Rent.com.au Limited

ABN 25 062 063 692

Financial Report

For the year ended 30 June 2019

Contents

Corporate Information

This financial report includes the financial statements and notes of Rent.com.au Limited ('the Company') and its controlled entities ('the Group'). The Group's functional presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the Review of Operations and Activities in the Directors' Report on pages 4 to 16. The Directors' Report is not part of the financial report.

Directors

Dr. Garry Garside	(Non-Executive Chairman)
Mr. John Wood	(Non-Executive Director)
Mr. Sam McDonagh	(Non-Executive Director)
Mr. Philip Warren	(Non-Executive Director)

Joint Company Secretaries

Mr. Jan Ferreira
Mr. Steven Wood

Registered Office

945 Wellington Street
West Perth WA 6005

Principal place of business

3 Craig Street
Burswood
WA 6100

Share Registry

Automic Registry Services
267 St Georges Terrace
Perth WA 6000

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Bankers

Commonwealth Bank of Australia
150 St Georges Terrace
Perth WA 6000

Solicitors

GTP Legal
68 Aberdeen Street
Northbridge WA 6003

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX Code:

RNT

Website

http://investors.rent.com.au

Directors Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'the Group') consisting of Rent.com.au Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled for the year ended 30 June 2019.

Directors

The following persons were directors of Rent.com.au Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr. Garry Garside	(Non-Executive Chairman)
Mr. John Wood	(Non-Executive Director)
Mr. Sam McDonagh	(Non-Executive Director)
Mr. Philip Warren	(Non-Executive Director)

Principal Activities

The Group operates real estate websites focusing on the rental property market. The primary website operated by the Group is www.rent.com.au.

Review of Operations

The Consolidated Statement of Profit or Loss and Other Comprehensive Income shows a net operating loss after tax of $2,497,183 for the year ended 30 June 2019 (for year ended 30 June 2018: $2,822,540). The net operating loss for the year ended 30 June 2019 included a non-cash share-based payments reversal of $107,676 (30 June 2018 share-based payment expense: $191,759) associated with performance based convertible securities issued to advisors, shareholders and employees. Earnings Before Interest, Tax, Depreciation, and Amortisation (and excluding non-cash share-based payments) ("**EBITDA**") for the year ended 30 June 2019 was a loss of $2,121,568 (30 June 2018: $2,322,710).

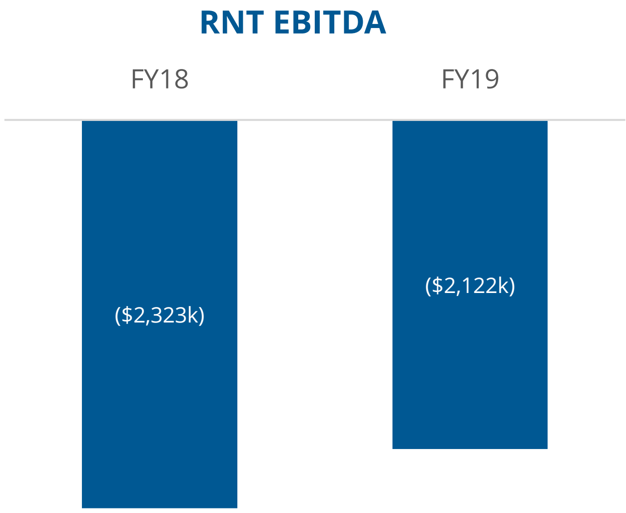
The Group's core proposition of Renter Products recorded 10% revenue growth for the year ended 30 June 2019 compared with the previous year, however a difficult market generally for Advertising Sales and property listings saw revenue from these lines of business decline, impacting overall Group revenue which declined by 7% from $2,324,880 to $2,164,192. Following changes being made, Advertising Sales started recovering in the final quarter of the year and remains a key future source of revenue.

During the year the Group put in place several initiatives to deliver future growth. The Group launched its first renter app on the Apple and Android platforms in August 2018 and adoption by customers has been better than expected. The app features innovative new functionality such as lifestyle-based search features alongside more traditional suburb-based search functionality and is highly rated within the various app stores. This has been the key driver for 28% more new Renter Resumes being created in the year ended 30 June 2019 compared with the previous year. The Renter Resume is a key means by which the Group introduces its products to renters.

A new long-term agreement was entered into with a finance provider for the Group's leading RentBond finance solution, whereby renters can finance a wider range of moving costs and repay this over a longer period, allowing them to match the repayments to their lease term. The Group earns commissions from referring customer to the finance provider.

Review of Operations (continued)

The Group also continued to pursue development of products and services aimed at renters during their tenancy rather than merely while searching for property, primarily by focussing on integration of RentPay which had been acquired in the final quarter of the previous financial year. This remains a key driver of future growth for the Group and ongoing development of tenancy products and service will be a feature of future years effort.



As always, the Group maintained vigilance over its cost base. Marketing efficiency has continued to improve as awareness of the rent.com.au brand has grown amongst renters, allowing the Group to reduce marketing costs by 24% while growing site visitor numbers by 8% and Renter Resume creation by 28%. This helped the Group record a further 9% improvement in its EBITDA despite a reduction in revenue.

Significant changes in the state of affairs

On 1 May 2019 the Group announced that it would be raising approximately $2 million (before costs) via a placement ("**Placement**") of 13,157,894 shares at $0.038 per share under its ASX Listing Rule 7.1 capacity to raise $500,000 (before costs) and a fully underwritten non-renounceable pro-rata rights issue on the basis of 1 new Share for every 6 Shares held at the record date of up to 41,582,878 shares at an issue price of $0.036 per Share ("**Rights Issue**") to raise $1,496,984 before costs.

The Placement shares settled on 7 May 2019 and the Rights Issue shares settled subsequent to the end of the financial year.

Dividends

No dividend has been paid or recommended by the Directors since the commencement of the financial period.

Matters Subsequent to the end of the Financial Year

Other than the completion of the Rights Issue noted above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results

The Group remains focussed on its short-term goal of cashflow break even, however it is also expanding its product and service offerings deeper into the tenancy period as well as across adjacent websites.

The Group expects that these additional activities will see it achieve its cashflow break even goal in the short term while also setting the Group on the course to greater profitability in the future.

Financial Position

The net assets of the Group have decreased from $3,619,688 at 30 June 2018 to $1,415,646 at 30 June 2019. Cash reserves decreased from $2,289,603 at 30 June 2018 to $151,534 at 30 June 2019, however the Rights Issue settled subsequent to year end, providing the Group with an additional $1,496,984 of cash (before costs).

Information on Directors

Dr. Garry Garside	–	Chairman (Non-Executive), *appointed 15 June 2015*
Age	–	62
Qualifications	–	MBA (UWA)
Experience	–	Dr. Garside has extensive corporate experience, successfully establishing and operated a variety of significant businesses. He currently manages an emerging property development company and chairs a range of unlisted investment syndicates and companies.
Special responsibilities	–	Chairman Member of the Audit & Risk Committee Member of the Nomination & Remuneration Committee.
Interest in shares & options held in Rent.com.au Limited	–	6,889,084 Ordinary shares (indirect) 111,413 Ordinary shares 290,691 Performance shares (indirect) 950,000 Employee options 111,413 Performance rights
Directorships held in other listed entities	–	None

Mr. Sam McDonagh	–	Director (Non-Executive), *appointed 15 June 2015*
Age	–	48
Qualifications	–	Chartered Accountant
Experience	–	Mr. McDonagh has over 20 years' experience in senior management roles at companies including General Manager of eBay in Southeast Asia, Chief Sales & Marketing Officer for iiNet Limited and most recently Country Manager of Airbnb Australia and New Zealand
Special responsibilities	–	Member of the Audit & Risk Committee.

