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MUSTERA PROPERTY GROUP

MUSTERA PROPERTY GROUP LTD

ABN 13 142 375 522

ANNUAL REPORT
30 JUNE 2024

DIRECTORS

Mr Nicholas Zborowski	- Executive Director
Mr Anthony Ho	- Non-Executive Director
Mr Jack Spencer-Cotton	- Non-Executive Director

COMPANY SECRETARY

Mr Adrian Teo
Mr Amos Tan
Ms Natalie Teo – resigned 18 March 2024

REGISTERED OFFICE

Suite 6, 4 Riseley Street
APPLECROSS, WA, AUSTRALIA, 6153

PRINCIPAL PLACE OF BUSINESS

Suite 6, 4 Riseley Street
APPLECROSS, WA, AUSTRALIA, 6153
Telephone: +61 8 9386 7069

Website: www.mustera.com.au

AUDITOR

BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

SHARE REGISTRY

Automic Registry Services
Level 5, 126 Phillip Street
SYDNEY, NSW, AUSTRALIA, 2000
Telephone: +61 2 9698 5414

STOCK EXCHANGE

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

ASX Code: MPX

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*The Directors present their report together with the consolidated financial statements of the Group comprising of Mustera Property Group Ltd (**Company** or **Parent Entity**) and its controlled entities (**Group** or **Consolidated Entity**) for the year ended 30 June 2024 and the auditor's report thereon.*

DIRECTORS

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

Mr Nicholas Zborowski
Executive Director, B.Com – appointed 10 June 2014
Mr Zborowski has over 17 years' experience in the property development and funds management industry and has managed a diverse range of projects and portfolios in Australia and the Middle East. Prior to commencing work with the Company in January 2014, Mr Zborowski held senior roles with Charter Hall, Tourism Development Investment Company (TDIC), Emaar Malls Group and Australand. Mr Zborowski has a Commerce Degree with a major in Property from Curtin University, Western Australia.

Mr Anthony Ho
Non-Executive Director, B.Com – appointed 3 April 2014
Mr Ho is a commerce graduate of the University of Western Australia. He qualified as a Chartered Accountant in 1983 with Deloitte and is presently a partner of a consultancy firm, Anthony Ho and Associates, specialising in providing corporate and financial services to ASX-listed companies. Prior to establishing his firm in 1991, he spent 7 years in a senior corporate role with a major investment and resource group in Western Australia. He is currently a non-executive director of two other companies listed on ASX.

Mr Ho is the chair of the Audit and Risk Committee (**ARC**), and a member of the Nomination and Remuneration Committee (**NRC**).

Mr Jack Spencer-Cotton
Non-Executive Director - appointed 4 April 2014
Mr Spencer-Cotton has over 28 years' experience in the field of engineering. He has held a range of senior engineering roles in international manufacturing companies, as well as established his own business in engineering and consulting. He has previously held senior engineering roles at Pfizer Perth, ERG Group Ltd, Sanmina-SCI Corporations and SRX Global. Mr Spencer-Cotton is presently a non-executive director of two other companies listed on ASX.

Mr Spencer-Cotton is a member of the ARC, and the chair of the NRC.

COMPANY SECRETARY

Ms Natalie Teo, B. Com. – appointed 11 May 2023, ceased 18 March 2024
Ms Teo graduated with a Bachelor of Commerce majoring in Marketing and Management and a Masters in Accounting from Curtin University in Western Australia. She also holds a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia. Ms Teo is a Chartered Secretary and an Associate of the Governance Institute of Australia. She is currently the secretary to several ASX and NSX-listed entities and is working with a firm which provides company secretarial and accounting services to both listed and unlisted entities.

Mr Adrian Teo, B.Com, CA – appointed 18 March 2024
Mr Adrian Teo graduated with a Bachelor of Commerce majoring in Financial Accounting and Corporate Finance from the University of Western Australia. He is a Chartered Accountant with the Chartered Accountants Australia and New Zealand. Mr Teo is currently an associate of a firm which is principally focussed in providing corporate and financial services to companies listed on the ASX.

Mr Amos Tan, B.Com – appointed 18 March 2024
Mr. Amos Tan graduated with a Bachelor of Commerce majoring in Corporate and Investment Finance from the University of Western Australia. Mr. Tan is currently an associate of a firm which is principally focused in providing corporate and financial services to companies listed on the ASX.

DIRECTORSHIPS IN OTHER LISTED ENTITIES

Directorships in other listed entities held by Directors of the Company during the last 3 years immediately before the end of the financial year are as follows:

Director	Company	Period of directorship	
		From	To
Nicholas Zborowski	Not Applicable	-	-
Anthony Ho	Alchemy Resources Limited	2011	Present
	Australian Agricultural Projects Limited	2003	Present
Jack Spencer-Cotton	Baumart Holdings Limited	April 2024	Present
	Newfield Resources Limited	May 2021	Present

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DIRECTORS' INTERESTS

The relevant interests of each director in the securities of the Company at the date of this report are as follows:

Director	Shares	Options	Performance Rights[1]
Nicholas Zborowski	2,633,450	-	1,000,000
Anthony Ho	2,596,394	-	600,000
Jack Spencer-Cotton	2,332,219	-	600,000

Note:

4,400,000 class C and D Performance Rights were granted to Directors following shareholder approval in November 2022. At balance date, a total of 2,200,000 Performance Rights granted to Directors have vested in accordance with the terms of their issue following the achievement of applicable performance milestones and 2,200,000 Performance Rights have lapsed due to not achieving the relevant milestones. These Performance Rights may be exercised at the election of the Directors.

DIRECTORS' MEETINGS

The number of Directors' meetings held (including meetings of Committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board		ARC		NRC	
Director	Held	Attended	Held	Attended	Held	Attended
Nicholas Zborowski	5	5	2	2	N/A	N/A
Anthony Ho	5	5	2	2	0	0
Jack Spencer-Cotton	5	5	2	2	0	0

COMMITTEE MEMBERSHIP

As at the date of this Report, the Company had an Audit and Risk Committee and Nomination and Remuneration Committee of the Board of Directors.

Members of the Audit and Risk Committee and Nomination and Remuneration Committee during the financial year were:

Director	ARC Position Held	NRC Position Held
Anthony Ho	Chair	Member
Jack Spencer-Cotton	Member	Chair

PRINCIPAL ACTIVITY

The principal activity of the Group during the financial year was property investment and development.

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REVIEW OF OPERATIONS

The Group recorded a profit after income tax of $8,309,044 for the financial year (2023: loss of $5,751,974). Revenue of $68,760,129 was recorded which was largely comprised of proceeds from the sale of apartments following the successful completion of its Forbes Residences Project in Applecross.

During the year, Mustera continued to focus on progressing its portfolio of development assets and delivering rental revenue and management fees through its investments during the year.

Further details of the Group's operating activities during the year are outlined below.

PROJECTS COMPLETED

10 Forbes Road, Applecross WA – The Project reached practical completion in April 2024.

48 contracted apartment sales were settled during the year reflecting revenue of $66,579,194. The proceeds from the settlement of these apartments facilitated the retirement of $60.8m of senior debt associated with the project.

Subsequent to the year end, a further 3 apartments have been settled and 1 apartment currently under contract to be settled. The Company continues to market the remaining 5 unsold apartments and 4 unsold commercial units. The residual inventory has an approximate valuation of $22m which the Group expects will be realised in the current financial year.

In July 2024, Forbes Residences was the winner of the Masters Builders Association and Commonwealth Bank "Best Project of the Year" award. This prestigious award reflects the excellent contribution of Pact Construction and the collaborative work of international award winning Singapore architectural firm, WOHA and Perth based architects, MJA Studio.

