PERTH MARKETS GROUP LIMITED

ABN 25 633 346 184

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Directors' Report

Your Directors present their report together with the consolidated financial statements of the Group comprising Perth Markets Group Limited (PMGL) and the entities it controlled at the end of, or during, the year ended 30 June 2024 (the 'Group').

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Giovanni (John) Groppoli
Patricia Skinner
Andrew Young
Miro Lendich
Frank Romano
Richard Thomas
Paul Neale
Antonio Ceravolo (Resigned 30th November 2023)

Principal Activities

During the year, the principal continuing activities of the consolidated entity consisted of:

- 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 (as the State's primary trading centre for fruit and vegetables).

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

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

There were no significant changes in principal activities during the financial year that are not otherwise disclosed in this report.

Operating Results

Underlying net operating profit before income tax was $7.2 million (2023: $7.4 million).

The net profit after tax of the consolidated entity for the year ended 30 June 2024 was $15.4 million (2023: $5.5 million).

	2024 $'000	2023 $'000	% Change
Underlying Net Operating Profit	**7,202**	**7,374**	**(2.3%)**
Fair value gain/loss on revaluation of investment properties	15,515	246	6,207%
Fair value gain/loss on revaluation of financial assets	(409)	609	(167%)
Acquisition related costs	(350)	(342)	2.3%
Net Profit before income tax	**21,958**	**7,887**	**178%**
Current tax expense	(1,725)	(1,834)	(5.9%)
Deferred tax expense	(4,825)	(481)	1,003%
(Under)/over provision	(39)	(42)	(7.1%)
Net Profit after income tax expense	**15,369**	**5,530**	**178%**

Underlying Net Operating Profit includes Depreciation and Finance Expenses.

The net profit after income tax includes the following:

- A gain on the revaluation of Investment Properties of $15.5M following an independent valuation dated 30 June 2024 (2023: $246k).
- A loss on the revaluation of Financial Assets (Investment in Brisbane Markets Ltd shares) of $409k (2022: +$609k).

Operating Review

The Group continued its focus of managing and developing the Perth Markets site; based on its strategic pillars of:

- Optimising current operations,
- Developing for sustainable growth, and
- Seeking growth through new opportunities.

In late 2023 building commenced on a new development in the Southeastern corner of the site. The 3,500 sqm warehouse is expected to be finished in early 2025.

The solar project has started with the tender being run close to the end of the financial year. This will be the largest rooftop solar system in Western Australia, bringing an increased margin on electricity, a saving to tenants and furthering PMGL's path to net zero.

Land and Buildings of the Perth Market site were independently valued by CBRE. The financial statements reflect the revaluation of "Investment Properties" to $273 million at 30 June 2024 from $252 million at 30 June 2023. The increase was broken down into three parts; $15.5 million valuation uplift, $3.5 million new development project and $1.9 million of capitalised repairs and maintenance to existing buildings.

The vacancy rate at the Perth Markets site at 30 June 2024 was 0.44% (2023: 0.56%).

Dividends

Dividends paid to shareholders during the year were as follows:

Final Dividend for FY 2022/23	$2,059,405
3.5 cents per share fully franked @ 30.0% paid October 2023	
Interim Dividend for FY 2023/24	$1,765,204
3.0 cents per share fully franked @ 30.0% paid March 2024	
Total dividends paid during the 2023/24 year	$3,824,609
Total dividends paid during the 2022/23 year	$3,824,609
Total dividends paid during the 2021/22 year	$4,048,201

Significant Changes in the State of Affairs

There were no other significant changes in the state of affairs of the Group during the financial year that are not otherwise disclosed in this report.

Events Since the End of the Financial Year

Since financial year end (August) two construction contracts have been executed, to complete the Warehouse and Solar projects detailed above. These contracts are with:

1) PS Structures (Warehouse) $14.6M
2) Western Australia Alternate Energy (Solar) $8.6M

PMGL has funded preliminary works from free cash and secured the remaining funds through extension of the existing CBA construction facility. This deal was closed during the FY24 financial year.

Information on Directors and Company Secretary

Giovanni (John) Groppoli – Independent Non-Executive Chair (27 June 2023) Non-Executive Director (24 May 2023)	
Experience and Expertise	• Principal of GlenForest Corporate, a boutique legal strategy and board and commercial governance advisory firm based in Perth. John is currently the Chairman of Hunt Architects and McDowall Affleck Deacon Engineers. John is also a non-executive director of ASX company, Stealth Global Holdings Ltd (and Chairman of its Remuneration and Nomination Committee). • Partner of national law firm Deacons (now Norton Rose Fulbright) from 1987 to 2004 where he specialised in franchising, mergers and acquisitions and corporate governance. He was also the managing partner of the Perth office of Deacons from 1998 to 2002. • Mr Groppoli was until June 2023 a director for almost 17 years at Senses Foundation, a leading NFP organisation providing support to deaf and deaf/blind patients. • Non-Executive Director of Automotive Holdings Group Ltd (ASX:AHG) stepping down at the end of September 2019 after 13 years. During that time, John was also Chairman of their Remuneration and Nomination Committee. • Qualifications/Memberships: B Juris, LLB and FAICD.

Patricia Skinner – Non-Executive Chair (Resigned 27 June 2023) & Non-Executive Director	
Experience and Expertise	• Over 30 years' experience in fresh produce wholesaling industry, began with the Sumich Group in 1989 to current role with Australian Produce Brokers, a leading fruit and vegetable wholesaler operating in the central trading area at Perth Markets for the past 20 years. • President of Market West (formerly The Chamber of Fruit and Vegetable Industries in Western Australia) since 2011. • Member of the Market West Management Committee and Director of FPAA Credit Service Pty Ltd since 2002. • Director Fresh Markets Australia since 2001. • Industry representative on numerous industry committees including reviews of the Perth Markets Act and the Bylaws and two government reviews of the Mandatory Horticultural Code of Conduct. • Chair Nominations & Remuneration Committee, Member Audit Finance Risk Committee, Member Master Planning Committee, Member Corporate Transactions Sub-Committee.