Information on Directors (continued)

Interest in shares & options held in Rent.com.au Limited	–	818,238 Ordinary shares 18,803 Performance shares 1,600,000 Employee options 187,642 Performance rights
Directorships held in other listed entities	–	None

Mr. Philip Warren	–	Director (Non-Executive), *appointed 18 September 2014*
Age	–	45
Qualifications	–	B. Com, Chartered Accountant
Experience	–	Mr. Warren is the Managing Director of Grange Consulting Group Pty Ltd. He has over 20 years of experience in finance and corporate roles in Australia and Europe, establishing several ASX listed companies during that time.
Special responsibilities	–	Chair of the Audit & Risk Committee Member of the Nomination & Remuneration Committee
Interest in shares & options held in Rent.com.au Limited	–	479,539 Ordinary shares (indirect) 1,012,500 options (indirect)
Directorships held in other listed entities	–	Non-Executive Director of Cassini Resources Limited, Jupiter Energy Limited and Family Zone Cyber Safety Limited

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Mr. John Wood	–	Director (Non-Executive) *appointed 15 June 2015*
Age	–	53
Qualifications	–	N/A
Experience	–	Mr. Wood was most recently the Managing Director of National Lifestyle Villages (NLV) a company he founded in 1999. He was awarded the prestigious Telstra WA Business of the Year award in 2007 and the Rothwell's Young Entrepreneur Award and the West Australian Young Achievers Award.
Special responsibilities	–	Chair of the Nomination & Remuneration Committee.
Interest in shares & options held in Rent.com.au Limited	–	1,089,391 Ordinary shares 13,230,305 Ordinary shares (indirect) 3,953,608 Performance shares (indirect) 500,000 Employee options 58,638 Performance rights
Directorships held in other listed entities	–	None

Directors' Meetings

The number of directors' meetings held, and the number of meetings attended by each of the directors of the Group for the time the director held office for the period ended 30 June 2019:

	Board Meetings		Audit & Risk Management Committee Meetings		Nomination & Remuneration Committee Meetings	
	A	B	A	B	A	B
Garry Garside	13	13	2	2	0	0
Sam McDonagh	13	11	2	1	n/a	n/a
Philip Warren	13	13	2	2	0	0
John Wood	13	13	n/a	n/a	0	0

A – meetings eligible to attend
B – meetings attended

Company Secretaries

Jan Ferreira was appointed as company secretary from 15 June 2015. Jan is a CPA (Australia) and has a Certificate in Governance Practice from the Governance Institute of Australia. He has more than 13 years' experience within ASX listed businesses, having previously been Chief Financial Officer and Company Secretary at ThinkSmart Limited and a Financial Controller at Alinta Limited.

Steven Wood was appointed as a company secretary effective 18 September 2014. Steven specialises in corporate advisory, company secretarial and financial management services. Steven is a Chartered Accountant and has previously been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public and private companies.

Performance Shares

The terms and conditions of the Performance shares have been previously outlined in the Company's prospectus dated 7 April 2015. Please refer to section 6.9 Capital Structure of the Prospectus dated 7 April 2015 for any additional information that is not outlined in this report.

Upon the achievement of the applicable performance milestone, the Performance Shares convert into Ordinary Shares at a ratio of 1 Ordinary Share for every 1 Performance Share held. No payment is necessary to exercise a Performance Share. As at the date of this report, Performance Shares on issue are as follows:

Class	Date Granted	Expiry Date	Number
C	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2019	8,160,771

The vesting conditions of the two classes of performance shares on issue are outlined below:

- Class C – will convert on achievement of greater than $3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.

Performance Rights

Upon the achievement of the applicable performance milestone, the Performance Rights convert into Ordinary Shares at a ratio of 1 Ordinary Share for every 1 Performance Right held. No payment is necessary to exercise a Performance Right. As at the date of this report, Performance Rights on issue are as follows:

Tranche	Date Granted	Expiry Date	Number
3	17 June 2015	14 days after the release of the audited financial reports for the period ended 31 December 2019.	117,277
6	17 June 2015	14 days after the release of the audited financial reports for the period ended 31 December 2019.	584,622
6	13 August 2015	14 days after the release of the audited financial reports for the period ended 31 December 2019.	46,666
6	22 February 2016	14 days after the release of the audited financial reports for the period ended 31 December 2019.	80,000
6	9 September 2016	14 days after the release of the audited financial reports for the period ended 31 December 2019.	3,283,741

The vesting conditions of the various tranches of performance shares on issue are outlined below:
- Tranche 3 – will vest upon achievement of greater than $3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.
- Tranche 6 – will vest upon achievement of greater than $3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.

Shares under Option

Unissued ordinary shares of Rent.com.au Limited under option as at 30 June 2019 are as follows:

Date Options Granted	Expiry Date	Tranche	Issue Price of Share	Number Under Option
17 June 2015	17 June 2020	Advisor	$0.30	7,000,000[1]
17 June 2015	17 June 2020	1,2	$0.25	14,500,000[2]
17 June 2015	17 June 2020	3	$0.25	4,500,000[3]
17 June 2015	17 June 2020	4	$0.30	4,461,667[2]
17 June 2015	17 June 2020	5	$0.30	4,461,667[2]
17 June 2015	17 June 2020	6	$0.30	4,461,666[3]
13 August 2015	13 August 2020	4	$0.30	133,333[2]
13 August 2015	13 August 2020	5	$0.30	133,333[2]
13 August 2015	13 August 2020	6	$0.30	133,334[3]
22 February 2016	22 February 2021	4	$0.30	580,000[4]
22 February 2016	22 February 2021	5	$0.30	580,000[4]
22 February 2016	22 February 2021	6	$0.30	580,000[4]
9 September 2016	9 September 2021	7	$0.25	1,250,000[2]
9 September 2016	9 September 2021	8	$0.35	1,250,000[2]
9 September 2016	9 September 2021	9	$0.50	1,250,000[2]
Total				**45,275,000**

1. Advisor options have vested and are exercisable.
2. Employee options have vested and are exercisable.
3. Employee options vest upon the VWAP of shares trading at greater than $0.60 over 20 consecutive trading days.

Shares under Option (continued)

4. Employee options vest upon:

- Tranche 4 – vest upon the VWAP of shares trading at greater than $0.30 over 20 consecutive trading days.
- Tranche 5 – vest upon the VWAP of shares trading at greater than $0.40 over 20 consecutive trading days.
- Tranche 6 – vest upon the VWAP of shares trading at greater than $0.60 over 20 consecutive trading days.

Shares issued on the exercise of options

There were no ordinary shares of Rent.com.au Limited issued during the year ended 30 June 2019, and up to the date of this report, on the exercise of options.

Indemnification of officers

During the financial period, the Group entered into a policy to indemnify directors and officers against certain liabilities incurred as a director or officer, including costs and expenses associated in successfully defending legal proceedings. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or an auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Group

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

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

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

Auditor

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

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided by the auditor are outlined in Note 17 to the financial statements.

The Board is 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 Board is of the opinion that the services as disclosed in Note 17 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 Group or jointly sharing economic risks and rewards.

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.

Audited Remuneration Report

The remuneration report details the key management personnel remuneration arrangements for the Group, 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:
A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Share-based compensation
D. Additional information

A. Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board has elected to establish a Nomination and Remuneration Committee in accordance with its Corporate Governance Policy.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives and for developing and facilitating a process for Board and Director evaluation.

