending standard from 1 July 2021. The standard makes it mandatory to recognise a deferred tax asset on lease liabilities and a deferred tax liability on the right-of-use assets. Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted. Entities are required to apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented (1 July 2020). Retrospective application of the amendment is not required. The effect of recognising the deferred tax assets and deferred tax liabilities at 1 July 2020 is reflected as an adjustment to the opening retained earnings at that date.

The change in accounting policy resulted in the recognition of a net deferred tax asset of $526,908 at 1 July 2020 and a corresponding credit to retained earnings of the same amount. Details of the restatement on the 30 June 2021 statement of profit or loss and the statement of financial position are disclosed in note 3.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Alloggio Group Limited (AGL) was incorporated on 2 November 2020. AGL was a shell company incorporated to complete a merger transaction and to be the new holding company for the merged group.

On 2 November 2020, AGL acquired the shares of Esplanade Holdings Pty Ltd (EHPL) which is the holding company for the entities listed below, through the issue of shares in AGL:
- Esplanade Unit Trust Pty Ltd and its wholly-owned subsidiary Alloggio Pty Ltd.
- Esplanade Projects Unit Trust and its wholly-owned subsidiaries: Alloggio Hotels Unit Trust, Alloggio Management Unit Trust, Trova Unit Trust and Agile Maintenance Pty Ltd. These entities represent all the operating businesses within the 'group'.

To facilitate the merger transaction, the following restructure occurred prior to the merger:
- Esplanade Unit Trust Pty Ltd (EUTPL) acquired Alloggio Pty Ltd on 27 October 2020 from Alloggio Holdings Pty Ltd (AHPL). Both EUPTL and AHPL were under the common control of entities associated with William Creedon.
- EHPL was incorporated on 30 October 2020 and acquired Esplanade Projects Unit Trust (EPUT) on the same date. EPUT is the beneficial owner of all the units in the 3 trusts: Alloggio Hotels Unit Trust, Alloggio Management Unit Trust and Trova Unit Trust.
- The shares in EUTPL were sold to EHPL on 31 October 2020. Both EUPTL and EHPL were under the common control of William Creedon.

AGL and EHPL were shell companies incorporated to complete the merger transaction and AGL was the new holding company for the combined group. The merger transaction included the combination of a number of entities that had common ownership and therefore excluded from AASB 3 *Business Combinations*. Esplanade Projects Unit Trust has been identified as the acquirer for the business combinations resulting from the merger transaction. The merger transaction was undertaken so as to facilitate the proposed listing of AGL on the Australian Securities Exchange.

Note 1. Significant accounting policies (continued)

The “top-hatting” of the existing group with newly incorporated holding companies (AGL and EHPL) and the consolidation of the common controlled entities are a restructure of the existing business operations and therefore it was considered that the predecessor (continuation) method of accounting (book value) was most appropriate. Accordingly, where applicable, book value accounting was adopted whereby:

- assets and liabilities of the acquired entities are recognised at their previous carrying amounts;
- no adjustments are made to reflect fair values;
- no new assets (including goodwill) and liabilities of the acquired (merged) entities are recognised at the date of the restructure;
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are presented as if the combination had taken place at the beginning of the earliest comparative period presented.

Esplanade Projects Unit Trust (EPUT) was the parent entity for the short-term accommodation business and was identified as the ‘acquirer’ for accounting purposes. Accordingly, the consolidated financial statements were prepared as a continuation of the consolidated financials of EPUT and its controlled entities plus Alloggio Pty Ltd. The comparative financial information from 1 July 2019 to 30 June 2020 presented in the consolidated financial statements is that of EPUT (accounting acquirer) and its controlled entities: Alloggio Hotels Unit Trust, Alloggio Management Unit Trust and Trova Unit Trust, and Alloggio Pty Ltd.

The statement of profit or loss and other comprehensive income and the statement of cash flows for the year ended 30 June 2021 represents:

- The results of EPUT and its controlled entities Alloggio Hotels Unit Trust, Alloggio Management Unit Trust and Trova Unit Trust, and Alloggio Pty Ltd for the period from 1 July 2020 to 30 June 2021
- Esplanade Holdings Pty Ltd and Alloggio Limited from the dates of their incorporation being 30 October 2020 and 2 November 2020 respectively.

Historical cost convention
The financial statements have been prepared on an accruals 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.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Alloggio Group Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Alloggio Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

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

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Comparatives
Some comparative information has been reclassified for presentation purposes.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

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

Lease make good provision
The consolidated entity is required to restore the leased premises to their original condition at the end of the respective lease terms. The make good provision is the present value of the anticipated costs to make good the premises on expiry of the lease. The calculation of this provision requires assumptions such as application of closure dates and cost estimates.

Right-of-use assets and lease liabilities
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

The consolidated entity has several hotel lease contracts which include extension options exercisable only by the consolidated entity. These options are negotiated by consolidated entity's management to provide flexibility in managing the leased asset portfolio and to align with business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised. In determining the lease liability, the consolidated entity's management has assessed that none of the options will be exercised. If there is a significant event or change in circumstances where it is reasonably certain the consolidated entity will exercise the options, the consolidated entity will remeasure the right-of-use asset and lease liability.

Impairment of rent rolls
The recoverable amounts of rent rolls are derived from market transactional evidence in relation to their fair value. The fair value of the rent roll is calculated by multiplying the annual rent roll income by a multiple that is based on either independent expert opinion or using subsequent sales transactions. There were no impairments of the rent rolls at 30 June 2022 and 30 June 2021.

Amortisation of rent rolls
Rent rolls have a finite life and are therefore amortised. Amortisation is calculated using the straight-line method to allocate the cost of the rent rolls over their estimated useful lives.

Note 3. Restatement of comparatives

Change in accounting policy - trust accounts
The balance of the cash held in trust on behalf of holiday home owners had not previously been included in the financial statements. Cash held in trust relates to rent collected on behalf of holiday home owners which cannot be used to meet general operating expenses other than payments for expenses incurred on behalf of holiday home owners and fees payable to the company. On recognition of these amounts, cash assets and payables were adjusted.

The change in accounting policy resulted in the recognition of restricted cash assets and associated liability to the holiday home owners of $6,124,095 and $1,478,888 at 30 June 2021 and 1 July 2020 respectively. There was no impact on the net profit for the year ended 30 June 2021.

Reclassification - trade receivables and contract assets
During the preparation of the 2022 financial statements, the presentation of certain balances previously presented under *Contract assets* were reclassified to *Trade receivables*. As a consequence of this reclassification, contract assets at 30 June 2021 amounting to $211,853, was reclassified from *Contract assets* to *Trade receivables*. This reclassification had no impact on the net profit for the year ended 30 June 2021.

