PERTH MARKETS GROUP LIMITED

ABN 25 633 346 184

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Directors' Report

The directors present their report on the consolidated entity consisting of Perth Markets Group Limited (PMG) and the entities it controlled during and at the end of the half-year ended 31 December 2023, referred to throughout this report as the 'Group'.

Information about the Directors and Officers

The following persons were directors or officers of Perth Markets Group Limited during the year and up to the date of this report:

Directors:
Giovanni (John) Groppoli
Patricia Skinner
Andrew Young
Miroslav Lendich
Frank Romano
Richard Thomas
Paul Neale
Antonio Ceravolo – Resigned 22 November 2023
Joanna Andrew – Alternate Director for Antonio Ceravolo – Resigned 22 November 2023

Company Secretaries:
Quentin Hooper – Resigned 24 October 2023
Timothy Macnamara – Appointed 24 October 2023, resigned 22 November 2023.
George Friend – Appointed 22 November 2023

Principal Activities

During the half year, the principal continuing activities of the consolidated entity consisted of the management and development of the Perth Markets site and providing a marketing and distribution hub for fresh produce supply to the State of Western Australia.

The Perth Markets site is home to a diverse cluster of businesses involved in wholesale trading, food retailing, business service providers and weekend consumer markets.

The Perth Markets site was acquired on 31 March 2016 from the State Government and is WA's primary trading centre for fruit and vegetables.

The Group generates income from its owned properties as well as income from services and activities provided to tenants at the Perth Markets site.

There has been no change in principal activities during the half year.

Operating Results

The net operating profit/(loss) of the consolidated entity after income tax for the half-year ended 31 December 2023 was $2.45M (31 December 2022: $2.93M).

	2023 $'000	2022 $'000	% change
Operating Profit	**6,010**	**5,461**	**10.05%**
Gain on revaluation of investments	-	654	
Finance expenses	(2,352)	(1,770)	32.88%
Acquisition related costs	(173)	(170)	1.76%
Net Profit before income tax	**3,485**	**4,175**	**(16.53%)**
Less income tax expense from operations	(1,039)	(1,246)	(16.61%)
Net Profit/(Loss) after income tax expense	**2,446**	**2,929**	**(16.49%)**

The net profit/(loss) after income tax includes the following material transactions for the period:

- Significant increase in finance expenses relating to rising interest rates on Loan Facility.
- Higher than expected bank interest income on cash.

Review of Operations

The consolidated Group's continued operational focus throughout the half year remained unchanged in the management and development of the Perth Markets Site. The vacancy rate for the site at the end of December 2023 was 0.42**%** (2022: 1.02%).

As at the date of this report, the Directors have resolved to declare a fully franked interim dividend of 3.0 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2023, to be paid to shareholders by the 28 March 2024. This dividend has not been included as a liability in these financial statements. The total dividend to be paid is $1,765,204 and will be franked at tax rate of 30%.

Significant Changes in the State of Affairs

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

Environmental Regulation

The Group is subject to a number of environmental regulations, which the Group is committed to meeting. The Board is not aware of any significant or material breaches of environmental requirements during the period covered by this report.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor's independence declaration

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

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instruments 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand Australian dollars ($K), or in certain cases, to the nearest Australian dollar.

This report is made in accordance with a resolution of directors.

DocuSigned by:
John Groppoli
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Chair
Giovanni Groppoli
8th March 2024

DocuSigned by:
John Groppoli
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DocuSigned by:
Richard Thomas
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Non-Executive Director
Richard Thomas
8th March 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	2023	2022
Continuing operations		**$'000**	**$'000**
Revenue		13,794	13,196
Other income		352	284
Total revenue from continuing operations		**14,146**	**13,480**
Operating expenses			
Weekend markets expenses		(283)	(239)
Operational expenses		(2,086)	(2,300)
Commercial site management expenses		(5,538)	(5,232)
Depreciation and amortisation expenses		(229)	(248)
Operating profit		**6,010**	**5,461**
Gain on revaluation of investments		-	654
Finance expenses		(2,352)	(1,770)
Deferred acquisition costs		(173)	(170)
Profit before income tax		**3,485**	**4,175**
Income tax expense	12	(1,039)	(1,246)
Profit after income tax for the half-year		**2,446**	**2,929**
Other comprehensive income			
Items not reclassified subsequently to profit or loss:			
Changes in the fair value of cash flow hedges (net of tax)		(628)	124
Total other comprehensive income		(628)	124
Total comprehensive income		**1,818**	**3,053**