The key management personnel of the Group consisted of the following directors:
- Dr. Garry Garside (Non-Executive Chairman)
- Mr. John Wood (Non-Executive Director)
- Mr. Sam McDonagh (Non-Executive Director)
- Mr. Philip Warren (Non-Executive Director)

And the following executives:
- Mr Greg Bader (Chief Executive Officer)
- Mr. Jan Ferreira (Chief Financial Officer and Company Secretary)

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

<u>Non-Executive Director Remuneration</u>

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $350,000 per annum and was approved at a previous annual general meeting.

Executive Remuneration

The executive remuneration framework has the following components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives provided as share-based payments.

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 Group 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 Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the Group with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved.

Long term incentives have been provided to directors and employees through the issue of performance shares, employee options and performance rights pursuant to the Long-Term Incentive Plan ('LTIP') approved by shareholders at the May 2015 Annual General Meeting.

Voting and comments made at the Group's 2018 Annual General Meeting ('AGM')

At the 2018 AGM, 96.1% of the eligible votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Group did not receive any specific feedback at the AGM regarding its remuneration practices.

B. Details of remuneration

Amounts of remuneration

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

Details of remuneration for the year ended 30 June 2019

KMP	Base Fee $	STI Payment $	Super-annuation $	Performance Rights $	Options[1] $	Total $
Garry Garside	27,500	-	-	72	-	27,572
Sam McDonagh	20,000	-	-	121	-	20,121
Phillip Warren	20,000	-	-	-	-	20,000
John Wood	20,000	-	-	38	-	20,038
Greg Bader	220,000	1,250	21,019	1,463	-	243,732
Jan Ferreira	215,000	1,250	20,544	68	-	236,862
Total	**522,500**	**2,500**	**41,563**	**1,762**	**-**	**568,325**

1. Options include both share based payments and advisor options.

Details of remuneration for the year ended 30 June 2018

KMP	Base Fee $	STI Payment $	Super-annuation $	Performance Rights $	Options[1] $	Total $
Garry Garside	29,792	-	-	126	1,835	31,753
Sam McDonagh	21,667	-	-	211	6,523	28,401
Phillip Warren	21,667	-	-	-	-	21,667
John Wood	21,667	-	-	66	-	21,733
Greg Bader	222,308	-	21,119	2,901	103,029	349,357
Jan Ferreira	215,769	-	20,498	119	3,669	240,055
Total	**532,870**	**-**	**41,617**	**3,423**	**115,056**	**692,966**

1. Options include both share based payments and advisor options.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Garry Garside	99.7%	94.0%	-	-	0.3%	6.0%
Sam McDonagh	99.4%	76.0%	-	-	0.6%	24.0%
Phillip Warren	100.0%	100.0%	-	-	0.0%	0.0%
John Wood	99.8%	100.0%	-	-	0.2%	0.0%
Other Key Management Personnel:						
Greg Bader	98.9%	70.0%	0.5%	-	0.6%	30.0%
Jan Ferreira	99.4%	98.0%	0.5%	-	0.0%	2.0%

Service Agreements

Remuneration and other terms of employment for the Chief Executive Officer and other Key Management Personnel are formalised in employment contracts. The major provisions of the agreements relating to remuneration are set out below:

Greg Bader, Chief Executive Officer (*commenced 23 August 2016*)

- Mr. Bader's Executive Services Agreement for the position of Chief Executive Officer has no fixed period and may be terminated by provision of six months' prior written notice by either party.
- Mr. Bader receives a base salary of $220,000 per annum, plus statutory superannuation entitlements.
- Mr. Bader is eligible to participate in the Long-Term Incentive Plan and has been issued 3,750,000 Employee Options and 3,283,741 unexpired Performance Rights.
- Mr. Bader is also eligible to participate in a Short-Term Incentive ("STI") scheme which the Group has implemented. The Board determines a percentage of base salary that may be payable to Mr. Bader on the achievement of key performance indicators to be set having regard to the financial position and performance of the Group.

Jan Ferreira, Chief Financial Officer and Company Secretary (*commenced 28 April 2014*)

- Mr. Ferreira's Executive Services Agreement for the position of Chief Financial Officer and Company Secretary has no fixed period and may be terminated by provision of six months' prior written notice by either party.
- Mr. Ferreira receives a base salary of $215,000 per annum, plus statutory superannuation entitlements.
- Mr. Ferreira is eligible to participate in the Long-Term Incentive Plan and has been issued 900,000 Employee Options and 105,549 unexpired Performance Rights
- Mr. Ferreira is also eligible to participate in a Short-Term Incentive scheme which the Group has implemented. The Board determines a percentage of base salary that may be payable to Mr. Ferreira on the achievement of key performance indicators to be set having regard to the financial position and performance of the Group.

The non-executive directors are subject to service agreements which cover relevant provisions including term, fees, independence, re-election and the role requirements.

C. Share based compensation

Other than outlined above, Rent.com.au Limited paid no share-based compensation to KMP during the year and there were no new performance rights or options granted to KMP for the year ended 30 June 2019.

D. Additional Information

Financial Performance Information

The earnings of the Group for the five years to 30 June 2019 are summarised below:

	2019 $	2018 $	2017 $	2016 $	2015** $
Sales revenue	2,164,192	2,324,880	1,654,395	748,495	171,197
EBITDA*	(2,121,568)	(2,322,710)	(5,822,425)	(7,216,670)	(927,249)
Loss after income tax	(2,497,183)	(2,822,539)	(8,513,631)	(12,820,585)	(3,655,771)

* excluding non-cash share-based payments, R&D income and loss on disposal of asset.
** The 2015 financial year was an abridged, 6-month financial year.

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

	2019	2018	2017	2016	2015**
Share price at financial year end ($)	0.035	0.086	0.065	0.160	0.180
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(1.05)	(1.38)	(4.72)	(12.42)	(6.62)

** The 2015 financial year was an abridged, 6-month financial year.

Equity instruments held by Key Management Personnel

1. Ordinary Shares

The number of ordinary shares in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2019 is as follows:

30 June 2019	Balance at beginning of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at 30 June 2019
Garry Garside	5,694,408	-	-	20,002	5,714,410
Sam McDonagh	818,237	-	-	1	818,238
Philip Warren	222,321	-	-	-	222,321
John Wood	12,743,085	-	-	2	12,743,087[1]
Greg Bader	10,168,561	-	-	4,701,995	14,870,556
Jan Ferreira	734,527	-	-	1	734,528
Total	**30,381,139**	**-**	**-**	**4,722,001**	**35,103,140**

1. On 28 June 2019, Mr Wood acquired 271,887 shares via on-market purchase. These shares settled through the share registry on 9 July 2019.

2. Options

The number of options over ordinary shares in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2019 is as follows:

30 June 2019	Balance at start of the year	Granted as remuneration during the year	Exercised during the year	Other changes during the year	Balance at 30 June 2019
Garry Garside	950,000	-	-	-	950,000
Sam McDonagh	1,600,000	-	-	-	1,600,000
Philip Warren	1,012,500	-	-	-	1,012,500
John Wood	500,000	-	-	-	500,000
Greg Bader	3,750,000	-	-	-	3,750,000
Jan Ferreira	900,000	-	-	-	900,000
Total	**8,712,500**	**-**	**-**	**-**	**8,712,500**

3. Performance Rights

The number of performance rights in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2019 is as follows:

30 June 2019	Balance at start of the year	Received as Remuneration	Performance Rights Converted	Other Movements	Balance at 30 June 2019	Vested and Exercisable at 30 June 2019	Unvested at 30 June 2019
Garry Garside	222,826	-	-	(111,413)	111,413	-	111,413
Sam McDonagh	375,284	-	-	(187,642)	187,642	-	187,642
John Wood	117,276	-	-	(58,638)	58,638	-	58,638
Greg Bader	6,567,482	-	-	(3,283,741)	3,283,741	-	3,283,741
Jan Ferreira	211,098	-	-	(105,549)	105,549	-	105,549
Total	**7,493,966**	**-**	**-**	**(3,746,983)**	**3,746,983**	**-**	**3,746,983**