FUTURE PROJECTS

15 McCabe Street, North Fremantle WA – The property, with direct ocean and river views, comprises office improvements of approximately 2,000m^2 over two levels, on a 2,398m^2 site.

The project received development approval in March 2023 from the Joint Development Assessment Panel for 42 apartments over 8 levels. The Group has commenced with preparation of the marketing collateral with a targeted marketing launch in Q4CY 2024.

Consistent with the Group's strategy, rental income is being generated from the leased property whilst development planning is being undertaken.

75 Haig Park Circle, East Perth WA - The property comprises a 2,233m^2 site and is situated near the corner of Plain and Royal Street, 1.5 km from the Perth Central Business District. Improvements include an open air at-grade car park with fifty car bays. The property is currently leased for public parking.

The Group is undertaking due diligence and feasibility studies on the development options for the site.

Consistent with the Group's strategy, rental income is being generated from the leased property whilst development planning and approvals are being undertaken.

Grace Quarter, Lot 801 Helena Street, Midland WA – The 2,390m^2 site is located on the corner of Helena Street and Yelverton Drive and forms a part of the Midland Railway Workshops precinct.

The Group continues to assess market conditions in anticipation of reinstating the expired development approval. In addition, the Company is also looking at alternative development options for the property.

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SUBSEQUENT EVENTS

On 3 July 2024, a loan of $3.5m with a major shareholder of the Group, Anrinza Future Pty Ltd was fully repaid.

On 4 July 2024, the Company refinanced its matured loan with Bankwest to NAB of $10.78 million.

Subsequent to reporting date, 3 additional units of Forbes Residences totalling $2.788 million of sales were settled.

Other than what has been disclosed in the accounts, no matters or events have arisen since 30 June 2024 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group will continue to develop its existing projects and review and assess other acquisition and development opportunities in the property market.

DIVIDENDS

No dividends have been declared or paid by the Company to the date of this report.

ENVIRONMENTAL REGULATION

The Directors are not aware of any particular significant environment regulation under a law of the Commonwealth, State or Territory relevant to the Group.

SHARE UNDER OPTIONS

No options were exercised during or since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify the current Directors and Joint Company Secretaries of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the Directors of the Company, the Joint Company Secretaries, and all executive officers of the Company against a liability incurred to the extent permitted by the Corporations Act 2001. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against 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.

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NON-AUDIT SERIVCES

During the year the Group's auditor, BDO Audit Pty Ltd, and its network firms, have performed certain other services in addition to the audit and review of the financial statements.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Details of the amount paid to the auditor of the Parent Entity, BDO Audit Pty Ltd, and its network firms for non-audit services provided during the year are set out below:

	2024 $	2023 $
Services other than audit and review of financial statements:		
Tax compliance	15,914	33,840
Technical consultation	2,781	5,150
Total remuneration for non-audit services	**18,695**	**38,990**

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 at the end of the Independent Auditor's Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

CORPORATE GOVERNANCE

A copy of the Group's corporate governance statement can be found on the Company's website at http://mustera.com.au/corporate-governance.

MATERIAL BUSINESS RISKS

The Group has set out below potential risks that may have a material impact on the Group's future financial performance and operations.

The Group makes every effort to identify materials risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Group or by investors in the Group, nor are they in order of significance. Actual events may be different to those described.

The Group's management of material risks and the systems which it has in place to manage these risks include the following.

Project, Development and Design Risks

This risk is categorised as environmental, social, and economic risk and is managed through monthly project reporting and reviews, introduction and adherence to corporate governance policies and processes. A rigorous and structured procurement approach to the selection and engagement of the preferred contractor for a project, using appropriate industry advisors, is critical to ensure the success of a development project. Policies, processes, and procedures assist to identify the risks from design, procurement and construction stages of the project.

Financial Risk

This risk is categorised as economic risk and is managed through detailed budgeting and forecasting, and monthly reporting systems. Financial risk including internal cost overruns, cashflow management, external market conditions and the existence of legacy matters are all risks to the objectives of delivering sustainable returns for shareholders and securing growth. Comprehensive budgeting and monthly Board reporting are some of the many risk management tools which ensure the highest level of due diligence in assessing and managing financial risk to Mustera as an operating entity.

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Finance Facility Risk

The Group have procured debt finance facilities to fund the acquisition of properties and for working capital purposes, most of which are secured against the Group's real and personal property interests. These facilities are subject to various borrower covenants which must be complied with by the Group (as applicable), breach of which may result in default action against the Group. Any such default action by a financier may have a material adverse financial impact on the Group.

Cyber Risk

This risk is categorised as a business risk and is managed by undertaking regular risk and mitigation assessments of its exposure to disruption events and the impact of an event on its ability to operate. The Group has a high focus on prevention and also continues to invest in recovery measures, processes of detection and raising employee awareness to ensure the integrity of its cyber operating environment.

People Risk

Future financial and operational performance of the Group is dependent on the performance and retention of key personnel, in particular executive management. The unplanned or unexpected loss of key personnel, or the inability to attract and retain experienced individuals to the business may adversely affect the Group's future financial performance.

The Remuneration Report, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Group at any time during the financial year and unless otherwise indicated were key management personnel for the entire year:

Name	Position held
Nicholas Zborowski	Executive Director
Anthony Ho	Non-Executive Director
Jack Spencer-Cotton	Non-Executive Director

PRINCIPLES OF REMUNERATION

The remuneration structure explained below are competitively set to attract, motivate and retain suitably qualified and experienced candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The remuneration structure take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control the achievement of strategic objectives;
- the Group's performance including:
  - the growth in share price; and
  - the amount of incentives within each key management person's compensation.

REMUNERATION STRUCTURE

In accordance with best practice corporate governance, the structure of non-executive directors' remuneration is clearly distinguished from that of executives. Remuneration is determined by the Board as a whole and the Company established a Nomination and Remuneration Committee on 14 June 2023.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by shareholders in general meeting. Total remuneration for all non-executive directors, last voted upon by shareholders in 2014, is not to exceed $300,000 per annum. Directors' fees cover all main board activities and membership of committees if applicable.

Non-executive directors do not receive any retirement benefits, other than statutory superannuation.

Non-executive directors' fees as at the reporting date are as follow:

Name	Non-Executive Directors' fees
Anthony Ho	$40,000 plus statutory superannuation per annum
Jack Spencer-Cotton	$40,000 plus statutory superannuation per annum

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EXECUTIVE REMUNERATION

Remuneration for executives is set out in employment agreements. Details of the employment agreement with the Executive Director are provided below.

The Executive Director may receive performance-related compensation but does not receive any retirement benefits, other than statutory superannuation.

FIXED REMUNERATION

Fixed remuneration consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds.

Fixed remuneration is reviewed annually by the Board through a process that considers individual and overall performance of the Group.

ASSESSING PERFORMANCE AND CLAW-BACK OF REMUNERATION

The Board is responsible for assessing performance against Key Performance Indicators (**KPI**s) and determining the Short-term Incentives (**STI**) and Long-term Incentives (**LTI**) to be paid. To assist in this assessment, the Board may request detailed reports on performance from management which are based on independently verifiably data such as financial measures, market share and data from independently run surveys. In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

At reporting date, the Group does not have any formal bonus scheme in place. The Group currently does not have any ongoing commitment to pay bonuses.

Long-term incentive

Long-term Incentives (**LTI**) may be provided to key management personnel in the form of options over ordinary shares of the Company. LTI are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to Directors subject to approval by shareholders in general meeting.