Frank Romano – Non-Executive Director	
Experience and Expertise	• 40-year history of establishing, owning and managing food franchise companies including Chicken Treat, Red Rooster and Oporto. Significant corporate transaction and expansion experience through multiple food franchise operations. • Owner of Olympic Fine Foods Pty Ltd, which specialises in snacks, nuts, cereal and confectionary. • Interests in property and investments including sandalwood plantations, vineyards, and various commercial, retail, and residential property/property development. • Director Perth Children's Hospital Foundation Ltd for over 10 years. • Chair Master Planning Committee, member Nominations & Remuneration Committee, Member Corporate Transactions Sub-Committee.

Paul Neale – Non-Executive Director	
Experience and Expertise	• Executive Director of Mercer Mooney, one of Australia's largest fresh produce distributors, since 2010. • Formerly State Trading Manager (WA) fresh produce with Coles Supermarkets and National Sales and Marketing Manager (Mushrooms) for Chiquita Brands.

Miro Lendich – Non-Executive Director	
Experience and Expertise	• Chairman United Crates Co-Operative Ltd, WA's largest supplier of plastic crates and bins to the Fruit & Vegetable industry as well as to Market City. • Second generation viticulturist with an Advanced Diploma of Horticulture. • Predominately a Table Grape Grower, based in the Swan Valley with more than 45 years of experience. Also, a grower of other produce including a variety of melons. • Over 20 years, experience in the building of multi-unit residential developments • Director since 2019, and prior to that Director of Perth Markets Ltd (2016 to 2019). • Member of Master Planning Committee.

Antonio (Tony) Ceravolo – Non-Executive Director (Resigned 30th November 2023)	
Experience and Expertise	• Director of South Australian Produce Market Limited since December 2007. • Over 35 years of experience in orchards and in wholesale of fruit and vegetables. • Managing Director of R Ceravolo & Co Pty Ltd, a major apple and pear grower in the Adelaide Hills. • Managing Director, Ashton Valley Fresh Pty Ltd (juicing) and Ceravolo Orchards Pty Ltd (grower of apples, pears, cherries and strawberries). • Director – Apple & Pear Growers Association of SA Inc.

Andrew Young – Non-Executive Director	
Experience and Expertise	• Andrew has a history of employment at a senior management level with extensive experience in policy and strategy formulation, service development and industry representation. His experience in the fresh produce industry includes engaging with relevant stakeholders at a State and Federal level and addressing national issues through his roles with Brisbane Markets and Fresh Markets Australia. • He has had an active involvement in addressing issues impacting on the wholesaling sector of the horticultural industry and has conducted extensive research on Central Markets in Australia and parts of Asia, Europe and the USA. Andrew played a leading role as part of the project team responsible for what became the successful bid to purchase the Brisbane Markets site in 2002 and as Managing Director and CEO, coordinated the seamless transition of ownership of the Brisbane Markets site to BML. • He has maintained a focus on the upgrading and development of the Brisbane Markets site and the strategies contributing to the ongoing growth and success of the company. In addition to being the Managing Director and CEO of Brisbane Markets Limited, Andrew is also the CEO of Brismark (The Queensland Chamber of Fruit and Vegetable Industries Co-operative Limited) a member organisation which represents and serves the needs of the wholesaling sector of the fresh fruit and vegetable industry in Queensland and is also an executive director of Fresh Markets Australia. • Andrew holds a Bachelor of Commerce, a Bachelor of Agricultural Science with Honours, a Diploma of Corporate Management, is a Certified Chief Executive Officer, is a Member of the Australian Institute of Company Directors and is a Fellow Certified Practicing Accountant.

Richard Thomas – Non-Executive Director	
Experience and Expertise	• Audit, risk, regulatory and financial expertise and experience, from over 12 years as a partner of Deloitte, and leading the Risk Advisory practice in Perth since its foundation in 2010 to his retirement from public practice. • Worked in a variety of roles – external auditor, corporate regulator, internal auditor, management consultant, forensic accountant, investigator and risk practitioner – serving many industries and organisations in the public and private sectors. • Achieved a first-class history degree at University College London and qualified as a chartered accountant. Worked for State Corporate Affairs Department (now ASIC); headed ASIC's internal audit nationally. • Deputy Chair, Non-executive director and Chair of the Audit & Risk Committee Brightwater Care Group (aged care & disability services in WA). Chair of the Audit & Risk Committee at the Public Trustee of WA. Special Adviser to The Whadjuk Foundation Inc. providing commercial, governance and accounting advice. Risk management adviser to Identitii, an ASX-listed company. • Chair Audit Finance & Risk Committee, Chair Corporate Transactions Sub-Committee • Qualifications/Memberships: BA (Hons), ACA, member of CAANZ & IIA and retired member of ICAEW.

George Friend – CFO/Company Secretary (Appointed 8 November 2023)	
Experience and Expertise	• Worked in multiple areas of the Finance profession including external/internal audit, compliance, corporate governance, financial reporting, financial analysis, systems implementations, large scale projects and strategic planning. • Experience spans a variety of different industries including Oil & Gas, Mining, Automotive, Hospitality, Testing Inspection & Certification along with Agriculture, throughout Australia, along with New Zealand, the Pacific Islands and more recently across Asia. • George holds a Bachelor of Commerce and is a Member of the Institute of Chartered Accountants Australia & New Zealand.