4. Performance Shares

Performance shares were issued as consideration to the shareholders of Rent.com.au (Operations) Pty Ltd who were shareholders prior to the acquisition by Select Exploration Limited (renamed Rent.com.au Limited). The number of performance shares in Rent.com.au Limited held by each KMP of the Group during the year ended 30 June 2019 is as follows:

30 June 2019	Balance at start of the year	Received as Remuneration	Performance Shares Converted	Other Movements	Balance at 30 June 2019	Vested and Exercisable at 30 June 2019	Unvested at 30 June 2019
Garry Garside	581,382	-	-	(290,691)	290,691	-	290,691
Sam McDonagh	37,606	-	-	(18,803)	18,803	-	18,803
John Wood	6,068,082	-	-	(2,114,474)	3,953,608	-	3,953,608
Jan Ferreira	9,077	-	-	(4,539)	4,538	-	4,538
Total	**6,696,147**	**-**	**-**	**(2,428,507)**	**4,267,640**	**-**	**4,267,640**

Other KMP Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

Transactions:	**2019 $**
Office rent and outgoings – Watersun Property Pty Ltd[1]	115,562
Cleaning expenses – Servco Pty Ltd[1]	7,200
Advisory and capital issue costs – Grange Consulting Group(2)	15,000

[1] Garry Garside is a director and shareholder of both Watersun Property Pty Ltd & Servco Pty Ltd

(2) Philip Warren is a director of Grange Consulting Group

As at 30 June 2019, there was an outstanding balance of $86,101 owing to Watersun Property Pty Ltd and $600 to Servco Pty Ltd. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

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

Dr. Garry Garside
Non-executive Chairman
Perth, 28 August 2019

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rent.com.au Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 August 2019

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
RENT.COM.AU LIMITED

Opinion

We have audited the financial report of Rent.com.au Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Revenue Recognition
Refer to Note 1 and 3 in the financial statements</td></tr>
<tr><td>The Group earns revenue through its role as an operator of a real estate website focusing on the rental property market. The major revenue streams are:

• Fees from agents and landlords;
• Rental products revenue; and
• Advertising sales.

Revenue was considered a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income and the process of revenue recognition is complex due to multiple revenue streams for services or products rendered. Furthermore, the revenue transactions are high volume and of low value. The revenue recognition of each revenue stream is subject to management judgements. These include:

• Determination of the accounting policy in relation to each revenue stream; and
• Determining the revenue recognised is for an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.</td><td>Our audit procedures included:

• Obtained a detailed understanding of each of the revenue streams and the process for calculating and recording revenue;
• Assessing whether the revenue recognition policies comply with Australian Accounting Standards;
• Performing substantive testing on each revenue stream on a sample basis;
• Reviewing the deferred revenue calculation for revenue received in advance;
• Reviewing revenue transactions before and after year-end to ensure that revenue is recognised in the correct financial period; and
• Reviewing the appropriateness of disclosure in the financial statements.</td></tr>
<tr><td colspan="2">Impact on adoption of AASB 15 - Revenue from Contracts with Customers
Refer to Note 1 in the financial statements</td></tr>
<tr><td>The Group has adopted AASB 15 that is mandatory for the current reporting period.

The impact on adoption of AASB 15 was considered a key audit matter because the process of revenue recognition is complex due to multiple revenue streams for services or products rendered. The revenue recognition of each revenue stream is also subject to management judgements.</td><td>Our audit procedures included:

• Assessing the appropriateness of the new revenue recognition policy developed by management upon adoption of AASB 15;
• Reviewing the impact on adoption of AASB 15 prepared by management on 1 July 2018;
• Discussing with management on their rational and basis on the revenue recognition criteria adopted for each of the revenue streams; and
• Reviewing the disclosure in the financial statements in relation to the adoption of AASB 15.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Rent.com.au Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 28 August 2019

TUTU PHONG
Partner

	Note	Consolidated 2019 $	2018 $
Revenue	3	2,164,192	2,324,880
Other income	4	81,520	146,936
Total Income		**2,245,712**	**2,471,816**
Administration charges		(526,949)	(450,899)
Consulting & business development costs		(81,775)	(17,355)
Depreciation and amortisation expense	8,9	(566,750)	(441,818)
Employee benefit expenses		(1,955,014)	(2,303,135)
Finance costs		(455)	(3,288)
Information technology costs		(416,953)	(345,920)
Share based payment expenses	15	107,676	(191,760)
Sales and marketing expenses		(887,044)	(1,165,984)
Others		(415,631)	(374,197)
Loss before income tax expense		**(2,497,183)**	**(2,822,540)**
Income tax expense	5	-	-
Loss after income tax expense for the year		**(2,497,183)**	**(2,822,540)**
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the owners of Rent.com.au Limited		**(2,497,183)**	**(2,822,540)**
Earnings Per Share		**Cents**	**Cents**
Basic and diluted (loss) per share	18	(1.05)	(1.38)

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

Rent.com.au Limited
Consolidated Statement of Financial Position
As at 30 June 2019

	Note	Consolidated 2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	6	151,534	2,289,603
Trade and other receivables	7	313,905	434,935
Total current assets		465,439	2,724,538
Non-current assets			
Plant and equipment	8	36,254	22,149
Intangible assets	9	1,707,567	1,656,648
Total non-current assets		1,743,821	1,678,797
Total assets		**2,209,260**	**4,403,335**
Liabilities			
Current liabilities			
Trade and other payables	10	593,177	517,845
Borrowings	11	8,602	21,606
Employee benefits	12	177,503	244,196
Total current liabilities		779,282	783,647
Non-current liabilities			
Borrowings	11	14,335	-
Total non-current liabilities		14,335	-
Total liabilities		**793,617**	**783,647**
Net Assets		**1,415,643**	**3,619,688**
Equity			
Issued capital	13	35,313,752	34,912,935
Reserves	14	6,319,226	6,426,905
Accumulated losses	16	(40,217,335)	(37,720,152)
Total equity		**1,415,643**	**3,619,688**

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

Rent.com.au Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2019

Consolidated	**Issued capital** $	**Share based payment reserves** $	**Accumulated loss** $	**Total equity** $
Balance at 1 July 2018	34,912,935	6,426,905	(37,720,152)	3,619,688
Loss after income tax expense for the year	-	-	(2,497,183)	(2,497,183)
Total comprehensive loss for the year	-	-	(2,497,183)	(2,497,183)
Transactions with owners in their capacity as owners:				
Shares issued	500,003	-	-	500,003
Share issue costs	(99,186)	-	-	(99,186)
Share based payments	-	(107,679)	-	(107,679)
Balance at 30 June 2019	**35,313,752**	**6,319,226**	**(40,217,335)**	**1,415,643**

Consolidated	**Issued capital** $	**Share based payment reserves** $	**Accumulated loss** $	**Total Equity** $
Balance at 1 July 2017	32,239,412	6,250,779	(34,897,613)	3,592,578
Loss after income tax expense for the year	-	-	(2,822,539)	(2,822,539)
Total comprehensive loss for the year	-	-	(2,822,539)	(2,822,539)
Transactions with owners in their capacity as owners:				
Share issues	2,808,130	-	-	2,808,130
Share issue costs	(150,240)	-	-	(150,240)
Share based payments	15,633	176,126	-	191,759
Balance at 30 June 2018	**34,912,935**	**6,426,905**	**(37,720,152)**	**3,619,688**