The Company's Securities Trading Policy prohibits employees and Directors of the Company from entering into transactions that operate or are intended to operate to limit the economic risk or are designed or intended to hedge exposure to unvested Company securities. This includes entering into arrangements to hedge their exposure to LTI granted as part of their remuneration package.

This policy may be enforced by requesting employees and Directors to confirm compliance.

There was no cash remuneration paid during the period that was linked to performance measures.

CONSEQUENCE OF PERFORMANCE ON SHAREHOLDER WEALTH

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

	2024	2023	2022	2021	2020
Net profit/(loss) for the year	$8,309,044	($5,751,974)	($2,234,733)	($2,490,661)	($1,065,936)
Dividends paid	Nil	Nil	Nil	Nil	Nil
Closing share price (30 June)	$0.25	$0.25	$0.295	$0.30	$0.30
Profit/(Loss) per share (cents)	5.68	(3.99)	(1.58)	(2.23)	(1.07)
Weighted average number of shares on issue	146,235,132	144,235,132	141,379,874	111,541,525	99,616,115

USE OF REMUNERATION CONSULTANTS

The Group did not engage the services of a remuneration consultant during the year.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2023 ANNUAL GENERAL MEETING (AGM)

At the 2023 AGM, 99.99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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EMPLOYMENT AGREEMENTS

Remuneration and other terms of employment for the executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Other major provisions of the agreements relating to remuneration are set out below.

Termination benefits are within the limits set by the Corporations Act 2001 such that they do not require shareholder approval.

	FY23	FY24
Name	N Zborowski	N Zborowski
Commencement Date	1 July 2014	1 July 2014, with changes to base salary taking effect on and from 1 July 2023
Term of agreement	No fixed term	No fixed term
Notice period[1]	3 months	3 months
Base salary (exc superannuation)	$180,000	$235,000
Termination payments	Nil	Nil

Note:

1. The notice period applies equally to both the Company and Mr Zborowski.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

		SHORT-TERM			POST-EMPLOY-MENT	SHARE-BASED PAYMENTS		
		Salary & fees[1] $	STI cash bonus $	Annual leave[3] $	Super-annuation benefits $	Performance Rights[2] $	Total $	Proportion of remuneration performance related %
Non-executive Directors								
A Ho	2024	42,367	-	-	-[5]	-	42,367	N/A
	2023	20,000	-	-	-	261,770	281,770	92.9
J Spencer-Cotton	2024	44,400	-	-	4,884	-	49,284	N/A
	2023	20,000	-	-	2,100	261,770	283,870	92.2
Executive Director								
N Zborowski	2024	227,770	-	7,231	25,055	-	260,056	N/A
	2023	180,000	-	17,307[4]	18,900	436,283	652,490	66.9
Total	**2024**	**314,537**	**-**	**7,231**	**29,939**	**-**	**351,707**	**N/A**
	2023	**220,000**	**-**	**17,307[4]**	**21,000**	**959,823**	**1,218,130**	**78.8**

Notes:

1. Includes non-monetary benefits as per Corporations Regulation 2M.3.03(1) Item 6
2. Performance rights granted under the performance rights scheme are expensed over the performance period, which includes the year to which it relates and the subsequent vesting period of the rights.
3. The amounts disclosed in this column represent the movement in the associated annual leave provisions.
4. Restatement of prior year, as management had disclosed closing balance rather than paid out amount.
5. Paid as fees to the director's investment trust , the amount of which is inclusive of any superannuation entitlement.

SHARE-BASED REMUNERATION

No options over ordinary shares in the Company were granted as compensation to each key management person during the reporting period. On 12 July 2023, the Company announced expiration of 14,004,449 unquoted options and on 1 December 2023, the Company announced further expiration of 2,500,000 unlisted options.

On 30 January 2024 the Directors exercised the conversion of a total of 2,000,000 performance rights that was granted to Directors at the AGM held on 30 November 2020 (being class A & B performance rights as set out in note 25). The total notional value of the performance rights was $500,000 at exercise date.

At reporting date, 2,200,000 have vested and unexercised (being class C performance rights as set out in note 25). On 6 March 2024, the Company announced that 2,200,000 performance rights class D have lapsed due to non-achievement of the performance condition under which they were issued.

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Holder	Class	Number	Grant Date	Vested	Expiry Date of milestone achievement	Fair value per right	Total Fair Value
Nicholas Zborowski	C	1,000,000	28/11/2022	100%	28/11/2025	$0.275	$275,000
Jack Spencer-Cotton	C	600,000	28/11/2022	100%	28/11/2025	$0.275	$165,000
Anthony Ho	C	600,000	28/11/2022	100%	28/11/2025	$0.275	$165,000

The performance rights were valued at 27.5 cents a share being the share price on grant date 28 November 2022. Vesting occurs at the end of the performance period dated 28 November 2025, if the following performance conditions are met:

C) Upon announcement by the Company on the ASX market announcements platform of the approval of its development application for its property situated in 15 McCabe Street, North Fremantle WA 6159 by the City of Fremantle or alternate statutory authority by 30 November 2023. The probability of the performance rights to be exercised is 100%.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There have been no other transactions with key management personnel during the reporting period.

MOVEMENT IN KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Fully paid ordinary shares

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2023	Granted as remuneration	Additions	Disposals/Other	Held at 30 June 2024
N Zborowski	1,633,450	-	1,000,000	-	2,633,450
A Ho	2,096,394	-	500,000	-	2,596,394
J Spencer-Cotton	1,832,219	-	500,000	-	2,332,219

Options over ordinary shares (expired)

The movement during the reporting period in the number of options over ordinary shares held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2023	Granted as remuneration	Acquired	Exercised	Disposals/ Other	Held at 30 June 2024
N Zborowski	1,000,000	-	-	-	(1,000,000)	-
A Ho	500,000	-	-	-	(500,000)	-
J Spencer-Cotton	711,408	-	-	-	(711,408)	-

Performance rights

The movement during the reporting period in the number of performance rights held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

	Held at 1 July 2023	Granted as remuneration	Acquired	Exercised	Disposals/ Other	Held at 30 June 2024	Vested during the year	Vested and exercisable at 30 June 2024
N Zborowski	3,000,000	-	-	1,000,000	(1,000,000)	1,000,000	1,000,000	1,000,000
A Ho	1,700,000	-	-	500,000	(600,000)	600,000	600,000	600,000
J Spencer-Cotton	1,700,000	-	-	500,000	(600,000)	600,000	600,000	600,000

This concludes the remuneration report, which has been audited.

This Directors' Report is made out in accordance with a resolution of the Directors:

Nicholas Zborowski
Executive Director
Dated at Perth this 30th day of August 2024.