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

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023	30 Jun 2023
Assets		**$'000**	**$'000**
Current assets			
Cash and cash equivalents		5,739	7,148
Receivables		799	318
Other financial assets	6	2,000	2,000
Other assets		1,934	815
Total current assets		**10,472**	**10,281**
Non-current assets			
Property, plant and equipment	4	5,924	6,254
Investment properties	5	253,239	252,000
Deferred tax asset	12	1,050	713
Financial assets at fair value through profit or loss	6	5,187	5,187
Other assets		805	649
Total non-current assets		**266,205**	**264,803**
Total assets		**276,677**	**275,084**
Liabilities			
Current liabilities			
Payables		2,099	2,537
Employee benefit obligations		111	111
Other current liabilities	7	1,157	85
Total current liabilities		**3,367**	**2,733**
Non-current liabilities			
Borrowings	8	83,538	83,538
Employee benefit obligations		34	27
Deferred tax liability	12	36,989	36,989
Other non-current liabilities	7	12,679	11,486
Total non-current liabilities		**133,240**	**132,040**
Total liabilities		**136,607**	**134,773**
Net assets		**140,070**	**140,311**
Equity			
Contributed equity	9(a)	54,718	54,718
Reserves	9(b)	(606)	22
Retained earnings	9(b)	85,958	85,571
Total equity		**140,070**	**140,311**

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

Consolidated	Note	Contributed equity $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2022		**54,718**	**134**	**83,866**	**138,718**
Profit for the half-year		-	-	2,929	2,929
Other comprehensive income		-	125	-	125
Total comprehensive (Loss)/Income for the half-year		**-**	**125**	**2,929**	**3,054**
Distributions to unit holders		-	-	(2,059)	(2,059)
Balance at 31 December 2022		**54,718**	**259**	**84,736**	**139,713**

Consolidated	Note	Contributed equity $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2023		**54,718**	**22**	**85,571**	**140,311**
Profit for the half-year		-	-	2,446	2,446
Other comprehensive income		-	(628)	-	(628)
Total comprehensive (Loss)/Income for the half-year		**-**	**(628)**	**2,446**	**1,818**
Distributions to unit holders	10	-	-	(2,059)	(2,059)
Balance at 31 December 2023		**54,718**	**(606)**	**85,958**	**140,070**

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Note	2023	2022
		$000	$000
Cash flows from operating activities			
Receipts and payments			
Receipts from customers		14,553	13,681
Payments to suppliers and employees		(9,696)	(9,867)
Interest payments		(2,200)	(1,682)
Income tax		(905)	(911)
Net cash flows from operating activities		**1,752**	**1,222**
Cash flow from investing activities			
Payment for property, plant, equipment and assets under construction		(1,192)	(987)
Dividends received		90	87
Net cash flow from investing activities		**(1,102)**	**(900)**
Cash flow from financing activities			
Distributions/dividends paid	10	(2,059)	(2,059)
Net cash flow from financing activities		**(2,059)**	**(2,059)**
Net increase/(decrease) in cash and cash equivalents		(1,409)	(1,737)
Cash and cash equivalents at the beginning of the half-year		7,148	9,214
Cash and cash equivalents at the end of the half-year		**5,739**	**7,477**

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

Notes to the Consolidated Financial Statements

1. Corporate information

These interim consolidated financial statements of Perth Markets Group Limited (PMGL) and its subsidiaries (Group) for the half-year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 28th February 2024.

PMGL is an unlisted public company limited by shares and incorporated and domiciled in Australia.

Further information on the nature of the operations and principal activities of the Group is provided in the Directors' report.

2. Significant accounting policies

2.1 Basis of preparation

The interim financial statements do not include all of the information required for a complete set of AASB financial statements. However, selected explanatory notes are included to explain events and transactions which are significant to understanding changes in the Group's financial position and performance since the last annual financial statements.

It is recommended that the interim half-year financial statements be read in conjunction with the PMGL's last annual financial statements as at 30 June 2023 ('last annual financial statements').

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand ($K), except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

2.2 Basis of consolidation

The consolidated financial statements comprise PMGL and each of its wholly owned subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.3 Summary of Significant Accounting Policies

(a) Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value is 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.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques (including the engagement of an independent and qualified valuer) that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

(b) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

► When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

► In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Property lease classification – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology using a combination of methods including the discounted cash flow (DCF) method was used. The Group engaged an independent valuation specialist to assess the fair values as at 30 June 2023 for the investment properties.

The key assumptions used to determine the fair value are provided in Notes 5 and 11.