Quentin Hooper – CFO/Company Secretary (Appointed 30 September 2022, Resigned 15 November 2023)	
Experience and Expertise	• Extensive finance and commercial roles in listed corporates including a 16-year career at Fortescue Metals Group Limited spanning the development of greenfield and brownfield iron ore development projects. • Qualifications/Memberships: B Com, MBA, FCPA, GAICD

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board	AFRC	MPC	NRC	CTSC
Number of meetings	**11**	**4**	**7**	**1**	**0**
G Groppoli [1]	11	2	5	1	
M Lendich	11		7		
F Romano [2]	11		7	1	
P Skinner	11	4	1	1	
R Thomas [3]	11	4	1		
A Young	10	4	5	1	
P Neale	11		5		
A Ceravolo [4]	4				

AFRC – Audit, Finance and Risk Committee
MPC – Master Planning Committee
NRC – Nominations and Remuneration Committee
CTSC – Corporate Transaction Sub-Committee
[1] Chair Board and Chair NRC
[2] Chair MPC
[3] Chair AFRC and Chair CTSC
[4] Resigned 30 November 2023

Shares under Option

(a) Unissued shares

There are no unissued shares under option in Perth Markets Group Limited at the date of this report.

(b) Shares issued on the exercise of options

There were no shares in Perth Markets Group Limited issued on the exercise of options during the year ended 30 June 2024.

Environmental Regulation

The Group is subject to a number of environmental regulations as part of operating the Market City business. The Board is not aware of any significant or material breaches of environmental requirements during the period covered by this report.

Indemnity and insurance of auditor

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

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

Insurance of Officers and Indemnities

During the financial year, the Group paid a premium under a contract ensuring all Directors and Officers against liabilities incurred in that capacity. Disclosure of the nature of the liabilities insured and the premium is subject to a confidentiality clause under the contract of insurance.

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 amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

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

Chair
Giovanni Groppoli
29th August 2024

Non-Executive Director
Richard Thomas
29th August 2024

Auditor's independence declaration

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024	2023
Continuing operations		**$'000**	**$'000**
Revenue	4a	28,543	26,649
Other income	4b	694	640
Total Revenue from continuing operations		**29,237**	**27,289**
Operating expenses			
Weekend markets expenses		(584)	(496)
Operational expenses	5	(4,442)	(4,503)
Commercial site management expenses	6	(11,825)	(10,662)
Depreciation and amortisation expenses	10	(497)	(490)
Operating profit		**11,889**	**11,138**
Gain on revaluation of investment properties	11	15,515	246
Fair value gain/loss on financial assets through profit or loss	9a	(409)	609
Finance expenses		(4,687)	(3,764)
Acquisition related costs		(350)	(342)
Profit before income tax		**21,958**	**7,887**
Income tax expense	7	(6,589)	(2,357)
Profit after income tax for the year		**15,369**	**5,530**
Other comprehensive income			
Items not reclassified subsequently to profit or loss:			
Changes in the fair value of cash flow hedges (net of tax)	18b	(30)	(112)
Total other comprehensive Income for the year		(30)	(112)
Total comprehensive profit for the year		**15,339**	**5,418**

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 30 June 2024

	Note	30 Jun 2024	30 Jun 2023
Assets		**$'000**	**$'000**
Current assets			
Cash and cash equivalents	20a	2,568	7,148
Receivables	8	598	318
Other Financial Assets	9a	2,000	2,000
Other assets	9b	687	815
Total current assets		**5,853**	**10,281**
Non-current assets			
Property, plant and equipment	10	7,157	6,254
Investment property	11	273,000	252,000
Deferred tax asset	7	672	713
Financial assets at fair value through profit or loss	9a	4,778	5,187
Other assets	9b	1,207	649
Total non-current assets		**286,814**	**264,803**
Total assets		**292,667**	**275,084**
Liabilities			
Current liabilities			
Payables	13	2,798	2,537
Employee benefit obligations	15	160	111
Other current liabilities	16	151	85
Total current liabilities		**3,109**	**2,733**
Non-current liabilities			
Borrowings	14	83,564	83,538
Employee benefit obligations	15	38	27
Deferred tax liability	7	41,775	36,989
Other non-current liabilities	16	12,355	11,486
Total non-current liabilities		**137,732**	**132,040**
Total liabilities		**140,841**	**134,773**
Net assets		**151,826**	**140,311**
Equity			
Contributed equity	18a	54,718	54,718
Reserves	18b	(8)	22
Retained earnings	18b	97,116	85,571
Total equity		**151,826**	**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 year ended 30 June 2024

Consolidated	Note	Contributed equity $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 30 June 2022		**54,718**	**134**	**83,866**	**138,718**
Profit for the year		-	-	5,530	5,530
Other comprehensive income	18b	-	(112)	-	(112)
Total comprehensive Income for the year		**-**	**(112)**	**5,530**	**5,418**
Dividends paid		-	-	(3,825)	(3,825)
Balance at 30 June 2023		**54,718**	**22**	**85,571**	**140,311**

Consolidated	Note	Contributed equity $'000	Cash flow hedge reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 30 June 2023		**54,718**	**22**	**85,571**	**140,311**
Profit for the year		-	-	15,369	15,369
Other comprehensive income	18b	-	(30)	-	(30)
Total comprehensive Income for the year		**-**	**(30)**	**15,369**	**15,339**
Dividends paid		-	-	(3,825)	(3,825)
Balance at 30 June 2024		**54,718**	**(8)**	**97,116**	**151,826**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024	2023
		$000	**$000**
Cash flows from operating activities			
Receipts and Payments			
Receipts from customers		28,551	27,248
Payments to suppliers and employees		(17,835)	(16,356)
Interest Income		270	181
Interest payments		(4,689)	(3,735)
Income tax		(2,240)	(1,819)
Net cash flows from operating activities	**20(b)**	**4,057**	**5,519**
Cash flow from investing activities			
Payment for property, plant, equipment and assets under construction		(4,992)	(3,937)
Dividends received		179	177
Net cash flows used in investing activities		**(4,813)**	**(3,760)**
Cash flow from financing activities			
Dividend paid	19	(3,825)	(3,825)
Net cash flow used in financing activities		**(3,825)**	**(3,825)**
Net decrease in cash and cash equivalents		(4,580)	(2,066)
Cash and cash equivalents at the beginning of the year		7,148	9,214
Cash and cash equivalents at the end of the year	**20(a)**	**2,568**	**7,148**

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

The consolidated financial statements of Perth Markets Group Limited (PMGL) and its subsidiaries (Group) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 27 August 2024.