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

	Note	Consolidated	
		2019	**2018**
Cash flows from operating activities		**$**	**$**
Receipts from customers (inclusive of GST)		2,436,335	2,389,851
Payments to suppliers and employees (inclusive of GST)		(4,428,233)	(5,042,640)
		(1,991,898)	(2,652,789)
Other income		71,283	124,361
Interest received		10,237	12,575
Interest and other finance costs paid		(455)	(3,288)
Net cash used in operating activities	24	**(1,910,833)**	**(2,519,141)**
Cash flows from investing activities			
Payments for plant and equipment		(13,724)	(12,169)
Payments for intangible assets (net)		(594,639)	(1,043,231)
Proceeds from disposal of plant and equipment		4,785	-
Proceeds from disposal of investment		-	100
Net cash used in investing activities		**(603,578)**	**(1,055,300)**
Cash flows from financing activities			
Proceeds from issue of share capital		500,000	2,808,130
Share issue costs		(99,186)	(150,240)
Repayment of borrowings		(24,472)	(48,226)
Net cash provided by financing activities		**376,342**	**2,609,664**
Net decrease in cash and cash equivalents		(2,138,069)	(964,777)
Cash and cash equivalents at the beginning of the financial year		2,289,603	3,254,380
Cash and cash equivalents at the end of the financial year		**151,534**	**2,289,603**

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

This financial report of Rent.com.au Limited ('the Company') and its controlled entities ('the Group') for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 28 August 2019.

Rent.com.au Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

Note 1. Significant Accounting Policies

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

Going concern

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $2,497,183 and had net cash outflows from operating activities of $1,910,833 for the year ended 30 June 2019. As at that date the Group had net current liabilities of $313,843.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability to issue additional shares under the Corporations Act 2001 to raise further working capital;
- As disclosed at Note 22, the Group issued 41,582,864 shares to raise approximately $1.5 million (before costs); and
- The Group has the ability to scale down its operations in order to curtail expenditure, in the event insufficient cash is available to meet projected expenditure.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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

AASB 9 Financial Instruments

The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on

Note 1. Significant Accounting Policies (continued)

New or amended Accounting Standards and Interpretations adopted (continued)

the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
There was no impact on adoption of AASB 9 and 15 on opening retained profits as at 1 July 2018 and as such the comparatives have not been restated.

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').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property,

Note 1. Significant Accounting Policies (continued)

Basis of Preparation (continued)

plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting

policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed within these financial statements.

The presentation currency is Australian dollars.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rent.com.au Limited as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group 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 Group 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.

Note 1. Significant Accounting Policies (continued)

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 Board (the Chief Operating Decision Makers ('CODM') of the business). The Board is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Rent.com.au Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue Recognition

The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group 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.

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 initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Note 1. Significant Accounting Policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

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

Income Tax

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

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

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

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.

Rent.com.au Limited and its wholly-owned Australian subsidiaries have formed an income tax group under the tax consolidation regime. The head entity and each subsidiary in the tax group continue to account for their own current and deferred tax amounts. The tax group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax group.

Note 1. Significant Accounting Policies (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group.

The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents 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.

Trade and Other Receivables

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

The Group 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.

Plant and equipment

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

- Computer equipment 2-4 years
- Furniture and fittings 4 years

Note 1. Significant Accounting Policies (continued)

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.

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 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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

These intangible assets have finite lives and are subject to amortisation on a straight-line basis. The useful lives for these assets are as follows:

- Software 4 years

Research and development
Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved services) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including

Note 1. Significant Accounting Policies (continued)

Intangible assets (continued)

costs of materials, services, direct labour and an appropriate proportion of direct overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life of 4 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Trade and Other Payables

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

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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

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

Note 1. Significant Accounting Policies (continued)

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 as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is 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 Group 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 is 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

Note 1. Significant Accounting Policies (continued)

Employee benefits (continued)

- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether 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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken,

Note 1. Significant Accounting Policies (continued)

Fair value measurement (continued)

which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

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

Dividends

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

Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either

Note 1. Significant Accounting Policies (continued)

Business Combinations (continued)

the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. 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.

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. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets 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 fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the

Note 1. Significant Accounting Policies (continued)

Investments and other financial assets (continued)

short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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

Impairment of financial assets
The Group 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 Group'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 measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and, for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be

Note 1. Significant Accounting Policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117.

For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019. This is not expected to have a material impact to the Group.

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 various other factors, including expectations of future events which 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.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share- based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact statement of profit or loss and other comprehensive income and equity.

Revenue from contracts with customers involving sale of products
When recognising revenue in relation to the sale of products to customers, the key performance obligation of the Group is considered to be the point of delivery of the products to the customer, as this is deemed to be the time that the customer obtains control of the promised products and therefore the benefits of the unimpeded access.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Revenue

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided in the table below for the disaggregation of the timing of revenue recognition.

	Consolidated 30 June 2019		**Consolidated**	
	Timing of revenue recognition		**30 June 2019**	**30 June 2018**
	Goods transferred at a point in time	*Services transferred over a period of time*	***Total***	***Total***
	$	***$***	**$**	**$**
Fees from agents and landlords	*28,933*	*122,585*	**151,518**	227,484
Renter Products Revenue	*958,915*	*273,852*	**1,232,767**	1,118,957
Advertising Sales	*190,121*	*589,786*	**779,907**	957,984
Other Revenue	-	-	**-**	20,455
Total	***1,177,969***	***986,223***	**2,164,192**	**2,324,880**

	Consolidated	
	2019	**2018**
Consolidated 30 June 2019	**$**	**$**
Geographical regions		
Australia	**2,164,192**	**2,324,880**

Note 4. Other Income

	Consolidated	
	2019	**2018**
	$	**$**
R&D Incentive recognised in income	71,283	124,361
Interest income	10,237	12,575
Sundry income	-	10,000
	81,520	**146,936**

Note 5. Income Tax

	Consolidated	
	2019	**2018**
	$	**$**
a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Total income tax expense	**-**	**-**

Note 5. Income Tax (continued)

b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	Consolidated	
	2019	2018
	$	$
Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (30 June 2018: 27.5%)	(686,725)	(776,198)
Tax effect of:		
Share based payments	(29,611)	52,734
Tax losses not recognised	819,389	831,648
Timing differences not recognised	(78,488)	(69,574)
Other	(24,565)	(38,610)
Total income tax expense	**-**	**-**
The applicable weighted average effective tax rates were:	0%	0%

c) Deferred tax assets at 30 June 2019 not brought to account are:

	2019	2018
Carried forward tax losses	5,316,186	4,577,672
Other	110,099	252,481
Total Deferred tax asset not recognised	**5,426,285**	**4,830,153**

The benefit for tax losses will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the losses are transferred to an eligible entity in the Group; and
- the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the consolidated in realising the benefit from the deduction for the losses.

Note 6. Cash and Cash Equivalents

	Consolidated	
	2019	2018
	$	$
Cash at bank and in hand	131,534	1,289,603
Term Deposits	20,000	1,000,000
Total cash and cash equivalents	**151,534**	**2,289,603**

Note 6. Cash and Cash Equivalents (continued)

Cash at bank and in hand earns interest at floating rates based on daily bank rates. The effective interest rate on short-term bank deposits was 0.84% (2018: 1.14%).