Change in accounting policy - deferred tax
The consolidated entity has early adopted AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.* The standard makes it mandatory to recognise a deferred tax asset on lease liabilities and a deferred tax liability on the right-of-use assets. This Standard amends AASB 112 *Income taxes* to clarify the accounting for deferred tax on transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences as is the case with leases and decommissioning, restoration and similar obligations. Entities are required to recognise deferred tax on such transactions.

The change in accounting policy resulted in the recognition of a net deferred tax asset of $526,908 at 1 July 2020 and a corresponding credit to retained earnings of the same amount. The income tax expense for the year ended 30 June 2021 decreased by $252,415 and the net deferred tax asset increased by the same amount.

Alloggio Group Limited
Notes to the financial statements
30 June 2022

Note 3. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	Consolidated		
Extract	2021 $ Reported	$ Adjustment	2021 $ Restated
Profit before income tax expense from continuing operations	220,633	-	220,633
Income tax expense	(331,105)	208,951	(122,154)
Profit/(loss) after income tax expense from continuing operations	(110,472)	208,951	98,479

Statement of financial position at the beginning of the earliest comparative period

	Consolidated		
Extract	1 July 2020 $ Reported	$ Adjustment	1 July 2020 $ Restated
Assets			
Current assets			
Restricted cash held in trust	-	1,478,888	1,478,888
Total current assets	1,004,557	1,478,888	2,483,445
Total assets	21,272,326	1,478,888	22,751,214
Liabilities			
Current liabilities			
Client trust account liabilities	-	1,478,888	1,478,888
Total current liabilities	3,375,991	1,478,888	4,854,879
Total liabilities	22,484,511	1,478,888	23,963,399
Net liabilities	(1,212,185)	-	(1,212,185)

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Note 3. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

Extract	Consolidated 2021 $ Reported	$ Adjustment	2021 $ Restated
Assets			
Current assets			
Restricted cash held in trust	-	6,124,095	6,124,095
Trade and other receivables	670,614	211,853	882,467
Contract assets	234,530	(211,853)	22,677
Total current assets	1,550,188	6,124,095	7,674,283
Non-current assets			
Deferred tax	-	735,859	735,859
Total non-current assets	39,925,533	735,859	40,661,392
Total assets	41,475,721	6,859,954	48,335,675
Liabilities			
Current liabilities			
Employee benefits	-	187,636	187,636
Provisions	187,636	(187,636)	-
Client trust account liabilities	-	6,124,095	6,124,095
Total current liabilities	5,565,583	6,124,095	11,689,678
Non-current liabilities			
Employee benefits	-	40,153	40,153
Provisions	253,680	(40,153)	213,527
Total non-current liabilities	35,113,006	-	35,113,006
Total liabilities	40,678,589	6,124,095	46,802,684
Net assets	797,132	735,859	1,532,991
Equity			
Accumulated losses	(2,375,874)	735,859	(1,640,015)
Total equity	797,132	735,859	1,532,991

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity operates only in Australia and manages its operations as a single business operation. There are no parts of the consolidated entity that qualify as operating segments under AASB 8 *Operating Segments*. As the consolidated entity operates in only one segment, the consolidated results are also its segment results.

The Board of Directors are the Chief Operating Decision Makers (CODM).

Major customers
All revenue of the consolidated entity is from external customers. During the current and prior financial periods, there were no transactions with a single external customer that amounted to 10 percent or more of the consolidated entity's revenues.

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Note 4. Operating segments (continued)

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

Note 5. Revenue

	Consolidated	
	2022	**2021**
	$	**$**
Revenue from contracts with customers		
Rent rolls - Management fees	7,507,176	2,404,749
Rent rolls - Booking fees	1,236,238	877,550
Rent rolls - Other	4,609,023	1,423,825
Hotels and motels - Rooms	14,150,236	6,029,867
Hotels and motels - Food and beverage	96,184	263,130
Hotels and motels - Other	210,609	186,142
Sundry	11,760	42,641
	27,821,226	11,227,904
Other revenue		
Rent	13,576	61,668
Other revenue	-	3,500
	13,576	65,168
Revenue	27,834,802	11,293,072

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

	Consolidated	
	2022	**2021**
	$	**$**
Geographical regions		
Australia	27,821,226	11,227,904
Timing of revenue recognition		
Goods and services transferred at a point in time	6,163,814	2,793,288
Services transferred over time	21,657,412	8,434,616
	27,821,226	11,227,904

Accounting policy for revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 5. Revenue (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rent rolls - Booking fees and management fees
The consolidated entity enters into contracts with its customers to manage short-term rental properties on their behalf. The consolidated entity receives a booking fee upon successful letting of a property and a fee to manage the property. Booking fees are fixed fees that are billed on completion of the performance obligation at a point-in-time on commencement of the rental agreement. Management fees which are based on a percentage of rental collected on behalf of the landlords and is recognised over the period the performance obligation for managing the property is performed.

Hotels and motels - Rooms
Rooms revenue is recognised over time due to the nature of accommodation being consumed by customers over a period of time. The customer simultaneously receives and consumes the benefits provided as provision of a room is made to the customer.

Hotels and motels - Food and beverage
Food and beverage revenue is recognised at a point in time.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

Note 6. Other income

	Consolidated	
	2022	2021
	$	$
Government grants - COVID-19	266,406	519,123
Subsidies and grants	57,000	16,093
Insurance recoveries	25,591	17,876
Rent concession income	216,256	798,475
Net gain on lease termination	12,738	-
Other income	577,991	1,351,567

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Note 7. Expenses

	Consolidated	
	2022	**2021**
	$	**$**
Profit before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	14,388	7,848
Plant and equipment	109,211	66,886
Motor vehicles	19,689	1,007
Buildings right-of-use assets	4,206,167	2,780,746
Motor vehicles right-of-use assets	23,718	9,744
Total depreciation	4,373,173	2,866,231
Amortisation		
Rent roll	1,233,026	484,601
Website	16,160	1,078
Total amortisation	1,249,186	485,679
Total depreciation and amortisation	5,622,359	3,351,910
Finance costs		
Interest and finance charges paid/payable on borrowings	191,144	233,899
Interest and finance charges paid/payable on lease liabilities	1,941,564	1,421,899
Unwinding of the discount on provisions	18,231	3,050
Finance costs expensed	2,150,939	1,658,848
Superannuation expense		
Defined contribution superannuation expense	622,009	209,782