PMGL is a public unlisted for-profit 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. Material accounting policies

2.1 Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB).

This financial report has been prepared on a historical cost basis, except for investment properties, derivative financial instruments, debt and equity financial assets, and contingent consideration that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand ($000), 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 the financial statements of the Company and each of its wholly owned subsidiaries as at 30 June 2024.

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. Specifically, the Group controls an investee if, and only if, the Group has:

► Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

► Exposure, or rights, to variable returns from its involvement with the investee

► The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of Material Accounting Policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

► Expected to be realised or intended to be sold or consumed in the normal operating cycle,

► Held primarily for the purpose of trading,

► Expected to be realised within twelve months after the reporting period, or

► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

► It is expected to be settled in the normal operating cycle

► It is held primarily for the purpose of trading

► It is due to be settled within twelve months after the reporting period, or

► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

(b) 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.

(c) 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.

(d) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Investment properties (assets capable of generating lease income) 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.

(f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period in which they occur.

(g) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

► Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment,

► Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss as other comprehensive income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the Effective Interest Rate (EIR) method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

(h) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

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 investment properties and share investment

The Group carries its investment properties and share investment 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 Market Capitalisation Rate was used. The Group engaged an independent valuation specialist to assess the fair value as at 30 June 2024 for the investment properties. For details on share investment refer to Note 9(a).

4(a) Revenue

	2024 $'000	2023 $'000
Rental revenue	15,026	14,944
Provision of services revenue	12,483	10,815
Weekend markets revenue	1,034	890
Total revenue	**28,543**	**26,649**

Revenue is recognised for the major business activities using the methods outlined below:

Rental revenue
The Group enters into contractual rental arrangements with tenants for its investment properties. These arrangements specify the duration of the lease, amount of the lease payable (usually on a monthly basis) and lease incentives (if any). Rental revenue from investment properties is recognised on a straight-line basis over the lease term based on contractual arrangements.

Revenue not received at the reporting date is reflected in the statement of financial position as a receivable or if paid in advance, as rent in advance (unearned income). Lease incentives granted are considered an integral part of the total rental revenue and are recognised as a reduction in rental income over the term of the lease, on a straight-line basis. Contingent rentals are recognised as income in the periods in which they are earned.

Provision of services revenue and Weekend markets revenue
Revenue for services is recognised over time as those services are provided. These services are mainly variable outgoings, provision of electricity and waste transfer. Invoices for these services are issued on a monthly basis.

Under AASB 15, the total consideration in the service contracts is allocated to all services based on their relative stand-alone selling prices. The stand-alone selling price is determined based on the price at which the Group sells the services in separate transactions.

Revenue for weekend markets is recognised at the point in time when a fee is payable by the public to access the market during the weekend.

4(b) Other income

	2024 $'000	2023 $'000
Interest revenue	270	181
Other revenue	424	459
Total other income	**694**	**640**

Other revenue

Other revenue includes dividend income from share investments, access cards and infrastructure recovery from tenants. It is recognised when it is received or when the right to receive payment is established. Gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in the profit or loss in the year of disposal. Where the gain or loss is obtained from sale of properties, it is recognised when the control has transferred to the buyer, which is normally when legal title passes to the buyer.

5. Operational expenses

	2024 $'000	2023 $'000
Information technology and telecommunications	360	297
Professional fees	346	398
Salaries and board fees (excl. contractors)	2,008	1,570
Land Tax	457	457
Legal Fees	49	22
Proportional Takeover Bid Defence (BML Standstill in 2023)	70	735
Sponsorship	247	242
Other	905	782
Total operational expenses	**4,442**	**4,503**

6. Commercial site management expense

	2024 $'000	2023 $'000
Rates and water consumption	3,315	3,204
Cleaning and waste removal	1,121	1,022
Electricity	3,675	3,045
Repairs and maintenance	792	735
Insurance	642	614
Staff costs	1,668	1,476
Other	612	566
Total commercial site management expenses	**11,825**	**10,662**

7. Income tax expense/(benefit)

Current tax expense	2024 $'000	2023 $'000
Current tax expense	1,725	1,834
Deferred tax expense/(benefit)	4,825	481
Under/(over) provision	39	42
Total income tax expense/(benefit)	**6,589**	**2,357**

Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	21,958	7,887
Income tax at the Australian tax rate of 30%	6,587	2,366
Unrecognised tax losses and other deferred tax assets	-	-
Tax effect amounts which are not deductible/(taxable)	(37)	(51)
Timing differences not previously recognised	-	-
Under/(over) provision	39	42
Total income tax expense/(benefit)	**6,589**	**2,357**

Amounts recognised directly in other comprehensive income		
Deferred tax expense/(benefit) relating to change in the fair value of cash flow hedges	34	46

Deferred tax assets and liabilities comprise temporary differences attributable to:

Investment properties	(37,834)	(33,180)
Deferred settlement consideration	(192)	(297)
Plant and equipment	(3,350)	(2,978)
Interest rate swap	(34)	(47)
Other	(365)	(487)
Total deferred tax liabilities	**(41,775)**	**(36,989)**
Deferred tax assets		
Interest rate swap	-	-
Plant and equipment	520	520
Other	152	193
Total deferred tax assets	**672**	**713**

Total deferred tax liabilities	(41,775)	(36,989)
Total deferred tax assets	672	713
Net deferred tax (liabilities)/assets	**(41,103)**	**(36,276)**

Franking credits available for use in subsequent financial years	**2,954**	**2,538**

8. Receivables

	2024 $'000	2023 $'000
Receivables	598	318
Total Receivables	**598**	**318**

Classification and measurement of receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The carrying amount is equivalent to fair value as it is due for settlement within 30 days and therefore all classified as current.