Reconciliation to cash and cash equivalents at the end of the financial year

	Consolidated	
	2019	**2018**
	$	**$**
Balances as above	151,534	2,289,603

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Note 7. Trade and Other Receivables

	Consolidated	
	2019	**2018**
	$	**$**
Trade debtors	221,965	337,991
Less: Allowance for expected credit losses (2018: Provision for impairment of receivables)	(7,549)	(13,706)
	214,416	324,285
Prepayments	95,465	68,658
GST receivable	4,024	41,992
Total trade and other receivables	**313,905**	**434,935**

Allowance for expected credit losses
The Group has recognised a loss of $17,884 (2018: $29,784) in profit or loss in respect of the expected credit losses for the year ended 30 June 2019.

The ageing of the expected credit losses provided for above are as follows:

	Consolidated	
	2019	**2018**
	$	**$**
0 to 3 months overdue	-	-
3 to 6 months overdue	3,000	7,106
Over 6 months overdue	4,549	6,600
	7,549	**13,706**

Note 7. Trade and Other Receivables (continued)

Movement in the allowance for expected credit losses (2018: provision for impairment of receivables) are as follows:

	Consolidated	
	2019	**2018**
	$	**$**
Opening balance	13,706	5,000
Additional provisions recognised	17,884	13,706
Receivables written off during the year as uncollectable	(24,041)	(5,000)
Closing Balance	**7,549**	**13,706**

As at 30 June 2019 there were no customers with balances past due but without provision for impairment.

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party other than Australian Taxation Office. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group.

Other than as noted above, all trade and other receivables are within initial trade terms and considered to be of high credit quality.

Note 8. Plant and Equipment

	Consolidated	
	2019	**2018**
	$	**$**
Plant and equipment at cost	204,390	244,375
Less: accumulated depreciation	(168,136)	(222,226)
	36,254	**22,149**

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

	Consolidated	
	2019	**2018**
	$	**$**
Balance at the beginning of the year	22,149	72,028
Additions	37,430	12,169
Depreciation	(23,031)	(62,048)
Disposals	(294)	-
Written down balance at end of year	**36,254**	**22,149**

Note 9. Intangible Assets

	Consolidated	
	2019	2018
	$	$
Software and website development at cost	4,882,467	4,287,828
Less: accumulated amortisation	(3,174,900)	(2,631,180)
	1,707,567	**1,656,648**

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

	Consolidated	
	2019	2018
	$	$
Balance at the beginning of the year	1,656,648	993,185
Additions	594,638	1,043,233
Amortisation	(543,719)	(379,770)
Disposals	-	-
Written down balance at end of year	**1,707,567**	**1,656,648**

Note 10. Trade and Other Payables

	Consolidated	
	2019	2018
	$	$
Trade creditors	314,801	350,004
Other payables	278,376	167,841
Total Trade and Other Payables	**593,177**	**517,845**

Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.

Note 11. Borrowings

	Consolidated	
	2019	2018
	$	$
Finance lease liability – current	8,602	21,606
Finance lease liability – non-current	14,335	-
Total Borrowings	**22,937**	**21,606**

These are finance leases for computer equipment with an average remaining term of 32 months. The interest rates and repayments are fixed.

Note 12. Employee Benefits

	Consolidated	
	2019	2018
	$	$
Annual leave	135,793	182,195
Long service leave	41,708	62,001
Total Employee Benefits	**177,501**	**244,196**
Expected to be settled within 12 months	177,501	244,196
Expected to be settled after 12 months	-	-

The Group encourages employees to take leave when due and accordingly expects that the leave accruals above will be utilised during the next 12 months.

Note 13. Issued Capital

	Consolidated	
	2019	2018
	$	$
Ordinary shares fully paid	**35,313,752**	**34,912,935**
	Shares	**Shares**
Ordinary shares fully paid	**249,497,272**	**236,339,309**

Movements in ordinary share capital

Details	**Shares**	**Issue price**	**$**
Opening Balance – 1 July 2017	199,783,430		32,239,412
Issue of shares – placement 1 May 2018	29,975,714	$0.077	2,308,130
Issue of shares – share purchase plan 22 May 2018	6,493,498	$0.077	500,000
Conversion of performance rights during year	86,667	$0.180	15,633
Share issue transaction costs	-		(150,240)
Closing Balance – 30 June 2018	**236,339,309**		**34,912,935**

Details	**Shares**	**Issue price**	**$**
Opening Balance – 1 July 2018	236,339,309		34,912,935
Issue of shares – performance shares 31 Jan 2019	69	$0.048	3
Issue of shares – share purchase plan 7 May 2019	13,157,894	$0.038	500,000
Share issue transaction costs	-		(99,186)
Closing Balance – 30 June 2019	**249,497,272**		**35,313,752**

Note 13. Issued Capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group 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.

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

Capital management

Capital risk management
The Group'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 Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group 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 Group 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 Group 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 prior financial year.

Note 14. Reserves

	Consolidated	
	2019	**2018**
	$	**$**
Share based payment reserve	**6,319,226**	**6,426,905**

Share Based Payment Reserve
The share-based payment reserve recognises options, performance rights and performance shares that have been issued as share based payments.

Note 15. Share Based Payments

The Rent.com.au Limited Long-Term Incentive Plan ("LTIP") was established following approval by shareholders on 20 May 2015. All employees, directors and consultants are eligible to participate in the LTIP.

The LTIP provides for the issue of:

- Performance Rights which, upon a determination by the Board that the performance conditions attached to the Performance Rights have been met, will result in the issue of one ordinary Share in the Group for each Performance Right; and
- Plan Options which, upon a determination by the Board that the vesting conditions attached to the Plan Options have been met, will result in the Plan Options vesting and being able to be exercised into Shares by payment of the exercise price.

The key features of the Plan are as follows:

- The Board will determine the number of Performance Rights and Plan Options (Plan Securities) to be granted to Eligible Employees (or their Affiliates) and the vesting conditions, expiry date of the Plan Securities and the exercise price of the Plan Options in its sole discretion.
- The Plan Securities are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.
- Subject to the Corporations Act and the Listing Rules and restrictions on reducing the rights of a holder of Plan Securities, the Board will have the power to amend the Plan as it sees fit.

a) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	Consolidated	
	2019	**2018**
	$	**$**
Performance rights issued/(reversed) under LTIP	(114,313)	21,809
Performance shares issued to shareholders	3	-
Options issued under LTIP	6,634	169,950
Total share-based payments (reversal)/expense	**(107,676)**	**191,759**

Note 15. Share Based Payments (continued)

b) Options

All options granted to key employees, consultants and advisors of the Group are for ordinary shares in Rent.com.au Limited which confer a right of one ordinary share for every option held.

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Expired/ forfeited/ other	Balance at end of the year	Vested & exercisable at end of the year
			Number	Number	Number	Number	Number	Number
2019								
17 Jun 2015	17 Jun 2020	$0.25	19,000,000	-	-	-	19,000,000	14,500,000
17 Jun 2015	17 Jun 2020	$0.30	14,185,000	-		(800,000)	13,385,000	8,923,334
23 Jun 2015	22 Jun 2020	$0.30	7,000,000	-	-	-	7,000,000	7,000,000
13 Aug 2015	13 Aug 2020	$0.30	400,000	-	-	-	400,000	266,666
22 Feb 2016	22 Feb 2021	$0.30	1,830,000	-	-	(90,000)	1,740,000	-
09 Sep 2016	09 Sep 2021	$0.25	1,250,000	-	-	-	1,250,000	1,250,000
09 Sep 2016	09 Sep 2021	$0.35	1,250,000	-	-	-	1,250,000	1,250,000
09 Sep 2016	09 Sep 2021	$0.50	1,250,000	-	-	-	1,250,000	1,250,000
			46,165,000	**-**	**-**	**(890,000)**	**45,275,000**	**34,440,000**
Weighted average exercise price			$0.28	n/a	n/a	n/a	$0.28	$0.29

There were no new options granted during the financial year ending on 30 June 2019.