Note 8. Income tax

	Consolidated 2022 $	2021 $
Income tax expense		
Current tax	1,231,903	331,105
Deferred tax - origination and reversal of temporary differences	(40,949)	(208,951)
Adjustment recognised for prior periods	188,095	-
Aggregate income tax expense	1,379,049	122,154
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	3,389,729	220,633
Tax at the statutory tax rate of 25% (2021: 26%)	847,432	57,365
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	308,259	125,996
Non-deductible expenses	113,615	867
Non-assessable income	(78,352)	(134,972)
Sundry items	-	43,464
	1,190,954	92,720
Adjustment recognised for prior periods	188,095	-
Adjustment to deferred tax balances as a result of change in statutory tax rate	-	29,434
Income tax expense	1,379,049	122,154

Deferred tax balances

	Opening balance $	Net credited to profit or loss $	Net credited to equity $	Closing balance $
30 June 2022				
Deferred tax asset				
Lease liabilities	8,077,504	2,609,746	-	10,687,250
Employee entitlements	52,131	128,302	-	180,433
Lease make good	53,383	205,656	-	259,039
Transaction costs	-	(52,488)	448,093	395,605
	8,183,018	2,891,216	448,093	11,522,327
Deferred tax liability				
Right-of-use assets	(7,447,159)	(2,491,937)	-	(9,939,096)
Property, plant and equipment	-	(289,665)	-	(289,665)
Prepayments	-	(68,665)	-	(68,665)
Net deferred tax asset recognised	735,859	40,949	448,093	1,224,901

Note 8. Income tax (continued)

	Opening balance $	Net credited to profit or loss $	Net credited to equity $	Closing balance $
30 June 2021				
Deferred tax asset				
Lease liabilities	4,207,862	3,869,642	-	8,077,504
Employee entitlements	27,740	24,391	-	52,131
Lease make good	22,222	31,161	-	53,383
Tax losses	175,055	(175,055)	-	-
	4,432,879	3,750,139	-	8,183,018
Deferred tax liability				
Right-of-use assets	(3,905,971)	(3,541,188)	-	(7,447,159)
Net deferred tax asset recognised	526,908	208,951	-	735,859

	Consolidated 2022 $	2021 $
Provision for income tax		
Provision for income tax	1,338,056	373,930

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

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

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

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

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

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

Note 9. Cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Cash on hand	2,610	4,810
Cash at bank	3,917,727	332,206
Cash on deposit	36,205	24,755
	3,956,542	361,771

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	Consolidated 2022 $	Consolidated 2021 $
Balances as above	3,956,542	361,771
Secured:		
Bank overdraft (note 18)	-	(200,246)
Balance as per statement of cash flows	3,956,542	161,525

Accounting policy for cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 10. Restricted cash held in trust

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Cash held in trust	17,361,970	6,124,095

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Client trust account liabilities	17,361,970	6,124,095

Cash held in trust relates to the holiday home booking funds paid by guests in advance of their stay and is represented by an associated and equal liability relating to these prepaid guest funds. Cash held in trust is restricted and can only be used in accordance with the holiday home management agreement.

Note 11. Trade and other receivables

	Consolidated	
	2022	**2021**
	$	**$**
Current assets		
Trade receivables	1,714,953	698,814
Other receivables	140,937	183,653
	1,855,890	882,467

Allowance for expected credit losses
The following is the aging of the consolidated entity's trade receivables:

	Consolidated	
	2022	**2021**
	$	**$**
Not overdue	1,199,265	514,309
0 to 3 months overdue	418,761	102,976
3 to 6 months overdue	44,649	31,634
Over 6 months overdue	52,278	49,895
	1,714,953	698,814

The consolidated entity has assessed that there are no trade and other receivables that are impaired at 30 June 2022 (2021: nil)

Note 25 sets out information of financial assets and exposure to credit risk.

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 12. Other assets

	Consolidated	
	2022	**2021**
	$	**$**
Current assets		
Prepayments	274,658	98,643
Other deposits	280,250	61,300
Bartercard assets (a)	-	123,330
	554,908	283,273
Non-current assets		
Security deposits	195,869	17,886
Other non-current assets	53,718	48,140
	249,587	66,026
	804,495	349,299

(a) Bartercard assets
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	2022	**2021**
	$	**$**
Opening balance	123,330	115,038
Trade Dollars earned	14,000	19,142
Trade Dollars spent	(110)	(10,850)
Impairment	(137,220)	-
Closing balance	-	123,330

Accounting policy for Bartercard assets
The Bartercard Trade Dollars are recorded at cost less accumulated impairment losses. The trade dollars are acquired as earned and consumed as utilised and are tested at least annually for impairment or when indicators of impairment exist. Significant reduction in the ability to trade with other Bartercard holders and the probability that the consolidated entity would not be able to utilise all the trade dollars it holds are considered indicators that the Bartercard asset is impaired.

Note 13. Investment property

	Consolidated	
	2022	**2021**
	$	**$**
Non-current assets		
Investment property - at cost	869,803	-

Accounting policy for investment properties
Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the consolidated entity. Investment properties are recognised at cost, including transaction costs, less accumulated depreciation and impairment. Investment properties (excluding land) are depreciated on a straight-line basis over 40 years.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Note 14. Property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Leasehold improvements - at cost	262,466	156,907
Less: Accumulated depreciation	(25,577)	(11,189)
	236,889	145,718
Plant and equipment - at cost	648,810	512,010
Less: Accumulated depreciation	(306,577)	(197,366)
	342,233	314,644
Motor vehicles - at cost	460,312	16,513
Less: Accumulated depreciation	(20,696)	(1,007)
	439,616	15,506
	1,018,738	475,868

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

Consolidated	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Total $
Balance at 1 July 2020	81,583	128,833	-	210,416
Additions	71,983	252,697	16,513	341,193
Depreciation expense	(7,848)	(66,886)	(1,007)	(75,741)
Balance at 30 June 2021	145,718	314,644	15,506	475,868
Additions	105,559	136,800	443,799	686,158
Depreciation expense	(14,388)	(109,211)	(19,689)	(143,288)
Balance at 30 June 2022	236,889	342,233	439,616	1,018,738

Accounting policy for property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	30% - 100%
Motor vehicles	30% - 100%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Right-of-use assets

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Land and buildings - right-of-use	50,149,273	35,596,265
Less: Accumulated depreciation	(9,791,708)	(5,807,630)
Less: Impairment	(85,150)	-
	40,272,415	29,788,635
Motor vehicles - right-of-use	230,146	148,036
Less: Accumulated depreciation	(74,687)	(64,156)
	155,459	83,880
	40,427,874	29,872,515