In most cases the Group holds collateral as security or other credit enhancements relating to receivables for lease rentals.

These normally include a bank guarantee or cash security deposit held on trust.

9(a) Other financial assets

	2024 $'000	2023 $'000
Current		
Short-term investment deposits[a]	2,000	2,000
Total current	**2,000**	**2,000**
Non-current		
Share investment, fair value through profit or loss[b]	4,778	5,187
Total non-current	**4,778**	**5,187**

[a] The Group holds $2.0 million of Security Deposits in respect of tenancy security deposits in an interest-bearing term deposit with the Commonwealth Bank.

[b] The Group holds 1,089,922 shares in Brisbane Markets Limited (BML). The carrying value of these shares are assessed at fair value (30 June 2024: $4.38 per share; 30 June 2023: $4.76 per share). The valuation decrease of $409k for the year ended 30 June 2024 has been recognised as a Fair value loss on financial assets through profit and loss (2023: gain $609k).

Receipts from customer security deposits

Receipts from customer security deposits are held as cash in a separate bank account and a separate term deposit (refer Note 9a). This account and term deposit are not used for any other purpose than refunding or holding security deposits; which are recorded as a liability in Note 16 of this financial report. Amounts held as customer security deposits are restricted and therefore not expected to be used to settle a liability for at least twelve months after the reporting date.

9(b) Other assets

	2024 $'000	2023 $'000
Current		
Prepayments	671	805
Inventories	16	10
Total current	**687**	**815**
Non-current		
Receipts from customer security deposits	1,113	637
Software capitalisation	94	12
Total non-current	**1,207**	**649**

10. Property, plant and equipment

	2024	2023
Plant and equipment comprises:	**$'000**	**$'000**
Fixed assets under construction	3,390	2,182
Property, plant and equipment at cost	7,356	7,188
Less: Accumulated depreciation	(3,589)	(3,116)
	7,157	**6,254**
Reconciliation:		
Carrying amount at start of year	6,254	4,784
Additions	5,485	3,714
Disposals/transfer to Investment Property	(4,085)	(1,754)
Depreciation	(497)	(490)
Carrying amount at end of year	**7,157**	**6,254**

Measurement and recognition of property, plant and equipment

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal cost, the cost approximates fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

De-recognition

Upon disposal or de-recognition of an item of property, plant and equipment, any gain or loss is recognised in the consolidated statement of profit or loss.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight-line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable assets are:

Plant and equipment	3 to 20 years
Office equipment	5 to 10 years

Construction in progress

Property under construction held for future use as investment property is also carried at fair value unless fair value cannot yet be reliably determined.

If fair value cannot yet be reliably determined, the property will be accounted for at cost until either the fair value can be reliably determined or when construction is complete.

11. Investment Properties

	Investment Property $'000	Undeveloped Land $'000	Total $'000
Balance at 30 June 2022	**232,000**	**18,000**	**250,000**
Revaluation	246	-	246
Additions/Land development	1,754	-	1,754
Balance at 30 June 2023	**234,000**	**18,000**	**252,000**
Revaluation	7,265	8,250	15,515
Additions/Land development	5,485	-	5,485
Balance at 30 June 2024	**246,750**	**26,250**	**273,000**

Investment properties are properties held either to earn rental income, for capital appreciation or for both, that are not occupied by the consolidated entity.

Investment properties are initially measured at cost including transaction costs; and 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, values the Group's property annually.

An independent valuation of the investment properties was completed by CBRE Valuations Pty Limited (CBRE) as at 30 June 2024 (and as at 30 June 2023).

12. Fair value measurements

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2023 Consolidated				
Assets				
Derivative financial instruments	-	155	-	155
Share investment	-	5,187	-	5,187
Investment properties	-	252,000	-	252,000
	-	**257,342**	**-**	**257,342**
Liabilities				
Derivative financial instruments	-	-	-	-
	-	**-**	**-**	**-**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024 Consolidated				
Assets				
Derivative financial instruments	-	113	-	113
Share investment	-	4,778	-	4,778
Investment properties	-	273,000	-	273,000
	-	**277,891**	**-**	**277,891**
Liabilities				
Derivative financial instruments	-	-	-	-
	-	**-**	**-**	**-**

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded 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 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. Incorporated into the valuation have also considered the Cap Hedge arrangement.

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 2024 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.

13. Payables

Current	2024 $'000	2023 $'000
Accounts payable	1,500	1,445
Sundry creditors	1,531	786
Employee salaries payable	19	16
Interest payable	2	112
Net GST payable	87	199
Income tax payable / (refundable)	(341)	(21)
Total current payable	**2,798**	**2,537**

Trade and other payables
Trade and other payables are recognised at the amounts payable when the Group becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. Trade and other payables are unsecured.

14. Borrowings (Secured)

Non-current	2024 $'000	2023 $'000
Term loan (net of associated costs)	83,564	83,538
Total non-current	**83,564**	**83,538**

Terms and conditions relating to the secured loan

(a) The facility comprises a $110 million cash advance and construction facility which are interest bearing at a floating rate of interest linked to BBSY, an overdraft facility of $2 million, an asset finance facility of $0.5 million and a Corporate Card facility of $0.1 million.

The facility term end date was varied to 1 October 2025 in June 2022. Interest rate risks are managed through interest rate swaps arrangements (as disclosed in Note 23).

As at 30 June 2024, $83.6 million has been drawn ($26k drawn in FY24 relates to the new loan facility for Property Development and the Solar Project).

(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 30 June 2024 is $273 million (2023: $252 million).