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	Note	2024 $	2023 $
Revenue	5	68,760,129	2,253,093
Cost of sales		(47,221,310)	-
Gross Profit		21,538,819	2,253,093
Property expenses and outgoings		(1,218,039)	(962,106)
Property development costs		(5,966,507)	(782,966)
Employee benefits expenses		(526,509)	(392,374)
Share based payments	25	610,296	(1,396,108)
Administration and overhead costs		(583,122)	(756,349)
Amortisation and depreciation		(162,533)	(32,017)
(Increase)/Decrease in net assets attributable to unitholders		(106,128)	183,789
Other Expenses		(7,952,542)	(4,138,131)
Finance income		89,213	77,986
Finance costs		(5,366,446)	(3,944,922)
Net Finance Costs		(5,277,233)	(3,866,936)
Profit/(Loss) before income tax		8,309,044	(5,751,974)
Income tax benefit/(expense)	6	-	-
Net Profit/(Loss) for the year		**8,309,044**	**(5,751,974)**
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the ordinary equity holders of the Company		**8,309,044**	**(5,751,974)**
Total comprehensive loss for the year is attributable to:			
Ordinary equity holders of the parent		8,309,044	(5,751,974)
Non-controlling interest		-	-
		8,309,044	**(5,751,974)**
Earnings/(loss) per share (cents)			
Basic earnings/(loss) per share for the financial year (cents)	19	5.68	(3.99)
Diluted earnings/(loss) per share for the financial year (cents)	19	5.56	N/A

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position
As at 30 June 2024

MUSTERA PROPERTY GROUP

	Note	2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents	7	6,732,175	1,085,121
Trade and other receivables	8	2,611,416	685,668
Inventories	10	15,625,192	46,360,360
Other current assets		197,963	31,814
Total Current Assets		25,166,746	48,162,963
NON-CURRENT ASSETS			
Trade and other receivables	8	725,000	725,000
Inventories	10	12,122,181	12,122,181
Investment property	11	20,053,973	19,919,793
Deferred tax assets	6	-	-
Property, plant & equipment		231,572	20,655
Financial assets	9	300,000	300,000
Total Non-Current Assets		33,432,726	33,087,629
TOTAL ASSETS		58,599,472	81,250,592
CURRENT LIABILITIES			
Trade and other payables	12	798,138	3,784,691
Income tax payable		-	-
Employee benefits		14,311	2,831
Borrowings	13	30,550,000	54,545,402
Net assets attributable to property fund unitholders	14	6,435,762	6,329,634
Total Current Liabilities		37,798,211	64,662,558
NON-CURRENT LIABILITIES			
Deferred tax liabilities	6	-	-
Employee benefits		43,508	29,029
Borrowings	13	-	3,500,000
Total Non-Current Liabilities		43,508	3,529,029
TOTAL LIABILITIES		37,841,719	68,191,587
NET ASSETS		**20,757,753**	**13,059,005**
EQUITY			
Contributed equity	15	23,542,710	22,965,710
Other reserves	16	880,000	1,784,995
Accumulated losses	17	(3,664,957)	(11,691,700)
TOTAL EQUITY		**20,757,753**	**13,059,005**

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

MUSTERA PROPERTY GROUP

	Contributed Equity $	Other Reserves $	Accumulated Losses $	Total $	Total Equity $
Balance at 1 July 2022	**22,965,710**	**671,188**	**(5,939,726)**	**17,697,172**	**17,697,172**
Loss for the year	-	-	(5,751,974)	(5,751,974)	(5,751,974)
Total comprehensive loss for the year	-	-	(5,751,974)	(5,751,974)	(5,751,974)
Transactions with equity holders in their capacity as equity holders:					
Shares issued, net of costs	-	1,396,108	-	1,396,108	1,396,108
Transactions with non controlling interests	-	-	-	-	-
Transfer between reserves/accumulated losses	-	-	-	-	-
Distributions paid and payable	-	(282,301)	-	(282,301)	(282,301)
Balance at 30 June 2023	**22,965,710**	**1,784,995**	**(11,691,700)**	**13,059,005**	**13,059,005**
Balance at 1 July 2023	22,965,710	1,784,995	(11,691,700)	13,059,005	13,059,005
Profit/(Loss) for the year	-	-	8,309,044	8,309,044	8,309,044
Total comprehensive profit/loss for the year	-	-	8,309,044	8,309,044	8,309,044
Transactions with equity holders in their capacity as equity holders:					
Shares issued, net of costs	577,000	-	-	577,000	577,000
Performance shares / options exercised	-	(1,187,296)	-	(1,187,296)	(1,187,296)
Transactions with non controlling interests	-	-	-	-	-
Transfer between reserves/accumulated losses	-	282,301	(282,301)	-	-
Distributions paid and payable	-	-	-	-	-
Balance at 30 June 2024	**23,542,710**	**880,000**	**(3,664,957)**	**20,757,753**	**20,757,753**

The Consolidated Statement of Changes in Equity is to be read in conjunction with accompanying notes.

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	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts in the course of operations		64,226,451	2,217,860
Payments in the course of operations		(9,932,240)	(2,429,735)
Payments for property held for development		(15,625,191)	(21,993,468)
Interest received		45,110	43,571
Interest paid		(4,864,746)	(2,831,785)
Income tax paid		-	(186,455)
Net cash inflow/(outflow) from operating activities	23	33,849,384	(25,180,012)
Cash flows from investing activities			
Payments for property, plant and equipment		(373,450)	-
Payments for leasehold improvements		(134,180)	(2,435,162)
Payments for investment unit trusts		-	(300,000)
Proceeds from sale of units in the Fund		-	1,985,000
Proceeds from repayment of loan		-	200,000
Net cash outflow from investing activities		(507,630)	(550,162)
Cash flows from financing activities			
Distributions – property fund		-	(159,964)
Proceeds from borrowings		15,476,775	28,442,136
Transaction costs related to loans and borrowings		-	(35,400)
Repayment of borrowings		(43,171,475)	(2,331,000)
Cash allocated from term deposits		-	10,000
Payment of lease liabilities		-	(5,150)
Net cash (outflow)/ inflow from financing activities		(27,694,700)	25,920,622
Net increase in cash and cash equivalents		5,647,054	190,448
Cash and cash equivalents at 1 July 2023		1,085,121	894,673
Cash and cash equivalents at 30 June 2024	7	**6,732,175**	**1,085,121**

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

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1. REPORTING ENTITY

Mustera Property Group Ltd (**Mustera** or **Company**) is a public company limited by shares incorporated in Australia whose shares are quoted on the Australian Securities Exchange (**ASX**).

The financial statements cover Mustera Property Group Ltd as a Consolidated Entity consisting of Mustera and its controlled entities (**the Consolidated Entity** or **Group**). The financial statements are presented in Australian dollars, which is Mustera's functional and presentation currency.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2024. The Directors have the power to amend and reissue the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

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

Parent Entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Parent Entity is disclosed in Note 22.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities of Mustera Property Group Ltd ('Company' or 'Parent Entity') as at 30 June 2024 and the results of all controlled entities for the year then ended. Mustera Property Group Ltd and its controlled entities together are referred to in these financial statements as the 'Consolidated Entity' or the 'Group.'

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

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

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

Revenue is recognised based on the following principles.

Sale of Inventory

Revenue from property development sales is recognised when control and title has been transferred to the purchaser and the obligation to settle to the purchase price occurs. This has been determined to occur upon settlement and after contractual duties are completed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Revenue is measured at the transaction price agreed under the contract. The amount of revenue arising on a transaction is usually determined by agreement between the entity and the buyer or user of the asset. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either: (a) the prevailing rate for a similar instrument of an issuer with a similar credit rating; or (b) a rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services. The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

Rent Income and recoverable outgoings

Rent revenue comprises rent received and receivable, and recoverable outgoings charged to tenants in accordance with the lease agreements. Rental revenue from investment properties and inventories is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue on a straight line basis over the period of the lease. Contingent rentals are recognised as income in the period when earned.

Interest Income

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

Inventories

Property Development

Inventories are stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition and development and borrowing costs during development. Net realisable value is determined on the basis of sales in the ordinary course of business. Expenses of marketing, selling and distribution to customers are estimated and deducted to establish net realisable value. Where the net realisable value of inventory is less than cost, an impairment expense is recognised in the consolidated statement of profit or loss and other comprehensive income. Reversals of previously recognised impairment charges are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income such that the inventory is always carried at the lower of cost and net realisable value. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Inventory is classified as current when development is expected to be sold in the next 12 months.