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

Consolidated	Land and buildings $	Motor vehicles $	Total $
Balance at 1 July 2020	15,022,967	19,848	15,042,815
Additions	17,546,414	73,776	17,620,190
Depreciation expense	(2,780,746)	(9,744)	(2,790,490)
Balance at 30 June 2021	29,788,635	83,880	29,872,515
Additions	14,886,067	99,382	14,985,449
Disposals	-	(4,085)	(4,085)
Termination	(110,970)	-	(110,970)
Impairment of assets	(85,150)	-	(85,150)
Depreciation expense	(4,206,167)	(23,718)	(4,229,885)
Balance at 30 June 2022	40,272,415	155,459	40,427,874

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

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

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

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Note 16. Intangibles

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Rent roll - at cost	27,529,154	10,693,486
Less: Accumulated amortisation	(2,715,567)	(1,482,541)
	24,813,587	9,210,945
Domain names - at cost	200,000	200,000
Website - at cost	117,078	101,207
Less: Accumulated amortisation	(17,238)	(1,078)
	99,840	100,129
	25,113,427	9,511,074

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

Consolidated	Rent roll $	Domain names $	Website $	Total $
Balance at 1 July 2020	4,945,176	-	-	4,945,176
Additions	4,750,370	200,000	101,207	5,051,577
Amortisation expense	(484,601)	-	(1,078)	(485,679)
Balance at 30 June 2021	9,210,945	200,000	100,129	9,511,074
Additions	16,835,668	-	15,871	16,851,539
Amortisation expense	(1,233,026)	-	(16,160)	(1,249,186)
Balance at 30 June 2022	24,813,587	200,000	99,840	25,113,427

Additions
The additions to the holiday management rent roll intangibles that were acquired during the financial year include: Great Ocean Road Accommodation Centre, Noosa Accom and Noosa International, Best of Magnetic (Magnetic Island), Prestige Holiday Homes (Coolum), and The Edge (Coffs Harbour). All acquired rent rolls are operational in the consolidated entity's business.

Accounting policy for intangible assets
Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Domain names
Domain names are assessed to have an indefinite useful life and are not amortised. Domain names acquired for a material sum are capitalised and tested for impairment.

Note 16. Intangibles (continued)

Rent roll
Rent rolls are accounted for as an intangible asset with a finite life in accordance with AASB 138 *Intangible Assets*. They are measured at cost less amortisation and any impairment. Rent rolls are amortised over 15 years.

Note 17. Trade and other payables

	Consolidated	
	2022 $	2021 $
Current liabilities		
Trade payables	702,023	582,491
Accruals	153,643	64,181
Deferred consideration	310,250	-
BAS payable	484,960	529,574
Other payables	226,489	71,999
	1,877,365	1,248,245

Refer to note 25 for further information on financial instruments.

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

Note 18. Borrowings

	Consolidated	
	2022 $	2021 $
Current liabilities		
Secured:		
Bank overdraft	-	200,246
Bank loans - market rate and working capital	-	490,000
Vendor loan	-	343,974
Loan - Prospa Advance Pty Ltd	-	58,057
Loan - Chattel mortgages and equipment loans	48,639	91,928
Unsecured:		
Insurance premium funding	24,318	-
	72,957	1,184,205
Non-current liabilities		
Secured:		
Bank loans - market rate and working capital	6,135,879	5,005,000
	6,208,836	6,189,205

Refer to note 25 for further information on financial instruments.

Note 18. Borrowings (continued)

(a) Bank overdraft and loans
The bank facilities comprise the following:
- Market rate loan - $17,645,000
- Overdraft facility - $200,000
- Working capital loan - $100,000
- Bank guarantee - $1,050,000

The market rate loan was used to fund the acquisition of rent rolls. The facility is an interest-only loan and has a 3-year term. The loan will expire on 16 March 2025. Interest on the market rate loan is calculated using the Bank Bill Swap (BBSY) Bid rate plus a relevant margin.

The working capital loan is an interest-only loan and was not utilised at 30 June 2022. Interest is payable at a variable base rate plus a relevant margin.

The associated securities and covenants are in line with similar facilities made available to corporate borrowers.

The consolidated entity has complied with these covenants throughout the reporting period from the date of commencement of the new financing facilities.

(b) Vendor loan
The loan was secured over the rent roll that was acquired.

(c) Loan - Prospa Advance Pty Ltd
Alloggio Hotels Unit Trust and William Creedon provided a security interest over all their respective assets.

(d) Loans - Chattel mortgages and equipment loans, and related party
The loans are secured over the equipment that the loans relate to.

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Note 18. Borrowings (continued)

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

	Consolidated 2022 $	Consolidated 2021 $
Total facilities		
Bank overdraft	200,000	200,000
Bank loans - market rate and working capital	17,745,000	5,495,000
Bank guarantee	1,050,000	647,000
Vendor finance	-	343,974
Loan - Chattel mortgages and equipment loans	48,639	91,928
Loan - Prospa Advance Pty Ltd	-	58,057
Insurance premium funding	24,318	-
Lease liabilities (hire purchase and finance leases)	180,276	115,875
	19,248,233	6,951,834
Used at the reporting date		
Bank overdraft	-	200,246
Bank loans - market rate and working capital	6,135,879	5,495,000
Bank guarantee	1,042,528	561,376
Vendor finance	-	343,974
Loan - Chattel mortgages and equipment loans	48,639	91,928
Loan - Prospa Advance Pty Ltd	-	58,057
Insurance premium funding	24,318	-
Lease liabilities (hire purchase and finance leases)	180,276	115,875
	7,431,640	6,866,456
Unused at the reporting date		
Bank overdraft	200,000	(246)
Bank loans - market rate and working capital	11,609,121	-
Bank guarantee	7,472	85,624
Vendor finance	-	-
Loan - Chattel mortgages and equipment loans	-	-
Loan - Prospa Advance Pty Ltd	-	-
Insurance premium funding	-	-
Lease liabilities (hire purchase and finance leases)	-	-
	11,816,593	85,378

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 19. Lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Lease liability - land and buildings	3,690,500	2,561,461
Lease liability - motor vehicles	103,737	10,106
	3,794,237	2,571,567
Non-current liabilities		
Lease liability - land and buildings	39,058,510	29,748,557
Lease liability - motor vehicles	76,539	105,769
	39,135,049	29,854,326
	42,929,286	32,425,893

Refer to note 25 for further information on financial instruments.