(c) The financial covenants under the loan facility with CBA 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 (30 June);

b. The interest cover ratio (ratio between EBITDA to interest expenses) is not less than 2.5 times on each calculation date occurring prior to and including 30 June 2024. When renegotiating the extension of facility this covenant has dropped to 1.75 to reflect current market conditions.

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 CBA:

- Cash advance facility $950k
- Construction facility $312k
- Overdraft facility with a limit of $2 million
- Asset Finance Leasing facility with a limit of $500k
- Corporate Card facility with a limit of $100k
- S2 Warehouse facility with a limit of $13.2 million ($26k has been drawn as loan establishment fee)
- Solar Project facility with a limit of $12 million

These facilities form part of the finance facilities with CBA.

Reconciliation of borrowings arising from financing activities:

			Non-cash changes		
	2023 $'000	**Cash flows $'000**	**Addition $'000**	**Fair value changes $'000**	**2023 $'000**
Term loan (net of associated costs)	83,538	-	-	-	**83,538**
Total non-current	**83,538**	**-**	**-**	**-**	**83,538**

			Non-cash changes		
	2024 $'000	**Cash flows $'000**	**Addition $'000**	**Fair value changes $'000**	**2024 $'000**
Term loan (net of associated costs)	83,538	-	26	-	**83,564**
Total non-current	**83,538**	**-**	**26**	**-**	**83,564**

15. Employee benefit obligations

Current	2024 $'000	2023 $'000
Annual leave	160	111
Total current	**160**	**111**

Non-current		
Long service leave	38	27
Total non-current	**38**	**27**

Employee benefit obligations

Annual leave and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Any annual leave that is not expected to be settled wholly within 12 months after the end of the reporting period is considered to be 'other long-term employee benefits'.

Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments, consideration is given to expectations of future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Annual leave and unconditional long service leave provisions are classified as current liabilities when the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

16. Other Liabilities

Current	2024 $'000	2023 $'000
Deposit – magnetic access cards	77	78
Income in advance	74	7
Total current	**151**	**85**

Non-current		
Security deposits (Tenant leases)	3,114	2,637
Deferred settlement consideration	9,354	9,004
Derivative financial liabilities – Cash flow hedges	(113)	(155)
Total non-current	**12,355**	**11,486**

Deferred settlement consideration

Deferred settlement consideration is in respect of $10 million payable to the Western Australian Government for the acquisition of Market City on 31 March 2016. 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.

Derivatives

The Group's accounting policy for its cash flow hedges is set out in Note 2.3 (g).

17. Related Party Disclosure

Parent Entity

Perth Markets Group Limited

Subsidiaries

Interests in subsidiaries are set out below:

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 2.2.

	Principal place of business / Country of incorporation	**2024 %**	**2023 %**
Market City Operator Co Pty Ltd	Perth, Australia	100%	100%
Market City Asset Manager Co Pty Ltd	Perth, Australia	100%	100%

Key management personnel compensation

Key management personnel includes non-executive board members. The aggregate compensation made to Directors and other members of key management personnel of the Group is set out in Note 24.

Directors and Director-related entities hold directly, indirectly or beneficially as at reporting date the following number of shares in this Group.

Shares

	2024 '000	% of Company	2023 '000	% of Company
Brisbane Markets Limited	28,832	49.00%	26,804	44.33%
United Crate Co-operative Ltd	10,628	18.06%	10,628	18.06%
South Australian Produce Markets Limited	7,821	13.29%	7,821	13.29%
Market West (The Chamber of Fruit & Vegetable Industries WA (Inc))	2,120	3.60%	2,120	3.60%
Oresusa Pty Ltd	773	1.31%	1,205	2.05%
Maria Ann Lendich	500	0.85%	500	0.85%
Miro Lendich	500	0.85%	500	0.85%
Davish Pty Ltd	20	0.03%	20	0.03%
Lendich Superannuation Fund	8	0.01%	238	0.40%
Jonathan Michael Lendich	5	0.01%	100	0.17%
Nicole Louise Lendich	5	0.01%	100	0.17%
Rachel Samantha Lendich	5	0.01%	100	0.17%
Total	**51,217**	**87.05%**	**50,136**	**83.97%**

Transactions with related parties

The Group transacted with several Directors in the Group and their related entities as customers and suppliers, in relation to leased premises, market services and reimbursement of director costs. The amounts charged were based on normal market rates (excluding GST) and amounted to:

	2024		2023	
	$'000	$'000	$'000	$'000
	Charged by	Received from	Charged by	Received from
Brisbane Markets Limited [a]	11	-	11	-
Market West [b,c]	175	87	152	78
Evered Nominees[d]	-	845	-	774
Total	**186**	**932**	**163**	**852**

Director	Related entities
A. Young	Brisbane Markets Limited
M. Lendich	Miro Lendich family entities and United Crate Co-operative Ltd
P. Skinner	Market West (Chamber of Fruit & Vegetable Industries in Western Australia (Inc))
J. Ryan	Market West (Chamber of Fruit & Vegetable Industries in Western Australia (Inc))
P. Neale	Market West (Chamber of Fruit & Vegetable Industries in Western Australia (Inc)) and Evered Nominees (T/A Mercer Mooney Pty Ltd)

These amounts exclude any amount payable as a director fee as these are disclosed in Remuneration of members of the accountable Group and senior officers at Note 24. These amounts are the total value of any amount receivable or payable from or to the related party and relate to:

(a) Brisbane Markets Limited - Reimbursement for travel expenses for Board representation at Board meetings (2024: $11k, 2023: $11k)

(b) Market West - Market price reporting (2024: $54k, 2023: $52k), Better Choice contribution (2024: $40k, 2023: $33k), contribution to the Perth Markets Ball (2024: $27k, 2023: $20k), Retailer of the Year / Mystery Shopper (2024: $15k, 2023: $15k), Acquisition of gas for forklift operations for the Waste Transfer Station (2024: $13k, 2023: $12k), Golf day (2024: $9k, 2023: $6k), Produce Executive Program (2024: $9k, 2023: $7k) and other (2024: $8k, 2023: $7k)

(c) Market West - Rent and tenant outgoing expenses (2024: $69k, 2023: $64k;), Utilities, waste disposal and other costs (2024: $10k, 2023: $7k;) and LPG CAPEX (2024: $8k, 2023: $7k).