Investment properties

Investment property is property which is held either to earn income or for capital appreciation or both. Investment property also includes properties that are under construction for future use as investment properties. Initially, investment property is measured at cost including transaction costs. The investment property is subsequently measured at fair value, with any change therein recognised in profit or loss. As part of the process of determining fair value, an external, independent valuer, having an appropriate recognised professional qualification and experience in the location and category of property being valued, values individual properties periodically as considered appropriate and as determined by management. Acquisition of investment property is not accounted for as a business combination.

In addition, the Group may utilise internal valuation processes for determining fair value at reporting date. These valuation processes are taken into consideration when determining the fair value of the investment properties. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuations are prepared by considering the capitalisation of net income and the discounting of future cash flows to their present value. These methods incorporate assumptions of future rental income and costs, appropriate capitalisation and discount rates and also consider market evidence of transaction prices for similar investment properties.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Valuations reflect, where appropriate:

- the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness;
- the allocation of maintenance and other operating cost responsibilities between lessor and lessee; and
- the remaining economic life of the property.

Net assets attributable to property fund unit holders

In accordance with AASB 132 Financial Instruments, certain instruments which are classified as equity in the separate financial statements of a subsidiary or other entity controlled by the Group which represent non-controlling interests in the consolidated financial statements are classified as liabilities in the consolidated financial statements of the Group to the extent which the non-controlling interest has a preferential claim to the net assets of the subsidiary over shareholders of the parent. Changes in the net assets are recognised in profit or loss except for distributions to unitholders and new subscriptions of units.

Provisions

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

New accounting standards and interpretations that are not yet mandatory

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted the AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates effective from 1 January 2024. These amendments clarify that accounting policies are only disclosed if they are material, and also introduce a definition of 'accounting estimate.' This has resulted in the majority of accounting policies removed from the annual report with only those meeting the criteria for 'material' being retained, but it has not had a material impact on the Consolidated Entity's financial statements.

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

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

Critical accounting judgements, estimates and assumptions

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

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of properties

The Group makes judgements in respect of the classification of properties as investment property or inventory depending on the Group's intended use of the property. Properties held either to earn income or for capital appreciation or both are classified as investment property. Properties held with the intension of redevelopment and sales of developed products are classified as inventory. The accounting treatments of investment property and inventory are different. Subsequent re-classification of properties may affect the carrying value of a property. Refer to Note 10 and Note 11 of the financial statements for further details on the Group's inventories and investment properties. There was no re-classification of properties during the reporting period.

Valuation of investment properties held at fair value

The Group makes judgements in respect of the fair value of investment properties. The fair value of these properties are reviewed regularly by management with reference to external independent property valuations and market conditions existing at reporting date, using generally accepted market practices. The assumptions underlying estimated fair values are those relating to the receipt of contractual rents, expected future market rentals, maintenance requirements, capitalisation rates and discount rates that reflect current market conditions and current or recent property investment prices. If there is any material change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may differ and may need to be re-estimated.

Inventories

The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell which approximates fair value less costs to sell. The key assumptions require the use of management judgement and are reviewed annually. They key assumptions are the variables affecting the estimated costs to develop and sell and the expected selling price, including but not limited to the fluctuations in the property market. Any reassessment of cost to develop and sell or selling price in a particular year will affect the cost of goods sold when the properties are sold.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the share price at the date the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting periods but may impact profit or loss and equity.

Control of Mustera Property Fund

In preparing the consolidated financial statements, management has made a significant judgement regarding the control of the Mustera Property Fund ("**Fund**"), which has a material impact on the financial statements.

Mustera serves as both the Trustee and Fund Manager of the Fund and holds a 16.37% interest in the Fund as at 30 June 2024. The Fund's primary objective is to invest in Australian real estate assets with the aim to provide stable income and capital growth for its Unit Holders.

Under AASB 10 Consolidated Financial Statements, the Company is required to consolidate an investee if it controls the investee. Control is achieved when the Company 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.

Key factors considered in assessing control include:

- The Trustee, Mustera holds significant powers to direct the Fund's relevant activities, including investment decisions, property management and development; and
- Mustera being exposed to variable returns from the Fund through various fees, including administration, management, performance, acquisition and project management fees.

As the Group only holds 16.37% of the units in the Fund, the Directors have determined that the Group has the ability to control the Fund and has continued to include it in the consolidated accounts. Refer to Note 21 for details.

3. SEGMENT INFORMATION

Identification of reportable operating segments

The Consolidated Entity has identified two reportable segments, being property investment and property development. The identification of reportable segments is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Accounting policies

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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3. SEGMENT INFORMATION (continued)

Segment information

30 June 2024	Property Investment $	Property Development $	Other[1] $	Group $
Segment revenue and other income	1,716,106	67,133,236	-	68,849,342
Interest expenses	617,980	3,835,091	913,375	5,366,446
Segment result	186,886	9,052,933	(930,775)	8,309,044
Segment assets	17,359,827	14,166,682	27,072,963	58,599,472
Segment liabilities	16,393,054	18,644,545	2,804,120	37,841,719
30 June 2023				
Segment revenue and other income	1,664,717	666,362	-	2,331,079
Interest expenses	484,768	2,566,892	893,262	3,944,922
Segment result	474,270	(3,214,155)	(3,012,089)	(5,751,974)
Segment assets	17,359,827	59,476,000	4,414,765	81,250,592
Segment liabilities	16,292,531	9,370,274	42,528,782	68,191,587

Note:
1. This column includes head office and Group services which are not allocated to any reportable segment.

4. AUDITOR'S REMUNERATION

	2024 $	2023 $
The following fees were paid or payable for the services provided by BDO Audit Pty Ltd, the auditor of the Company, and its related practices:		
Audit and review services		
BDO Audit Pty Ltd		
Audit or review of financial statements	**90,954**	**88,359**

5. REVENUE

Rental income and recoverable outgoings	2,180,935	2,253,093
Sale of inventory	66,579,194	-
	68,760,129	**2,253,093**

Revenue recognised point in time is in accordance to AASB 15.

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6. INCOME TAX

	2024 $	2023 $
(a) Income tax expense		
Deferred tax expense	-	-
(Over)/Under provision in prior years	-	-
	-	-
(b) Numerical reconciliation between tax expense and pre-tax net profit		
Profit/(loss) before income tax expense	8,309,044	(5,751,974)
Income tax (benefit)/expense calculated at the rate noted in (d) below	2,077,261	(1,437,994)
Effect of non-deductible items	(153,951)	236,449
Change in recognised deductible temporary differences	-	-
Movement in deferred tax balances due to change in tax rate	-	-
Decrease/(increase) in deferred tax balances not recognised	(1,923,310)	1,201,545
Current period income tax expense	-	-
(Over)/Under provision in prior years	-	-
Income tax (benefit)/expense	-	-

(c) Deferred tax assets and liabilities brought to account

The potential tax benefit @ 25% (2021: 25%) for the following items for which a deferred tax asset has been recognised is as follows:

	2024 $	2023 $
Delayed capital expenditure deduction for tax purposes	-	-
Delayed borrowing costs deduction for tax purposes	-	-
Expenditure included in the asset cost base for tax purposes	-	-
Property, plant & equipment	-	-
Inventory	-	-
Lease liability	-	-
Provisions and accruals	-	-
Gross deferred tax assets	-	-
Set off against deferred tax liabilities	-	-
Net deferred tax assets recognised	-	-

The temporary difference @ 25% (2023: 25%) relating to the following item for which a deferred tax liability has been recognised is as follows:

	2024 $	2023 $
Accelerated capital expenditure deduction for tax purposes	-	-
Right of use asset	-	-
Gross deferred tax liabilities	-	-
Set off of deferred tax assets	-	-
Net deferred tax liabilities recognised	-	-

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the Group continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

(d) Deferred tax assets and liabilities not brought to account

The potential tax benefit @ 25% (2023: 25%) for the following items for which no deferred tax asset has been recognised is as follows:

	2024 $	2023 $
Carry forward tax losses	846,083	2,938,089
Other	350,461	103,450
Gross deferred tax assets	1,196,544	3,041,539
Set off against deferred tax liabilities	-	-
Net deferred tax assets not recognised	**1,196,544**	**3,041,539**
Net deferred tax liabilities not recognised	-	-

(e) Tax Rate

The domestic effective tax rate of Mustera Property Group Ltd is 25% for the year ended 30 June 2024 (2023: 25%)

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7. CASH AND CASH EQUIVALENTS

	2024 $	2023 $
Cash at bank and in hand	**6,732,175**	**1,085,121**

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26.