Movement in lease liabilities

	Land and buildings $	Motor vehicles $	Total $
Balance at 1 July 2020	16,184,086	53,451	16,237,537
Additions	17,401,623	73,776	17,475,399
Rent concession	(314,871)	-	(314,871)
Lease payments	(2,371,134)	(22,937)	(2,394,071)
Interest expense	1,410,314	11,585	1,421,899
Balance at 30 June 2021	32,310,018	115,875	32,425,893
Additions	13,545,901	108,392	13,654,293
Rent concession	(216,256)	-	(216,256)
Lease payments	(4,698,382)	(54,118)	(4,752,500)
Interest expense	1,931,437	10,127	1,941,564
Termination	(123,708)	-	(123,708)
Balance at 30 June 2022	42,749,010	180,276	42,929,286

Land and buildings
The consolidated entity has 13 commercial leases for mid-market hotels and office leases. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The consolidated entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Motor vehicles
The consolidated entity leases motor vehicles under finance lease and hire purchase. The leases are secured over the equipment and individual motor vehicles that the lease relates to. The consolidated entity classifies its right-of-use assets for the respective assets within property, plant and equipment.

Note 19. Lease liabilities (continued)

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

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

The consolidated entity has adopted AASB 2020-4 *Covid-19-Related Rent Concessions*. The practical expedient in paragraph 46A has been applied to each relevant lease where a rental concession was agreed prior to 30 June 2021.

Note 20. Employee benefits

	Consolidated	
	2022	2021
	$	$
Current liabilities		
Annual leave	573,491	187,636
Non-current liabilities		
Long service leave	87,567	40,153
	661,058	227,789

Accounting policy for employee benefits

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

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

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

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Note 21. Provisions

	Consolidated 2022 $	Consolidated 2021 $
Non-current liabilities		
Lease make good	1,036,150	213,527

The lease make good provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

Movements in provisions

Consolidated - 2022	Lease make good $
Carrying amount at the start of the year	213,527
Additional provisions recognised	804,392
Unwinding of discount	18,231
Carrying amount at the end of the year	1,036,150

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

Note 22. Issued capital

	Consolidated 2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares/units - fully paid	200,730,021	103,330,007	25,063,811	7,673,086

Movements in ordinary share capital/units

Details	**Date**	**Shares/Units**	**Issue price**	**$**
Balance	1 July 2020	1,000		373,218
Units issued in legal acquiree prior to merger	30 September 2020	2,000	$340.00	680,000
Elimination of existing legal acquiree units		(3,000)	$0.00	-
Shares issued to acquire Esplanade Holdings Pty Ltd	4 February 2021	64,287,000	$0.07	4,500,090
Shares issued to initial subscribers	2 November 2020	7,143,000	$0.01	71,430
Shares issued to sophisticated investors	20 January 2021	31,900,007	$0.07	2,233,000
Share issue costs				(184,652)
Balance	30 June 2021	103,330,007		7,673,086
Conversion of convertible notes	25 November 2021	14,900,014	$0.15	2,235,003
Initial Public Offering	25 November 2021	82,500,000	$0.20	16,500,000
Transaction costs arising on share issues, net of tax				(1,344,278)
Balance	30 June 2022	200,730,021		25,063,811

Note 22. Issued capital (continued)

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

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

Convertible notes
During the 2022 financial year, the company issued 14,900,014 convertible notes at a face value of $0.15 in consideration of $2,235,003 received in cash. The notes were to be converted into ordinary shares in the company should the company be admitted to the Australian Securities Exchange (ASX) before the conversion date. The company was admitted to the ASX on 25 November 2021 and the notes automatically converted into ordinary shares in the company on a 1-for-1 basis. The conversion price was the lower of the IPO issue price less 25% and $0.15. There was no interest payable on the notes.

Initial Public Offering
On 25 November 2021, the company was admitted to the Official List of ASX Limited and the official quotation of the company's ordinary fully paid shares commenced on 29 November 2021. The company raised $16,500,000 pursuant to the offer under the prospectus dated 18 October 2021, by the issue and transfer of 82,500,000 shares at an offer price of $0.20 per share. The total cash costs associated with the IPO totalled $1,859,483 (excluding GST), with those costs directly attributable to the issue of new shares in relation to the IPO being $1,785,366. These costs are offset against contributed equity. The remaining costs of the IPO of $74,117, which are not directly attributable to the issue of new shares were expensed.

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

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

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

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

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

The capital risk management policy remains unchanged from the 2021 Annual Report.

The consolidated entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'trade and other payables' and 'borrowings' as shown in the statement of financial position) less 'cash and cash equivalents' as shown in the statement of financial position. Total capital is calculated as 'total equity' as shown in the statement of financial position (including non-controlling interest) plus net debt.

Note 22. Issued capital (continued)

The gearing ratio at the reporting date was as follows:

	Consolidated	
	2022 $	2021 $
Current liabilities - trade and other payables (note 17)	1,877,365	1,248,245
Current liabilities - borrowings (note 18)	72,957	1,184,205
Non-current liabilities - borrowings (note 18)	6,135,879	5,005,000
Total borrowings	8,086,201	7,437,450
Current assets - cash and cash equivalents (note 9)	(3,956,542)	(361,771)
Net debt	4,129,659	7,075,679
Total equity	21,255,157	1,532,991
Total capital	25,384,816	8,608,670
Gearing ratio	16%	82%

Accounting policy for issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 23. Reserves

	Consolidated	
	2022 $	2021 $
Share-based payments reserve	320,761	-
Business combinations under common control	(4,500,080)	(4,500,080)
	(4,179,319)	(4,500,080)

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Business combinations under common control
Any difference between the cost of the acquisition and the amounts at which the acquired assets and liabilities are recorded for business combinations under common control have been recognised in the *Business combinations under common control reserve*.

Note 23. Reserves (continued)

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

Consolidated	Share-based payments reserve $	Business combinations under common control $	Total $
Balance at 1 July 2020	-	-	-
Business combinations under common control	-	(4,500,080)	(4,500,080)
Balance at 30 June 2021	-	(4,500,080)	(4,500,080)
Share-based payments	320,761	-	320,761
Balance at 30 June 2022	320,761	(4,500,080)	(4,179,319)

Note 24. Dividends

Dividends paid during the financial year were as follows:

	Consolidated 2022 $	**Consolidated 2021 $**
Dividends paid to the shareholders	-	680,000

The above dividend payments occurred prior to the group restructure on 2 November 2020 and were paid to the shareholders of Alloggio Pty Limited.

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 25. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks, ageing analysis for credit risk.

Risk management is carried out by the CFO ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity does not have any significant exposure to foreign currency risk.

Price risk
The consolidated entity is not exposed to any significant price risk.