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Expired/ forfeited/ other	Balance at end of the year	Vested & exercisable at end of the year
			Number	Number	Number	Number	Number	Number
2018								
17 Jun 2015	17 Jun 2020	$0.25	19,000,000	-	-	-	19,000,000	14,500,000
17 Jun 2015	17 Jun 2020	$0.30	14,185,000	-		-	14,185,000	9,456,668
23 Jun 2015	22 Jun 2020	$0.30	7,000,000	-	-	-	7,000,000	7,000,000
13 Aug 2015	13 Aug 2020	$0.30	400,000	-	-	-	400,000	266,666
22 Feb 2016	22 Feb 2021	$0.30	1,830,000	-	-	-	1,830,000	-
09 Sep 2016	09 Sep 2021	$0.25	1,250,000	-	-	-	1,250,000	1,250,000
09 Sep 2016	09 Sep 2021	$0.35	1,250,000	-	-	-	1,250,000	1,250,000
09 Sep 2016	09 Sep 2021	$0.50	1,250,000	-	-	-	1,250,000	1,250,000
			46,165,000	**-**	-	**-**	**46,165,000**	**34,973,334**
Weighted average exercise price			$0.28	n/a	n/a	n/a	$0.28	$0.29

c) Performance Shares/Rights

Performance shares and performance rights do not have an exercise price. Upon satisfaction of the relevant performance vesting condition they convert to ordinary shares in the ratio of one ordinary share for every one performance share / performance right.

Note 15. Share Based Payments (continued)

c) Performance Shares/Rights (continued)

Grant Date	Expiry Date	Balance at start of year	Granted during the year	Exercised during the year	Expired/ forfeited/ other	Balance at end of the year	Vested & exercisable at end of the year
		Number	Number	Number	Number	Number	Number
2019							
Performance Shares							
17 Jun 2015[2]	31 Dec 2018	8,160,771	-	(69)	(8,160,702)	-	-
17 Jun 2015[3]	31 Dec 2019	8,160,771	-	-	-	8,160,771	-
Performance Rights							
17 Jun 2015[2]	31 Dec 2018	795,720	-	-	(795,720)	-	-
17 Jun 2015[3]	31 Dec 2019	795,720	-	-	(93,821)	701,899	-
13 Aug 2015[2]	31 Dec 2018	46,667	-	-	(46,667)	-	-
13 Aug 2015[3]	31 Dec 2019	46,666	-	-	-	46,666	-
22 Feb 2016[2]	31 Dec 2018	80,000	-	-	(80,000)	-	-
22 Feb 2016[3]	31 Dec 2019	80,000	-	-	-	80,000	-
09 Sep 2016[2]	31 Dec 2018	3,283,741	-	-	(3,283,741)	-	-
09 Sep 2016[3]	31 Dec 2019	3,283,741	-	-	-	3,183,741	-
		24,733,797	**-**	**(69)**	**(12,460,651)**	**12,273,077**	**-**
2018							
Performance Shares							
17 Jun 2015[2]	31 Dec 2018	8,160,771	-	-	-	8,160,771	-
17 Jun 2015[3]	31 Dec 2019	8,160,771	-	-	-	8,160,771	-
Performance Rights							
17 Jun 2015[2]	31 Dec 2018	795,720	-	-	-	795,720	-
17 Jun 2015[3]	31 Dec 2019	795,720	-	-	-	795,720	-
13 Aug 2015[1]	31 Dec 2018	46,667	-	(46,667)	-	-	-
13 Aug 2015[2]	31 Dec 2018	46,667	-	-	-	46,667	-
13 Aug 2015[3]	31 Dec 2019	46,666	-	-	-	46,666	-
22 Feb 2016[1]	31 Dec 2018	40,000	-	(40,000)	-	-	-
22 Feb 2016[2]	31 Dec 2018	80,000	-	-	-	80,000	-
22 Feb 2016[3]	31 Dec 2019	80,000	-	-	-	80,000	-
09 Sep 2016[2]	31 Dec 2018	3,283,741	-	-	-	3,283,741	-
09 Sep 2016[3]	31 Dec 2019	3,283,741	-	-	-	3,283,741	-
		24,820,464	**-**	**(86,667)**	**-**	**24,733,797**	**-**

1 Class A Performance Shares/rights – these performance shares will vest on the achievement of greater than 500,000 unique visitors to the website, Rent.com.au in each of 3 consecutive months on or before 31 December 2018. Expire 31 January 2019.

2 Class B Performance Shares/rights – these performance shares will vest on the achievement of greater than $10,000,000 in revenue by the Group in any 12 month period on or before 31 December 2018. Expire 14 days after the release of the audited financial report for the period ended 31 December 2018.

3 Class C Performance Shares/rights – these performance shares will vest upon the achievement of greater than $3,000,000 in EBITDA by the Group in any 12 month period on or before 31 December 2019. Expire 14 days after the release of the audited financial report for the period ended 31 December 2019.

Note 15. Share Based Payments (continued)

c) Performance Shares/Rights (continued)

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

Grant date	Number of performance rights	Share price at grant date	Fair value at grant date
9 September 2016	3,283,741	$0.103	$338,225

Type	Rights	Underlying share price	Probability %*	Value ($)
Class C	3,283,741	$0.103	2%	6,765
	6,567,482	$0.103	-	6,765

** The probability estimated by the management is over the expiry date of the performance shares/rights.*

Note 16. Accumulated Losses

	Consolidated	
	2019	**2018**
	$	**$**
Accumulated losses at the beginning of the financial year	(37,720,152)	(34,897,613)
Loss after income tax for the year	(2,497,183)	(2,822,539)
Accumulated losses at the end of the financial year	**(40,217,335)**	**(37,720,152)**

Note 17. Auditor's Remuneration

The Group's sole auditor is RSM Australia Partners. The following amounts were paid or payable to RSM Australia Partners for the services set out below:

	Consolidated	
	2019	**2018**
	$	**$**
Auditing or reviewing the financial reports	48,000	46,000
Taxation and corporate services	8,100	8,250
Research & Development Grant services	23,788	24,545
Total auditor's remuneration	**79,888**	**78,795**

Note 18. Earnings per Share

	Consolidated	
	2019	**2018**
	$	**$**
Loss after income tax attributable to the Group's owners	(2,497,183)	(2,822,539)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	238,285,985	204,967,270
	Cents	**Cents**
Basic and diluted (loss) per share	(1.05)	(1.38)

Options have not been included in the calculation of dilutive loss per share as the options are anti-dilutive.

Note 19. Dividends Paid or Proposed

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Note 20. Operating Segments

Identification of reportable operating segments
The Group operates as a single operating segment with different revenue streams. The Board (the Chief Operating Decision Makers ('CODM') of the business) reviews performance of the Group as a whole.

The Board evaluates Group performance by reference to revenue and profit and loss which are measured consistently with these consolidated financial statements. In addition, the Board evaluates EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the Board are consistent with those adopted in the financial statements.

The information is reported to the Board monthly.

Note 21. Commitments

Operating lease commitments
Future minimum rentals payable under non-cancellable office leases are as follows:

	Consolidated	
	2019	**2018**
	$	**$**
Within one year	156,300	46,600
After one year but not more than five years	195,375	-
Total operating lease commitments	351,675	**46,600**

There are no non-cancellable office leases as at 30 June 2019.