(d) Evered Nominees - Rent and tenant outgoing expenses (2024: $654k, 2023: $624k), Utilities and waste disposal (2024: $142k, 2023: $111k), Parking (2024: $24k, 2023: $23k), Weekend Market trading fees (2024: $24k, 2023: $12k) and other costs (2024: $1k, 2023: $4k)

18. Contributed Equity

(a) Issued Capital

Issued Shares	PMGL $'000	Consolidated $'000
Balance at 30 June 2023 (Total shares: 58,840,131)	54,718	54,718
Balance at 30 June 2024 (Total shares: 58,840,131)	54,718	54,718

Ordinary Shares

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and the amount paid up, on shares held. Ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the company.

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 disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 18.

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) Reserves

	Retained earnings $'000	Cash flow hedge reserve $'000
Balance at 30 June 2022	**83,867**	**134**
Result for the year after tax	5,530	-
Movements in fair value of cash flow hedges	-	(112)
Distribution provided for the year	(3,825)	-
Balance at 30 June 2023	**85,571**	**22**
Result for the year after tax	15,369	-
Movements in fair value of cash flow hedges	-	(30)
Distribution provided for the year	(3,825)	-
Balance at 30 June 2024	**97,116**	**(8)**

19. Distributions / Dividends Paid

	$'000
Jun 2022 Final Dividend of 2021/22 at 3.5 cents per security paid Oct 2022	2,060
Dec 2022 Interim Dividend for 2022/23 at 3.0 cents per security paid Mar 2023	1,765
Total Dividend paid during the financial year 2023	**3,825**
Jun 2023 Final Dividend of 2022/23 at 3.5 cents per security paid Oct 2023	2,060
Dec 2023 Interim Dividend for 2023/24 at 3.0 cents per security paid Mar 2024	1,765
Total Dividend paid during the financial year 2024	**3,825**

Dividends paid during the financial year are fully franked at the tax rate of 30.0c per share. The franking account balance of PMGL is disclosed at Note 7.

Cash Dividend

The Company recognises a liability to pay a dividend when the dividend is authorised, and the dividend is no longer at the discretion of the Company. As per the corporate laws of Australia, dividend is authorised when it is approved by the Directors. A corresponding amount is recognised directly in equity.

20. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2024 $'000	2023 $'000
Operating (*)	2,566	7,146
Cash Management	2	2
	2,568	**7,148**

(*) This includes a working capital overdraft facility. In 2024 the account had a balance of $nil (2023: $nil)

(b) Reconciliation of profit after income tax equivalent to net cash flows provided by operating activities

	2024 $'000	2023 $'000
Profit after income tax for the period	15,369	5,530
Non-operating or non-cash items:		
Depreciation and amortisation expense	497	490
Revaluation of investment property and financial assets	(15,106)	(857)
Unwind of discounting in interest expense	350	337
(Increase)/decrease in assets:		
Receivables	(282)	474
Other assets	223	392
Deferred tax asset	6,589	2,357
Increase/(decrease) in liabilities:		
Payables	(3,522)	(3,213)
Provisions	(61)	9
Net cash provided by operating activities	**4,057**	**5,519**

Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) comprise cash on hand, net of bank overdrafts. Cash and cash equivalents include cash on hand and deposits held at call with financial institutions, which are subjected to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition.

21. Commitments

Capital project commitments

	2024 $'000	2023 $'000
Payable not later than 1 year	-	-
	-	**-**

22. Contingent Liabilities

In addition to the liabilities included in the financial statements, there are no contingent liabilities to be disclosed.

23. Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:

	2024 $'000	2023 $'000
Financial Assets		
Cash and cash equivalents	2,568	7,148
Security deposits	3,114	2,637
Receivables	598	318
Derivative financial instruments	113	155
Share investment (FVTPL)	4,778	5,187
Total financial assets	**11,171**	**15,445**
Financial Liabilities		
Trade payables	2,797	2,537
Borrowings	83,564	83,538
Deferred consideration	9,354	9,004
Security deposits	3,114	2,637
Total financial liabilities	**98,829**	**97,716**

Financial risk management objectives and policies

Financial instruments held by the Group are cash and cash equivalents, restricted cash and cash equivalents, borrowings, receivables, and payables. The Group has limited exposure to financial risks. The Group's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises from the Group's receivables and through the Group's cash balances held by banking institutions. The maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

The Group trades only with recognised, creditworthy third parties. The Group's cash balances are held by Australian banks with investment grade credit ratings. The Group has policies in place to ensure that leases are made to tenants with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is minimal. At the reporting date, there are no significant concentrations of credit risk.

All tenants with outstanding balances exceeding 7 days are notified of their outstanding debt. If this is not paid within 14 days, another letter is provided and a due date for payment advised. Where the due date is missed, the tenant is sent a default notice. The Group also has the capacity to charge interest on outstanding balances in accordance with the provisions of the lease.

The allowance for impairment of financial assets is calculated based on objective evidence, such as past experience and current and expected observable data indicating changes in client credit ratings. At reporting date, no impairment of financial assets was required, and no amounts were overdue.

Liquidity risk

Liquidity risk arises when the Group is unable to meet its financial obligations as they fall due. The Group is exposed to liquidity risk through its approach to capital management and its trading in the normal course of business.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans and finance leases. The Group has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments. The Group manages its short-term liquidity requirements through rigorous cash management and the availability of a $2 million overdraft facility of which $nil was utilised at reporting date (2023: $nil).