Note 25. Financial instruments (continued)

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk.

The consolidated entity is exposed to movements in interest rates as a result of its net debt positions at 30 June:

Consolidated	2022 Balance $	2021 Balance $
Bank loans	6,135,879	5,495,000
Cash and cash equivalents	(3,956,542)	(361,771)
Net exposure to cash flow interest rate risk	2,179,337	5,133,229

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

For the year ended 30 June, the effect on profit after tax and equity as a result of reasonably possible changes in the interest rate, with all other variables remaining constant would be as follows:

	Basis points increase			Basis points decrease		
Consolidated - 2022	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Impact of change in interest rates	150	(32,690)	(32,690)	(150)	32,690	32,690

	Basis points increase			Basis points decrease		
Consolidated - 2021	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Impact of change in interest rates	100	(51,332)	(51,332)	(100)	51,332	51,332

The above table demonstrates the sensitivity to a reasonably possible change in interest rates based on movements in interest rates experienced during the preceding 12 months.

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

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

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

Note 25. Financial instruments (continued)

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	1,877,365	-	-	-	1,877,365
Interest-bearing - variable					
Lease liability	5,649,643	5,806,286	15,691,953	28,400,036	55,547,918
Borrowings	185,830	192,492	6,135,879	-	6,514,201
Total non-derivatives	7,712,838	5,998,778	21,827,832	28,400,036	63,939,484

Consolidated - 2021	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	1,248,245	-	-	-	1,248,245
Interest-bearing					
Lease liability	4,122,203	4,246,333	12,732,562	20,853,910	41,955,008
Borrowings	744,333	667,922	4,650,692	-	6,062,947
Total non-derivatives	6,114,781	4,914,255	17,383,254	20,853,910	49,266,200

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 26. Key management personnel disclosures

Compensation
Details of remuneration of key management personnel are disclosed below:

	Consolidated	
	2022	2021
	$	$
Short-term employee benefits	717,416	236,336
Post-employment benefits	55,978	19,783
Long-term benefits	1,166	-
Share-based payments	145,337	-
	919,897	256,119

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF (NS) Audit & Assurance Limited Partnership, the auditor of the company:

	Consolidated	
	2022	2021
	$	$
Audit services - PKF (NS) Audit & Assurance Limited Partnership		
Audit or review of the financial statements	103,000	32,500
Other services - PKF (NS) Audit & Assurance Limited Partnership		
Due diligence	75,000	-
	178,000	32,500

Note 28. Related party transactions

Parent entity
Alloggio Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2022	2021
	$	$
Payment for goods and services:		
Payment for services - Maxim Advisors*	99,716	22,523

* Mr Christopher Sneddon (a Director), is a Director in the Australian firm Maxim Advisors. Maxim Advisors provides tax, regulatory compliance, and business advisory services to the consolidated entity and the fees are based on normal commercial terms and conditions. The value of the services disclosed are from the date of appointment of Mr Sneddon as a Director of the company on 10 February 2021.

Note 28. 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 related parties:

	Consolidated	
	2022	**2021**
	$	**$**
Current payables:		
Trade payables - Maxim Advisors	13,143	-

Loans to/from related parties
2022
There were no loans to or from related parties at 30 June 2022.

2021

Related party entity	KMP related to	Balance at beginning of year $	Loans advanced $	Loans repaid $	Interest charged $	Balance at end of year $
Related party loan liabilities						
Secured:						
Willger Pty Ltd	William Creedon	68,364	4,126	(72,490)	-	-
Unsecured:						
Willger Pty Ltd	William Creedon	54,450	-	(54,450)	-	-
Christopher Sneddon Family Trust	Christopher Sneddon	4,399	-	(4,399)	-	-
		127,213	4,126	(131,339)	-	-
Related party loan receivables						
Unsecured:						
Willger Pty Ltd	William Creedon	10,000	-	(10,000)	-	-

The secured loans were interest-bearing and had fixed repayment terms. The unsecured loans were non-interest bearing and repayable on demand.

Note 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2022	**2021**
	$	**$**
Loss after income tax	(268,724)	(6,055,611)
Total comprehensive income	(268,724)	(6,055,611)

Note 29. Parent entity information (continued)

Statement of financial position

	Parent 2022 $	Parent 2021 $
Total current assets	1,818,881	56,819
Total assets	21,049,281	748,909
Total current liabilities	1,625,697	-
Total liabilities	1,625,697	-
Net assets	19,423,584	748,909
Equity		
Issued capital	25,427,140	6,804,520
Share-based payments reserve	320,761	-
Accumulated losses	(6,324,317)	(6,055,611)
Total equity	19,423,584	748,909

The current year loss after tax includes impairment of intergroup loans and the investment in Esplanade Holdings Pty Ltd amounting to $6,055,542 to ensure that the loans and investment are carried at no more than their recoverable amount.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity has provided guarantees in respect of banking facilities provided to the group (refer note 18).

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Interests in controlled entities

Alloggio Group Limited is the legal parent entity of the group and Esplanade Holdings Pty Ltd is the accounting parent entity.

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1:

Note 30. Interests in controlled entities (continued)

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Esplanade Holdings Pty Ltd	Australia	100%	100%
Esplanade Projects Pty Ltd	Australia	100%	100%
Alloggio Pty Ltd	Australia	100%	100%
Esplanade Projects Unit Trust	Australia	100%	100%
Alloggio Hotels Pty Limited	Australia	100%	100%
Alloggio Hotels Unit Trust	Australia	100%	100%
Alloggio Management Pty Ltd	Australia	100%	100%
Alloggio Management Unit Trust	Australia	100%	100%
Trova Pty Ltd	Australia	100%	100%
Trova Unit Trust	Australia	100%	100%
Agile Maintenance Pty Ltd	Australia	100%	100%
Great Ocean Road Accommodation Centre Pty Ltd	Australia	100%	-

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 32. Cash flow information

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

	Consolidated 2022 $	Consolidated 2021 $
Profit after income tax expense for the year	2,010,680	98,479
Adjustments for:		
Depreciation and amortisation	5,622,359	3,351,910
Impairment of right-of-use assets and bartercard asset	222,370	-
Share-based payments	170,916	-
Net gain on lease termination	(12,738)	-
Rent concession income	(216,256)	(798,475)
Other expenses - non-cash	9,010	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(973,423)	(501,149)
Decrease/(increase) in contract assets	2,834	(197,546)
Increase in inventories	(14,345)	-
Increase in deferred tax assets	(40,950)	(208,951)
Increase in prepayments	(176,015)	(60,751)
Increase in other operating assets	(285,828)	(17,325)
Increase in trade and other payables	318,870	465,874
Increase in provision for income tax	964,126	311,513
Increase in employee benefits	433,269	122,288
Increase in other provisions	18,231	3,050
Net cash from operating activities	8,053,110	2,568,917