8. TRADE AND OTHER RECEIVABLES

	2024 $	2023 $
Current		
Trade debtors	1,184,480	133,440
Sundry debtors	137,082	92,978
Net GST receivable	1,112,674	282,070
Vendor finance loan (b)	175,000	175,000
Security deposits	2,180	2,180
	2,611,416	**685,668**
Non-current		
Vendor finance loan (b)	725,000	725,000
	725,000	**725,000**

(a) No receivables were past due but not impaired. The Group's exposure to credit risk related to trade and other receivables is disclosed in Note 26.

(b) Spectra (WA) Pty Ltd ("**Spectra**") acquired a number of apartments from the Victoria Quarter project with the consideration partly funded by this vendor finance loan. Interest and principal repayments will be made in accordance to a loan repayment schedule over a period of 6 years with the loan expected to be fully repaid by December 2027.

9. FINANCIAL ASSET

	2024 $	2023 $
Non-Current		
Investment in units in the Starclear Capital Trust, an unlisted property trust	300,000	300,000
	300,000	**300,000**

10. INVENTORIES

	2024 $	2023 $
Current		
Land and property held for development and resale (at cost)	15,625,192	46,360,360
Non-current		
Land and property held for development and resale (at cost)	12,122,181	12,122,181
Total inventories	**27,747,373**	**58,482,541**

(a) Movement in inventories

	2024 $	2023 $
Balance at 1 July	58,482,541	33,723,656
Additions at cost	16,486,142	-
Capitalised development costs	-	24,758,885
Capitalised borrowing costs	-	-
Sales of inventory	(47,221,310)	-
Balance at 30 June	**27,747,373**	**58,482,541**

(b) Assets pledged as security

Some of the Group's Borrowings (refer Note 13) are secured by registered mortgage over properties classified as inventory plus fixed and floating charges over all the assets and undertakings held by the Group.

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11. INVESTMENT PROPERTY

	2024 $	2023 $
Investment property at fair value	**20,053,973**	**19,919,793**

(a) Movement in investment property

Balance at 1 July	19,919,793	17,484,631
Additions	134,180	2,435,162
Balance at 30 June	**20,053,973**	**19,919,793**

(i) Amounts recognised in Consolidated Statement of Profit or Loss for investment properties

Rental income	1,716,106	1,664,717
Direct operating expenses from property that generated rental income	887,859	673,772

(ii) Investment properties, principally land and buildings, are held for long-term rental yields and are not occupied by the Group. They are carried at fair value. Changes in fair value are presented in the Consolidated Statement of Profit or Loss as part of other income. Refer to Note 27 for details of Fair Value.

(iii) Assets pledged as security. Some of the Group's Borrowings (refer Note 13) are secured by registered mortgage over properties classified as investment properties plus fixed and floating charges over all the assets and undertakings held by the Group.

12. TRADE AND OTHER PAYABLES

Current		
Trade creditors and other payables	740,846	3,725,795
Interest payable	57,292	62,896
	798,138	**3,784,691**

The Group's exposure to credit and liquidity risks related to trade and other payables are disclosed in Note 26. The carrying amount of trade and other payables approximates its fair value.

13. LOANS & BORROWINGS

Current		
Loans from financial institutions	12,050,000	17,088,225
Loans from non financial institutions	18,500,000	37,656,475
Less capitalised loan transaction costs	-	(199,298)
	30,550,000	**54,545,402**
Non-current		
Loans from non financial institutions	-	3,500,000
	-	**3,500,000**

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13. LOANS & BORROWINGS (continued)

(a) Loans

Facility	Secured	Maturity Date	Facility limit 2024 $	Utilised 2024 $	Facility limit 2023 $	Utilised 2023 $
Current						
McCabe St Facility[1]	Yes	February 2024	-	-	2,700,000	2,700,000
Haig Park Cir Facility[2]	Yes	February 2024	-	-	2,331,000	2,331,000
Helena St Facility[4]	Yes	February 2024	-	-	484,000	484,000
Forbes Facility[6]	Yes	October 2023	-	-	51,300,000	37,457,177
Shoalwater Facility[5]	Yes	June 2024	9,900,000	9,900,000	9,900,000	9,900,000
Shoalwater Facility[7]	Yes	June 2024	2,150,000	2,150,000	2,150,000	1,630,718
Shoalwater Facility	Yes	N/A	-	-	150,000	42,507
Anrinza private loan[3]	No	October 2024	3,500,000	3,500,000	-	-
Harvis finance loan[8]	Yes	June 2025	15,000,000	15,000,000	-	-
			30,550,000	30,550,000	**69,015,000**	**54,545,402**
Non-current						
Anrinza private loan[3]	No	October 2024	-	-	3,500,000	3,500,000
			-	-	**3,500,000**	**3,500,000**

1) This loan has expired and refinanced with new Harvis finance loan.
2) This loan has expired and refinanced with new Harvis finance loan.
3) This facility is provided by a major shareholder of the Group and is unsecured and interest free. Subsequent to the reporting date, this loan has been paid in full.
4) This loan has expired and refinanced with new Harvis finance loan.
5) This facility expired in June 2024. The facility is secured by first registered mortgages over the investment property (Shoalwater Shopping Centre) held by Mustera Property Fund (**Trust**) and first ranking charge over all assets and undertakings of the Trust. Interest is payable quarterly in arrears at variable rates based on a fixed commitment fee plus a variable yield. Subsequent to reporting date, this loan has been refinanced.
6) This loan has been fully repaid with the completion of Forbes.
7) This facility expired in June 2024. Relates to development funding for construction of a new service station to the Shoalwater Shopping Centre. The facility is secured by first registered mortgages over the investment property (Shoalwater Shopping Centre) held by Mustera Property Fund (**Trust**) and first ranking charge over all assets and undertakings of the Trust. Interest is payable quarterly in arrears at variable rates based on a fixed commitment fee plus a variable yield. Subsequent to reporting date, this loan has been refinanced.
8) This 12 month facility is secured by first registered mortgages over the McCabe St property, East Perth property, Helena St Midland property and residual Forbes apartments, and first ranking charge over all present and after acquired property of the Company. Interest is payable quarterly in arears at variable rates based on a fixed commitment fee plus a variable yield.

(b) Fair Value

The fair values of the Group's borrowings are not materially different to their carrying amounts since the interest payable on those borrowings are close to current market rates.