4. Property, plant and equipment

Plant and equipment comprises:	31 Dec 2023 $'000	30 Jun 2023 $'000
Fixed assets under construction	1,929	2,182
Property, plant and equipment at cost	7,341	7,188
Less: Accumulated depreciation	(3,346)	(3,116)
	5,924	**6,254**

Reconciliation:		
Carrying amount at start of year	6,254	4,784
Additions	1,138	3,714
Disposals/transfer to Investment Property	(1,239)	(1,754)
Depreciation	(229)	(490)
Carrying amount at end of year	**5,924**	**6,254**

5. Investment properties

	Investment Property	Undeveloped Land	Total $'000
Balance at 1 Jul 2023	**234,000**	**18,000**	**252,000**
Additions	1,239	-	1,239
Balance at 31 Dec 2023	**235,239**	**18,000**	**253,239**

Investment properties are properties held either to earn rental income, for capital appreciation, or for both, that are not occupied by the consolidated entity. Initially, investment properties are measured at cost including transaction costs. Investment properties are subsequently remeasured annually at fair value. Movements in the fair value of investment properties are recognised directly to profit or loss. As part of the process of determining the fair value of all property, an external independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, will value the Group's property annually.

An independent valuation of the investment properties was completed as at 30 June 2023 by CBRE Valuations Pty Limited (CBRE), a qualified valuer with relevant experience in the type of property being valued. The Investment Property is revalued annually at the 30th of June each year.

6. Other financial assets

Current	31 Dec 2023 $'000	30 June 2023 $'000
Short-term investment deposits	2,000	2,000
Total current	**2,000**	**2,000**
Non current		
Shares in unlisted companies at fair market value	5,187	5,187
Total non current	**5,187**	**5,187**

7. Other liabilities

Current	31 Dec 2023 $'000	30 June 2023 $'000
Deposit – magnetic access cards	77	78
Income in advance	1,080	7
Total current	**1,157**	**85**
Non current		
Security deposits (tenant leases)	2,692	2,637
Deferred settlement consideration	9,177	9,004
Derivative financial liabilities – cash flow hedges	810	(155)
Total non current	**12,679**	**11,486**

Income in advance

Payments of monthly rent/outgoings from tenants received between when the invoices were issued (-7 days from 1st of month) prior to the 1st of the month where the invoices are due. Historically this was recorded as negative receivables. Starting July 2023 this is recorded as Income in advance.

Deferred settlement consideration

Deferred settlement consideration relates to $10 million payable to the Western Australian Government for the acquisition of the Perth Market site, payable on 31 March 2026. The liability was initially recognised at its fair value and subsequently measured at amortised cost using the effective interest method. The amount is classified as non-current at the reporting date as the Group has an unconditional right to defer settlement of the liability until 31 March 2026.

8. Borrowings

	31 Dec 2023 $'000	30 Jun 2023 $'000
Non-current		
Term loan (net of associated costs)	83,538	83,538
Total non-current	**83,538**	**83,538**

Terms and conditions relating to the secured loan

(a) The debt facility with the Commonwealth Bank Limited is $87.4M and will expire on 1 October 2025. Interest rate risks associated with the liabilities are managed with interest rate swaps arrangements. As at 31 December 2023, the company had drawn $83.5M of the facility.

(b) Loans are secured by a first registered mortgage over all current and future real property at the Perth Markets site and a general security interest over the assets and undertakings of the company. The carrying amount of the investment property at 31 December 2023 is $253M.

(c) Under the terms of the loan facility, there is a requirement to report financial undertakings to the Commonwealth Bank Limited on a 6-monthly basis. These undertakings include:

   a. The loan to value ratio (ratio of the total debt to the property value) is not greater than 55% on each calculation date,

   b. The interest cover ratio (ratio between EBITDA to interest expenses) is not less than 2.5 times on and from 1 July 2021.

All borrowings are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the EIR method.

At the balance date the Group has the following undrawn facilities with the Commonwealth Bank Limited:

Overdraft facility with a limit of:	$2M
Asset finance leasing facility with a limit of:	$500K
Cash advance facility:	$901K

These facilities form part of an overall 3 year financing facility with Commonwealth Bank Limited.

Terms of the borrowings

The Group entered into a 3 year extension of the existing revolving cash advance facility with the Commonwealth Bank Limited on 30 August 2022. The facility is interest bearing at a floating rate of interest linked to BBSY and was secured by the assets of the Group. The Group has in place an interest rate hedge against the term borrowing.