Note 32. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated 2022 $	Consolidated 2021 $
Additions to right-of-use assets - lease make good	804,392	-
Options granted to Lead Manager	149,845	-
Deferred consideration - acquisition of rent rolls	310,250	-
Conversion of convertible notes into ordinary shares	2,235,003	-
Shares issued to acquire Esplanade Holdings Pty Ltd	-	4,500,090
Shares issued for share issue costs	-	71,430

Restricted cash and cash equivalents

The consolidated entity holds cash in trust accounts on behalf of landlord clients (refer note 10 and). Cash held in trust cannot be used to meet general operating expenses other than payments for expenses incurred on behalf of landlord clients and fees payable to the consolidated entity. The trust balances and the associated movements during the year are not included in the consolidated entity's statement of cash flows.

Changes in liabilities arising from financing activities

Consolidated	Bank loans $	Vendor finance $	Loans - Other $	Convertible notes $	Lease liabilities $	Insurance premium funding $	Total $
Balance at 1 July 2020	4,256,660	-	461,668	-	16,237,537	9,282	20,965,147
Net cash from/(used in) financing activities	1,238,340	(16,026)	(311,683)	-	(972,172)	(9,282)	(70,823)
Vendor finance of rent roll	-	360,000	-	-	-	-	360,000
Rent concession adjustment	-	-	-	-	(314,871)	-	(314,871)
Acquisition of right-of-use assets	-	-	-	-	17,475,399	-	17,475,399
Balance at 30 June 2021	5,495,000	343,974	149,985	-	32,425,893	-	38,414,852
Net cash from/(used in) financing activities	640,879	(343,974)	(101,346)	2,235,003	(2,810,936)	24,318	(356,056)
Rent concession adjustment	-	-	-	-	(216,256)	-	(216,256)
Lease termination	-	-	-	-	(123,708)	-	(123,708)
Acquisition of right-of-use assets	-	-	-	-	13,654,293	-	13,654,293
Convertible notes converted in shares	-	-	-	(2,235,003)	-	-	(2,235,003)
Balance at 30 June 2022	6,135,879	-	48,639	-	42,929,286	24,318	49,138,122

Note 33. Share-based payments

Director and Lead Manager Options

On completion of the company's IPO, 8,000,000 options were granted to the company's Directors and 3,000,000 options to the Lead Manager. All options vest on 25 November 2023 and expire on 25 November 2026. The exercise price of each option is $0.30. The fair value of the options at grant date was $549,433. The total cost of the Lead Manager options were recognised as a charge to issued capital on grant date. The cost of the Director options are recognised as an expense over the vesting period.

Note 33. Share-based payments (continued)

Employee Share Option Plan
The company established an Employee Share Option Plan (ESOP) during the year to assist in attracting, motivating and retaining management and employees. The aggregate pool of interests under the ESOP is limited to an interest in 4,000,000 shares. Under the plan, participants are granted options that only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the plan for no consideration and carry no dividend or voting rights.

On 23 June 2022, the 2,600,000 options were granted to 3 senior executives in company under the Employee Share Option Plan. All options vest on 25 November 2023 and expire on 25 November 2026. The exercise price of each option is $0.14. The fair value of the options at grant date was $109,642. The cost of the options are recognised as an expense over the vesting period.

Set out below are summaries of options granted:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/11/2021	25/11/2026	$0.30	-	11,000,000	-	-	11,000,000
23/06/2022	25/11/2026	$0.14	-	2,600,000	-	-	2,600,000
			-	13,600,000	-	-	13,600,000
Weighted average exercise price			$0.00	$0.27	$0.00	$0.00	$0.27

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4.4 years.

The total share-based payment expense for year was $320,761 (2021: $nil).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
25/11/2021	25/11/2026	$0.20	$0.30	50.00%	-	1.20%	$0.04995
23/06/2022	25/11/2026	$0.13	$0.14	50.00%	-	1.20%	$0.04217

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 33. Share-based payments (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 34. Earnings per share

	Consolidated	
	2022	**2021**
	$	**$**
Profit after income tax attributable to the members of Alloggio Group Limited	2,010,680	98,479
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	161,503,166	83,161,696
Weighted average number of ordinary shares used in calculating diluted earnings per share	161,503,166	83,161,696
	Cents	**Cents**
Basic earnings per share	1.24	0.12
Diluted earnings per share	1.24	0.12

Accounting policy for earnings per share

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

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

Alloggio Group Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

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

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

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

John Murphy

John Murphy
Chairman

Will Creedon

William Creedon
Managing Director and Chief Executive Officer

25 August 2022
Newcastle

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLOGGIO GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Alloggio Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2022, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity 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.

Key Audit Matters

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

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ABN 91 850 861 839

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under Professional Standards Legislation

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Key Audit Matters (cont'd)

1. Revenue recognition

Why significant	How our audit addressed the key audit matter

As set out in note 5, the consolidated entity generates the majority of its revenue from hotel and motel accommodation bookings, and management, booking and other fees from the rent rolls it owns.
Some of these revenue streams are received in advance of service delivery and an adjustment is made at each balance date by the consolidated entity so that the amounts received are appropriately recorded as revenue in advance if the goods and services have not yet been provided by the consolidated entity.
Amounts recorded in respect of revenue received in advance are material, as is revenue as a whole, and as such revenue recognition is considered to be a Key Audit Matter.
	Our work included, but was not limited to, the following procedures:
	• Developing an understanding of each significant revenue stream and the basis and systems used to recognise revenue.
	• Testing a sample of revenue transactions (including accrued revenue) to evaluate whether they were appropriately recorded as revenue. This included:
	  • making enquiries of management; and
	  • agreeing the amounts recorded to supporting evidence, where appropriate, booking information and property management contracts.
	• Testing a sample of deferred revenue amounts to confirm whether the amount recognised in the current period was consistent with services supplied per the terms of the property management agreements.