	Carrying amount $'000	Up to 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Total contractual cash flows $'000
2023							
Non-derivatives							
Payables	2,537	2,537	-	-	-	-	2,537
Term borrowings	83,538	1,172	3,551	9,188	13,898	86,764	114,573
Deferred consideration [1]	9,004	-	-	-	10,000	-	10,000
Gross-settled Derivatives [2]							
Interest rate swaps – inflow	(155)	(447)	(1,744)	(2,719)	(5,196)	(1,466)	(11,572)
Interest rate swaps - outflow		423	1,473	2,534	5,452	1,404	11,286
Total financial liabilities	**94,924**	**3,685**	**3,280**	**9,003**	**24,154**	**86,702**	**126,824**

	Carrying amount $'000	Up to 3 months $'000	3-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Total contractual cash flows $'000
2024							
Non-derivatives							
Payables	2,798	2,798	-	-	-	-	2,798
Term borrowings	83,564	1,172	3,552	86,791			91,515
Deferred consideration [1]	9,354	-	-	10,000	-	-	10,000
Gross-settled Derivatives [2]							
Interest rate swaps – inflow	(113)	(702)	(2,026)	(2,226)	(3,351)	(471)	(8,776)
Interest rate swaps - outflow	-	642	1,823	2,149	3,460	449	8,523
Total financial liabilities	**95,603**	**3,910**	**3,349**	**96,714**	**109**	**(22)**	**104,060**

Deferred consideration: $10 million payable to the Western Australian Government for the acquisition of Market City on 31 March 2016 initially recognised at fair value and subsequently measured at amortised cost using 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.

Gross-settled Derivatives includes the combined instruments of a fixed hedge with notional value of A$60M (2023: $40M) and Cap hedge with a notional value of A$20M (2023: $20M).

Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The Group is not exposed to foreign currency risk or other price risks. The Group's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations that are at a floating rate of interest determined with reference to BBSY.

The Group uses derivative financial instruments (interest rate swaps) to reduce the exposure to market risks arising from changes in interest rates. The Group does not enter into derivative contracts for the purposes of trading. Hedging decisions are made based on the Group's interest rate risk position. Hedging for the purpose of this policy means a transaction which reduces the calculated interest rate risk on the overall portfolio of interest-bearing assets and liabilities using one or more of the interest rate risk measures of value at risk, sensitivity or accrued simulation.

The risk has been managed through the use of an interest rate swap, which covers the entire principal of the loan for its duration. The Group has therefore an immaterial current exposure to interest rate risk in the income statement.

24. Remuneration of Key Management Personnel

	2024 $	2023 $
Base remuneration and superannuation	1,233,944	1,077,529
Annual leave and long service leave accruals	47,199	26,493
Other benefits	-	13,761
The total remuneration of key management personnel	**1,281,143**	**1,117,783**

25. Remuneration of auditor

Auditors of the Group – BDO Audit Pty Ltd and its related entities

	2024 $	2023 $
Audit and review of financial statements	91,896	86,544
Other assurance service (variable outgoings audit)	20,350	19,570
Other non-audit services		
Restructure advisory	-	-
Taxation compliance	52,602	48,307
Total Other non-audit services	**52,602**	**48,307**
Total remuneration of auditor	**164,848**	**154,421**

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important. The Board of Directors, in accordance with advice provided by the Audit Finance & Risk Committee (AFRC), is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons: APES110(290)

(a) All non-audit services have been reviewed by the AFRC to ensure they do not impact the impartiality and objectivity of the auditor, and

(b) None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

26. Parent Entity Note

The individual financial statements for the parent entity show the following aggregate amounts:

	2024 $'000	2023 $'000
Current assets	338	302
Total assets	953	(468)
Current liabilities	759	451
Total liabilities	34,207	23,899
Net assets	**(33,339)**	**(24,368)**
Shareholders' equity		
Contributed equity	54,718	54,718
Reserves	(7)	22
Retained earnings	(88,048)	(79,107)
Total equity	**(33,339)**	**(24,368)**
Profit and total comprehensive income for the year	**(10,236)**	**(1,895)**

Contingent liabilities of the parent entity
The parent entity did not have any contingent liabilities as at 30 June 2024 (2023: nil).

Contractual commitments of the parent entity
The parent entity did not have any contractual commitments as at 30 June 2024 (2023: nil).

Determining the parent entity information
The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements.

27. Events Since the End of the Financial Year

Since financial year end two construction contracts have been signed, to complete the Warehouse and Solar projects detailed above. These contracts are with:

1) PS Structures (Warehouse) $14.9M
2) Western Australia Alternate Energy (Solar) $8.6M

PMGL has funded preliminary works from free cash and secured the remaining funds through extension of the existing CBA construction facility. This deal was closed during the FY24 financial year.

Consolidated Entity Disclosure Statement
Year Ended 30 June 2024

Name of Entity	Type of Entity	Trustee, Partner of Participant in JV	% of Share capital	Place of Business / Country of Incorporation	Australian Resident or Foreign Resident	Foreign Jurisdiction(s) of Foreign Residents
Perth Markets Group Limited	Parent Entity	-	100%	Australia	Australian	n/a
Market City Asset Manager Co Pty Ltd	Body Corporate	-	100%	Australia	Australian	n/a
Market City Operator Co Pty Ltd	Body Corporate	-	100%	Australia	Australian	n/a

Directors’ Declaration

In the Directors' opinion:

(a) The financial statements and notes are in accordance with the Corporations Act 2001, including:
  (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  (ii) Giving a true and fair view of the consolidated entity’s financial position as at 30 June 2024 and of its performance for the year ended on that date, and

(b) The consolidated entity disclosure statement is true and correct, and

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Chair
Giovanni Groppoli
29th August 2024

Non-Executive Director
Richard Thomas
29th August 2024