14. NET ASSETS ATTRIBUTABLE TO PROPERTY FUND UNITHOLDERS

	2024 $	2023 $
Opening balance	6,329,634	4,150,911
(Acquisition)/disposal of units in the Fund by Mustera Property Group	-	2,240,175
Distributions paid and payable to non-controlling interest	-	(159,964)
Profit for the period attributable to non-controlling interest	106,128	222,752
(Gain)/loss for the period attributable acquisition/disposal of units in the fund	-	(124,240)
	6,435,762	**6,329,634**

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15. EQUITY – ISSUED CAPITAL

146,235,132 (2023: 144,235,132) fully paid ordinary shares	**23,542,710**	**22,965,710**

(a) Ordinary shares

The following movements in ordinary share capital occurred during the financial year:

	2024 Number	2023 Number	2024 $	2023 $
Balance at beginning of year	144,235,132	144,235,132	22,965,710	22,965,710
Conversion of performance shares	2,000,000	-	577,000	-
Balance at the end of the year	146,235,132	144,235,132	23,542,710	22,965,710

Ordinary shares entitle the holder to participate in dividends and the proceeds from winding up of the Company in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary securities present at a shareholder meeting in person or by proxy is, entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Capital risk management

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

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

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

Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with an interest coverage ratio of not less than 1.5 times earnings. During the year ended 30 June 2024, Mustera has been compliant with the covenants set out by the major borrowing facilities.

16. OTHER RESERVES

	2024 $	2023 $
Options Reserve	-	94,188
Performance Rights	880,000	1,973,108
Current year distributions from Fund	-	(282,301)
	880,000	**1,784,995**

The employee share based payments reserve is used to recognise the fair value of options/performance rights issued for employee services. Refer to Note 25 for further details of value of performance rights granted during the year.

(a) Performance rights

	2024 Number	2023 Number	2024 $	2023 $
Balance at beginning of the year	8,400,000	2,000,000	1,973,108	577,000
Reversal of previous performance rights expensed Class D	(3,200,000)		(516,108)	
Exercise of vested performance rights class A & class B	(2,000,000)	-	(577,000)	-
Performance rights granted	-	6,400,000	-	1,396,108
Balance at the end of the year	3,200,000	8,400,000	880,000	1,973,108

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16. OTHER RESERVES (continued)

(b) The following changes to the options on issue and the attributed value during the periods

	2024 Number	2023 Number	2024 $	2023 $
Balance at beginning of the year	16,504,449	16,504,449	94,188	94,188
Options expired (12 Jul 2023, 1 Dec 2023)	(16,504,449)	-	(94,188)	-
Balance at the end of the year	-	16,504,449	-	94,188

17. ACCUMULATED LOSSES

	2024 $	2023 $
Accumulated losses at the beginning of the year	(11,691,700)	(5,939,726)
Net profit/(loss) for the year	8,309,044	(5,751,974)
Transactions with non controlling interests (a)	(282,301)	-
Accumulated losses at the end of the year	**(3,664,957)**	**(11,691,700)**

(a) Includes transfer from other reserves from the acquisition of non-controlling interests.

18. COMMITMENTS AND CONTINGENCIES

Capital expenditure commitments

At the date of this report, the Group has no capital expenditure commitments.

Contingencies

The Consolidated Entity does not have any contingent liabilities at balance and reporting dates.

19. EARNINGS PER SHARE

	2024 $	2023 $
Gain/(Loss) after income tax attributable to ordinary shareholders	8,309,044	(5,751,974)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	146,235,132	144,235,132
Adjustments for calculation of diluted earnings per share:		
Performance shares that have vested unexercised	3,200,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	149,435,132	144,235,132
	Cents	**Cents**
Basic earnings/(loss) per share	5.68	(3.99)
Diluted earnings /(loss) per share	5.56	N/A

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Consolidated Entity is set out below:

	2024 $	2023 $
Short-term employee benefits	321,768	219,837
Post-employment benefits	29,939	21,000
Share based payments	-	959,823
	351,707	**1,200,660**

Other than as disclosed in Note 20 there are no further transactions with Key Management Personnel.

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21. RELATED PARTY TRANSACTIONS

(a) Parent Entity

Mustera Property Group Ltd is the Parent Entity.

(b) Controlled Entities

The Group's interests in Controlled Entities at 30 June 2024 are set out below. Unless otherwise stated, the Controlled Entities have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of entity	Place of business/country of incorporation	Ownership interest held by the Group 2024	Ownership interest held by the Group 2023	Principal activities
Sterlink Development Pty Ltd	Australia	100%	100%	Property development
Grace Property Holdings Pty Ltd	Australia	100%	100%	Property development
Claisebrook Holdings Pty Ltd	Australia	100%	100%	Property development
Riversea Property Holdings Pty Ltd	Australia	100%	100%	Property development
Apex View Pty Ltd	Australia	100%	100%	Property development
Applecross Land Holdings Pty Ltd (formerly known as Apex Land Holdings Pty Ltd)	Australia	100%	100%	Property development
Mustera Property Fund Management Pty Ltd	Australia	100%	100%	Management
MPX Group Pty Ltd	Australia	100%	100%	Trustee company for Mustera Property Fund
Mustera Property Fund	Australia	16%	17%	Property investment

Loans made by Mustera Property Group Ltd to the Controlled Entities are contributed to meet required expenditure payable on demand and are not interest bearing.

As set out in Note 2, the Group has concluded that it controls the Mustera Property Fund even though it holds less than 50% of the equity and voting rights in this entity. Control has been assessed on the basis that the trustee of the Mustera Property Fund, who can appoint the manager of the fund, controls the relevant activities of this entity. Therefore, Mustera Property Group is deemed to control the Mustera Property Fund through its 100% owned subsidiary of MPX Group Pty Ltd (the trustee of the Mustera Property Fund).

(c) Key management personnel compensation

Disclosures relating to key management personnel are set out in Note 20.

(d) Transactions with related parties

No transactions with related parties during the year.

(e) Terms and conditions

Unless otherwise stated, all transactions were made on normal commercial terms and conditions and at market rates.

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22. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the Parent Entity.

Statement of profit or loss and other comprehensive income	**Parent**	
	2024	**2023**
	$	**$**
Profit/(loss) after income tax	(1,179,565)	(2,136,058)
Total comprehensive income/(loss)	(1,179,565)	(2,136,058)
Statement of financial position		
Total current assets	3,098,589	1,970,070
Total assets	34,212,378	20,729,567
Total current liabilities	18,931,890	173,696
Total liabilities	18,975,398	3,702,726
Net assets	15,236,980	17,026,841
Equity		
Issued capital	23,542,710	22,965,710
Share based payments reserve	880,000	2,067,296
Accumulated losses	(9,185,730)	(8,006,165)
Total equity	15,236,980	17,026,841

Guarantees entered into by the Parent Entity

The Parent Entity has provided financial guarantees in respect of bank loans of controlled entities amounting to $15,000,000 (2023: $5,515,000), secured by registered mortgages over the freehold properties of the controlled entities. The Parent Entity has also provided guarantee in respect of a property lease entered into by its wholly owned controlled entity. No liability was recognised by the Parent Entity in relation to these guarantees.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 30 June 2024.

Capital commitments

Refer to Note 18 for capital commitments for the Group.