2. Capital Raising, Initial Public Offering Costs and Share Options Issued

Why significant	How our audit addressed the key audit matter
During the financial year Alloggio Group Limited (Alloggio) undertook an Initial Public Offering ("IPO") during the financial year and listed on the Australian Stock Exchange on 25 November 2021. Alloggio raised \$16.5m equity before transaction costs via the IPO process. Alloggio also converted convertible notes into \$2.2m of ordinary shares during the IPO process. Alloggio incurred costs throughout the financial year related to the IPO process. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. Costs that relate to the stock market listing or are otherwise not incremental and directly attributable to issuing new shares, should be recorded as an expense in the statement of comprehensive income. Share options were also issued throughout the financial year. It was important to ensure the share options issued were accounted for in accordance with the requirements of AASB 2 "Share Based Payments". The extent of equity-related transactions and IPO-related costs incurred during the financial year was material, and as their accounting treatment is considered to be a Key Audit Matter.	Our work included, but was not limited to, the following procedures: • Reviewing documentation (eg share registers) to support the amount and number of shares raised pre-IPO and as part of the IPO-process and traced any proceeds from the equity raised to bank statements; • Reviewing documentation to support the conversion of the convertible notes to ordinary shares; and • Reviewing documentation to support the payment of costs incurred (eg invoices and bank statements) in relation to the IPO process and ensured their appropriate classification to equity or the statement of comprehensive income. • Reviewing the disclosures in note 22 in the financial report to ensure they were consistent with our understanding and were mathematically accurate. • Reviewing documentation regarding the issuance of share options including their fair value, exercise price and vesting conditions; and concluded on the appropriateness of the accounting for these options in accordance with Australian Accounting Standards.

3. Acquisition of Intangibles

Why significant

During the financial year, the consolidated entity acquired several rent roll intangibles as detailed in Note 16 for total cash consideration of $16.8m.

The accounting for the acquisitions included a number of significant judgments as required by AASB 3 Business Combinations.

AASB 3 requires an assessment as to whether the transactions were acquisitions of a business or an asset, using the “optional concentration” test. AASB 3 also requires consideration of the fair values of the assets and liabilities acquired.

The extent of transactions was material, and as their accounting treatment is considered to be a Key Audit Matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Obtained an understanding of the acquired intangibles;
- Reviewed key documentation including the sale contracts;
- Reviewed management’s assessment of the acquisition to ensure compliance with the AASB 3 Business Combinations;
- Assessed the fair value of the consideration paid to supporting documentation including bank statements;

4. Accounting for Right of Use Assets & Lease Liabilities

Why significant

During the financial year, the consolidated entity entered into several property management leases as detailed in Note 15. As at 30 June 2022, the right-of-use assets recognised by the consolidated entity was $40.4m and the total lease liability was $42.9m.

AASB 16 Leases specifies how the consolidated entity will recognise, measure, present and disclose leases. AASB 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The application of AASB 16 is considered a Key Audit Matter due to:

- the judgments needed in establishing the underlying key assumptions; and
- the material nature of the assets and liabilities as at 30 June 2022.

How our audit addressed the key audit matter

We have evaluated the consolidated entity’s application of AASB 16 and tested the resulting impact on the balance sheet and income statement.

We have assessed whether the accounting regarding leases is consistent with the definitions of AASB 16 including factors such as lease term, discount rate and measurement principles.

Specifically, our work in this area included:

- Review of workings and calculations prepared by management and agreeing this to supporting documentation such as lease agreements;
- Assessment of the reasonableness of assumptions used with respect to the calculation of the leased asset and lease liability;
- Review of the relevant unwinding of the lease asset and lease liability: and
- Assessing the adequacy of the disclosures made in the consolidated financial statements

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities 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 consolidated entity'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 consolidated entity 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 and 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, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with 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 consolidated entity's internal control.

Auditor’s Responsibilities for the Audit of the Financial Report (cont’d)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other 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 consolidated entity’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 consolidated entity 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 consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated 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

Opinion

We have audited the Remuneration Report included in the directors’ report for the year ended 30 June 2022. In our opinion, the Remuneration Report of Alloggio Group Limited for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

PKF

PKF

MARTIN MATTHEWS
PARTNER

25 AUGUST 2022
NEWCASTLE, NSW

Alloggio Group Limited
Shareholder information
30 June 2022

The shareholder information set out below was applicable as at 24 August 2022.

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

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total options issued
1 to 1,000	15	-	-	-
1,001 to 5,000	50	0.08	-	-
5,001 to 10,000	129	0.59	-	-
10,001 to 100,000	258	5.34	-	-
100,001 and over	172	93.99	8	100.00
	624	100.00	8	100.00
Holding less than a marketable parcel	13	-	-	-

Equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
DAVKAT (AUSTRALIA) PTY LTD - BANDON TRUST	46,929,510	23.38
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	22,401,182	11.16
BUBBLES 1 PTY LTD - KAREN HOWARD FAMILY TRUST	10,941,290	5.45
ALLEGRO CAPITAL NOMINEES PTY LTD - ALLEGRO CAPITAL A/C	7,500,000	3.74
REALM GROUP PTY LTD	3,571,500	1.78
RICHARD ALBARRAN - ALBARRAN FAMILY A/C NO 2	3,571,429	1.78
UBS NOMINEES PTY LTD	3,460,234	1.72
IMAGINATE SUPERANNUATION PTY LTD - SNEDDON S/F	3,214,350	1.60
CHRISTOPHER SNEDDON PTY LTD - CHRISTOPHER SNEDDON FAMILY A/C	3,214,350	1.60
RICHVALE PTY LTD	3,142,857	1.57
DREW TOWNSEND - TOWNSEND FAMILY A/C	2,488,096	1.24
TUWELE PTY LTD - ROSELLA SUPERANNUATION A/C	2,321,429	1.16
DENOL PTY LTD - DENOL S/F A/C	2,250,000	1.12
THOMAS MAUTNER PENSION PTY LTD - THOMAS MAUTNER P/F A/C	2,000,000	1.00
XI VICTOR LINCOLN LIU	1,819,084	0.91
KALONDA PTY LTD - LEIBOWITZ SUPER FUND A/C	1,750,000	0.87
GEOFF & MAUREEN BARNETT	1,666,667	0.83
MR DREW ANTHONY TOWNSEND - TOWNSEND FAMILY A/C	1,607,143	0.80
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,526,786	0.76
KENNEY FAMILY INVESTMENTS PTY LTD - KENNEY FAMILY TRUST	1,428,572	0.71
	126,804,479	63.18

Alloggio Group Limited
Shareholder information
30 June 2022

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	13,000,000	8

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
John Murphy	Director options	3,000,000
Bell Potter Securities Limited	Lead manager options	3,000,000

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
DAVKAT (AUSTRALIA) PTY LTD - BANDON TRUST	46,929,510	23.38
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	22,401,182	11.16
BUBBLES 1 PTY LTD - KAREN HOWARD FAMILY TRUST	10,941,290	5.45

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

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

There are no other classes of equity securities.