9. Contributed equity

(a) Issued capital

	31 Dec 2023 $'000	30 June 2023 $'000
Issued shares	54,718	54,718

Capital management

The consolidated entity manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of debt which includes borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

(b) Retained earnings & reserves

	Retained earnings $'000	Cash flow hedge reserve $'000
Balance at 1 July 2023	**85,571**	**22**
Result for the year after tax	2,446	-
Movements in fair value of cash flow hedges	-	(628)
Distribution during the half year	(2,059)	-
Balance at 31 December 2023	**85,958**	**(606)**

10. Dividends

	$'000
June 2022 final dividend of 2021/22 at 3.5 cents per share paid October 2022	2,059
Total dividends paid during the financial half year 2022	**2,059**
June 2023 final dividend of 2022/23 at 3.5 cents per share paid October 2023	2,059
Total dividends paid during the financial half year 2023	**2,059**

11. Fair value measurements

30 June 2023 Consolidated	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Share investment	-	5,187	-	5,187
Investment properties	-	252,000	-	252,000
	-	**257,187**	-	**257,187**
Liabilities				
Derivative financial instruments	-	155	-	155
	-	**155**	-	**155**
31 December 2023 Consolidated				
Assets				
Share investment	-	5,187	**-**	5,187
Investment properties	-	253,239	-	253,239
	-	**258,426**	**-**	**258,426**
Liabilities				
Derivative financial instruments	-	(810)	-	(810)
	-	**(810)**	**-**	**(810)**

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between Levels 1, 2 or 3 during the current and previous period.

Valuation techniques to derive level 2 fair values

Level 2 fair values are derived using the income-based approach to arrive at a market value type valuation. The cash flows associated with the asset are discounted using a discount rate that reflects the cost of capital risk and required return.

They are derived from market-based information, such as rental yields or interest rate forward curves. An independent valuation of the investment properties was completed as at 30 June 2023 by CBRE Valuations Pty Limited (CBRE), a qualified valuer with relevant experience in the type of property being valued.

The Share investment is in an unlisted public company that is thinly traded. The direct method of valuation has been adopted as the most appropriate valuation method. The value of the share trades is published. Trading of these shares is considered too infrequent to be classified as level 1 and so are disclosed as level 2.

12. Income tax expense/(benefit)

Current tax expense	31 Dec 2023 $'000	30 Jun 2023 $'000
Current tax expense/(benefit)	1,039	1,834
Deferred tax expense/(benefit)	-	481
Under/(over) provision	-	42
Total income tax expense/(benefit)	**1,039**	**2,357**
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense/(benefit)	3,485	7,887
Income tax at the Australian tax rate of 30%	1,046	2,366
Tax effect amounts which are not deductible/(taxable)	-	(9)
Under/(over) provision	(7)	-
Total income tax expense/(benefit)	**1,039**	**2,357**
Amounts recognised directly in other comprehensive income		
Deferred tax expense/(benefit) relating to change in the fair value	-	46
Deferred tax assets and liabilities comprise temporary differences		
Investment properties	(33,106)	(33,180)
Deferred settlement consideration	(400)	(297)
Plant and equipment	(2,680)	(2,978)
Interest Rate Swap	(499)	(47)
Other	(304)	(487)
Total deferred tax liabilities	**(36,989)**	**(36,989)**
Deferred tax assets		
Plant and equipment	520	520
Other	530	193
Total deferred tax assets	**1050**	**713**
Total deferred tax liabilities	(36,989)	(36,989)
Total deferred tax assets	1,050	713
Net deferred tax (liabilities)/assets	**(35,939)**	**(36,276)**
Franking credits available for use in subsequent financial years	**2,825**	**2,538**

Judgements and estimates

PMGL applies a tax rate of 30% in accordance with the ATO rules for Income Tax. This tax rate is applied when calculating the tax effect of the company's financial transactions.

13. Commitments & contingent liabilities

There has been no significant change to commitments or contingent liabilities of the Group during the half year.

14. Related party transactions

There has been no significant related party transactions of the Group during the half year.

15. Events after the reporting period

On 28 February 2024, the directors declared a fully franked interim dividend of 3.0 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2023, to be paid to shareholders by the 28 March 2024. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $1,765,204.

No other matters or circumstances have arisen since the half-year and the date of this report that significantly affects, or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors' Declaration

In the directors' opinion:

- The attached financial statements and notes comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', and other mandatory professional reporting requirements;
- The attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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Chair John Groppoli 8th March 2024	Non-Executive Director Richard Thomas 8th March 2024

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Perth Markets Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Perth Markets Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of the Group does not present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting*.

Basis for conclusion

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

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half-year financial report does not present fairly, in all material respects, the financial position of the Group as at 31 December 2023 and of its financial performance and its cash flows for the half-year ended on that date, accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

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

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Director

Perth, 12 March 2024