Note 21. Commitments (continued)

Finance lease commitments

Future minimum payments payable under non-cancellable finance leases are as follows:

	Consolidated	
	2019	2018
	$	$
Within one year	8,602	22,061
After one year but not more than five years	14,335	-
Total finance lease commitments	**22,937**	**22,061**
Total commitment	22,937	22,061
Less: future finance charges	-	(455)
Net commitment recognised as Borrowings	**22,937**	**21,606**

Finance lease commitments includes contracted amounts for various plant and equipment with a written down value of $22,362 (2018: $8,805) secured under finance leases expiring within one to five years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 22. Events After the Reporting Period

On 16 July 2019 the Group issued 2,838,818 shares to existing, eligible shareholders who had applied for shares under a fully underwritten non-renounceable pro-rata rights issue on the basis of 1 new Share for every 6 Shares ('Rights Issue') at a price of $0.036 per share. On 22 July 2019 the Group placed 34,170,171 shortfall shares at the instruction of the Underwriter of the Rights Issue, with a further 4,573,875 shortfall shares placed at the instruction of the Underwriter on 23 August 2019.

Note 23. Controlled Entities

All controlled entities are included in the consolidated financial statements. The Group does not guarantee to pay the deficiency of its controlled entities in the event of a winding up of any controlled entity. The financial year ends of the controlled entities are the same as that of the Company, being 30 June.

	Country of Incorporation	Principal Activity	Percentage Owned	
			2019	2018
Parent Entity				
Rent.com.au Limited	Australia	Investment/Parent		
Name of controlled entity				
Rent.com.au (Operations) Pty Ltd	Australia	Information Technology	100%	100%
Lease.com.au Pty Ltd	Australia	Information Technology	100%	100%

Note 24. Cashflow Information

a) Reconciliation of Cash Flow from Operations with Loss after Income Tax

	Consolidated	
	2019	2018
	$	$
(Loss) after income tax	**(2,497,183)**	**(2,822,539)**
- Share based payments	(107,676)	191,759
- Depreciation and amortisation	566,750	441,818
- Provision for doubtful debts	6,157	29,784
Changes in assets and liabilities:		
- trade and other receivables	114,873	(218,670)
- trade payables and accruals	72,941	(157,941)
- employee benefits	(66,695)	16,648
Cash flows used in operations	**(1,910,833)**	**(2,519,141)**

Note 25. Non-cash investing and financing activities

	Consolidated	
	2019	2018
	$	$
Acquisition of plant and equipment by means of finance leases	25,803	-
Total non-cash investing and financing activities	25,803	**-**

Note 26. Changes in liabilities arising from financing activities

	Consolidated	
	2019	2018
	$	$
Finance lease liability		
Balance at the beginning of the year	21,606	69,832
Net cash used in financing activities	(24,472)	(48,226)
Acquisition of plant and equipment by means of finance leases	25,803	-
Balance at the end of the year	**22,937**	**21,606**

Note 27. Related Party Transactions

The Group's main related parties are as follows:

(i) *Entities exercising control over the Group:*
The ultimate parent entity that exercises control over the Group is Rent.com.au Limited, which is incorporated in Australia.

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

For details of disclosures relating to key management personnel, refer to Note 28.

(iii) *Entities subject to significant influence by the Group:*
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

(iv) *Other related parties:*
Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:	**Consolidated**	
	2019	**2018**
	$	**$**
Transactions:		
Advisory and capital issue costs - Grange Consulting[1]	15,000	-
Rent and Outgoings – Watersun Property Pty Ltd[2]	115,562	68,786
Cleaning – Servco Pty Ltd[2]	7,200	5,438
Total Related Party Transactions	**137,762**	**74,224**
Balances owing to related parties at 30 June 2019:		
Watersun Property Pty Ltd[2]	86,101	8,135
Servco Pty Ltd[2]	600	660
	86,701	**8,795**

[1] Philip Warren is a director and shareholder of Grange Consulting Group Pty Ltd.
[2] Garry Garside is a director of Watersun Property Pty Ltd and Servco Pty Ltd.

Note 28. Interests of Key Management Personnel

Compensation of Key Management Personnel (KMP)

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the period ended 30 June 2019.

The aggregate compensation made to key management personnel of the Group is set out below:

	Consolidated	
	2019	**2018**
	$	**$**
Short-term employee benefits	525,000	532,870
Post-employment benefits	41,563	41,617
Share-based payments	1,762	118,479
Total KMP remuneration	**568,325**	**692,966**

Note 29. Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
		2019	**2018**
	Note	**$**	**$**
Cash and cash equivalents	6	151,534	2,289,603
Trade and other receivables	7	214,416	324,285
Total Financial Assets		**365,950**	**2,613,888**
Trade and other payables	10	593,177	517,845
Borrowings	11	22,937	21,606
Total Financial Liabilities		**616,114**	**539,451**

Financial Risk Management Policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and approves financial transactions. It also reviews the effectiveness of internal controls relating to counterparty credit risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the credit risk policies and future cash flow requirements.

Note 29. Financial Risk Management (continued)

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and foreign currency risk.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit risk exposures
The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties, except the Australian Taxation Office.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the board in accordance with approved board policy. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

		Consolidated	
Cash and cash equivalents	**Note**	**2019**	**2018**
		$	**$**
AA- Rated		151,534	2,289,603
A+ Rated		-	-
Unrated		-	-
	6	**151,534**	**2,289,603**

Note 29. Financial Risk Management (continued)

b) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

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

		Within 1 year		1 to 5 Years		Total	
	Weighted average effective interest rate	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
	%	**$**	**$**	**$**	**$**	**$**	**$**
Financial liabilities due for payment							
Trade and other payables	-	593,177	517,845	-	-	593,177	517,845
Borrowings	-	8,602	21,606	14,335	-	22,937	21,606
Financial assets realisable cash flows							
Cash and cash equivalents	1.2%	151,534	2,289,603	-	-	151,534	2,289,603
Trade and other receivables	-	214,416	324,285	-	-	214,416	324,285

c) Market Risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group does not have material exposure to interest rate risk at reporting date.

Note 29. Financial Risk Management (continued)

c) Market Risk (continued)

(ii) Price risk

The Group currently has no exposure to equity securities price risk arising from investments held by the Group and classified in the statement of financial position as fair value through profit or loss.

(iii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group does not have any foreign currency exposure.

(iv) Fair value measurement

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

Note 30. Contingent Liabilities

There are no contingent liabilities for the year ended 30 June 2019 (30 June 2018: nil).

Note 31. Parent Information

The following information has been extracted from the accounting records of the parent entity and has been prepared in accordance with the Australian Accounting Standards.

	2019 $	2018 $
Statement of profit or loss and other comprehensive income		
(Loss) for the year	(2,497,183)	(2,822,540)
Total comprehensive (loss) for the year	**(2,497,183)**	**(2,822,540)**
Statement of financial position		
Assets		
Current assets	1,018	95
Non-current assets	1,451,826	3,648,485
Total assets	**1,452,844**	**3,648,580**
Liabilities		
Current liabilities	(37,201)	(28,892)
Total liabilities	**(37,201)**	**(28,892)**
Equity		
Issued capital	73,317,991	72,917,175
Share-based payment reserve	9,706,064	9,813,742
Accumulated losses	(81,608,412)	(79,111,229)
Total equity	**1,415,643**	**3,619,688**

Note 31. Parent Information (continued)

Contingent Liabilities and Capital expenditure

There are no contingent liabilities for the parent entity for both financial periods ended 30 June 2019 and 30 June 2018.

The parent entity did not have capital expenditure commitments for the acquisition of property, plant and equipment contracted but not provided for.

Guarantees

During the reporting period, Rent.com.au Limited had not entered into any guarantees in relation to the debts of its subsidiaries.

Significant accounting policies

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity;
- Investments in associates are accounted for at cost, less any impairment, in the parent entity; and
- 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

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Dr. Garry Garside
Non-executive Chairman
Perth, 28 August 2019