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23. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

	2024 $	2023 $
(a) **Cash flows from operating activities**		
Profit/(loss) for the year	8,309,044	(5,751,974)
Adjustments of non-cash/non-operating items:		
Depreciation	162,533	32,017
Lease interest	-	25
(Loss) / gain on disposal of fixed assets	-	(35,000)
Distributions	-	(122,337)
Non-cash settlement of creditors	-	290,175
Share based payments	(610,296)	1,396,108
Borrowing costs payments	-	35,400
Amortisation of finance costs	199,298	896,838
Operating loss before changes in working capital and provisions	8,060,579	(3,258,748)
Change in trade and other receivables	42,343,912	417,124
Change in prepayments	(166,148)	(613)
Changes in inventories and assets held for sale	(15,625,192)	(22,125,442)
Change in deferred tax assets	-	-
Change in trade and other payables	(789,724)	(210,966)
Change in provision for income tax	-	-
Change in provision for income tax		
Change in deferred tax liabilities	-	-
Change in employee benefits	25,957	(1,367)
Net cash used in operating activities	33,849,384	(25,180,012)

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2023 $	Cash flows $	Non-Cash Movements $	2024 $
Long-term borrowings	3,500,000	-	-	3,500,000
Short-term borrowings	54,545,402	(27,495,402)	-	27,050,000
Total liabilities from financing activities	58,045,402	(27,495,402)	-	30,550,000

	2022 $	Cash flows $	Non-Cash Movements $	2023 $
Long-term borrowings	25,522,426	(22,022,426)	-	3,500,000
Short-term borrowings	5,515,000	48,133,563	896,839	54,545,402
Total liabilities from financing activities	31,037,426	26,111,137	896,839	58,045,402

MUSTERA PROPERTY GROUP

25. SHARE BASED PAYMENTS

30 June 2024:

At the annual general meeting held on 25 November 2022, shareholders approved the grant of 4,400,000 performance rights to the Directors.

Holder	Class	Number	Grant Date	Probability	Expiry Date of milestone achievement	Fair value per right	Total Fair Value
Nicholas Zborowski	C	1,000,000	28/11/2022	100%	28/11/2025	$0.275	$275,000
	D	1,000,000	28/11/2022	100%	28/11/2025	$0.275	$275,000
Jack Spencer-Cotton	C	600,000	28/11/2022	100%	28/11/2025	$0.275	$165,000
	D	600,000	28/11/2022	100%	28/11/2025	$0.275	$165,000
Anthony Ho	C	600,000	28/11/2022	100%	28/11/2025	$0.275	$165,000
	D	600,000	28/11/2022	100%	28/11/2025	$0.275	$165,000

The performance rights were valued at 27.5 cents a share being the share price on grant date 28 November 2022. Vesting occurs at the end of the performance period dated 28 November 2025, if the following performance conditions are met:

C) Upon announcement by the Company on the ASX market announcements platform of the approval of its development application for its property situated in 15 McCabe Street, North Fremantle WA 6159 by the City of Fremantle or alternate statutory authority by 30 November 2023; and

D) Upon announcement by the Company on the ASX market announcements platform of the achievement of the practical completion of the Company's Forbes Residences project by 29 February 2024. These performance rights have not achieved performance conditions at reporting date and have lapsed.

A reverse share-based payment expense of $516,108 was recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024 to recognise the lapsed Class D performance rights of not achieving the performance conditions and have lapsed.

A share-based payment expense of $577,000 was recognised in prior periods. These performance rights were exercised on 30 January 2024 and converted to shares.

Set out below are summaries of performance rights granted to Directors of the Group:

Grant date	Exercise price	Expiry date	Balance at start of year	Granted / (Expired) during the year	Balance at end of year	Vested and exercisable at end of year	Unvested at end of year
2023							
28 November 2022	$0.275	28 November 2025	-	4,400,000	4,400,000	2,200,000	2,200,000
		TOTAL	**-**	**-**	**4,400,000**	**2,200,000**	**2,200,000**

Set out below are summaries of options granted to Directors and employees of the Group:

Grant date	Exercise price	Expiry date	Balance at start of year	Expired during the year	Balance at end of year	Vested and exercisable at end of year
20 July 2021	$0.30	12 July 2023	14,004,449	(14,004,449)		
29 November 2018	$0.46	30 November 2023	2,500,000	(2,500,000)	-	-
			16,504,449	(16,504,449)	-	-
Weighted Average exercise price			$0.38	-	-	-

As at 30 June 2024 all options have expired, a reversal of share-based payment expense of $94,188 was recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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26. FINANCIAL RISK MANAGEMENT

Overview

Risk management is carried out under policies set by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

Financial risk management objectives

The Board monitors and manages the financial risk relating to the operations of the Group. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest rate risk and price risk). The overall risk management strategy focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out under the direction of the Board.

The Group holds the following financial instruments as at 30 June:

	2024 $	2023 $
Financial assets		
Cash and cash equivalents	6,732,175	1,085,121
Trade and other receivables	3,336,416	1,410,668
	10,068,591	2,495,789
Financial liabilities		
Trade and other payables	798,138	3,784,691
Loans and borrowings	30,550,000	58,045,402
	31,348,138	61,830,093

Market risk

Market risk is the risk that changes in market prices, such as interest rates and commodity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns. There were no changes in the Group's market risk management policies from previous years.

Interest rate risk

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

The Group's loans and borrowings of $27,050,000 (2023: $17,565,000) with variable rates exposes the Group to cash flow interest rate risk. These loans are interest only. Monthly cash outlays are required to service the interest payments. An official increase/decrease in interest rates of 100 basis points (2020: 100) would have an adverse/favourable effect on profit before tax of $270,500 (2023: $175,650) per annum. The percentage change is based on the expected volatility of interest rates using market data and analyst forecasts.

The Group receives interest on its cash management deposits based on daily balances at variable interest rates. The Group's operating accounts do not attract interest.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to the Group.

The Group's maximum exposure to credit risk at the reporting date was:

	2024 $	2023 $
Cash and cash equivalents	6,732,175	1,085,121
Trade and other receivables	3,336,416	1,410,668
	10,068,591	2,495,789

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26. FINANCIAL RISK MANAGEMENT (continued)

The credit quality is assessed and monitored as follows:

Credit quality of financial assets	Equivalent S&P rating[1] A-1+	Internally rated[2] No default	Total
At 30 June 2024			
Cash and cash equivalents	6,732,175	-	6,732,175
Trade and other receivables – current	-	2,611,416	2,611,416
Trade and other receivables – non-current	-	725,000	725,000
	6,732,175	3,336,416	10,068,591
At 30 June 2023			
Cash and cash equivalents	1,085,121	-	1,085,121
Trade and other receivables – current	-	685,668	685,668
Trade and other receivables – non-current	-	725,000	725,000
	1,085,121	**1,410,668**	**2,495,789**

1. The equivalent S&P rating of the financial assets represents that rating of the counterparty with whom the financial asset is held rather than the rating of the financial asset itself.
2. Trade and other receivables represent rental income receivables, interest accrued and deposit paid.

Allowance for impairment loss

No impairment loss was recognised by the Group for the financial year (2023: $nil).

The Group has long term receivables specific to an individual transaction which was a result of the sale of apartments during the year. The Group has used the general approach (stage 1) to assess the expected credit losses for this receivable. As the counterparty has paid interest during the year, and based on past payment history, the Group believes that there are no expected credit losses in the balance as at 30 June 2024.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Board has determined an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring budgeted and actual cash flows and matching the maturity profiles of financial assets, expenditure commitments and liabilities.

The following are the contractual maturities of financial liabilities on an undiscounted basis, including estimated interest payments: Cash flows for liabilities without fixed amount or timing are based on conditions existing at year end.

30 June 2024	Carrying amount	Contractual cash flows	1 year	2-5 years	>5 years
Trade and other payables	798,138	(798,138)	(798,138)	-	-
Loans and borrowings	30,550,000	(30,550,000)	(30,550,000)	-	-
	31,348,138	(31,348,138)	(31,348,138)	-	-

30 June 2023	Carrying amount	Contractual cash flows	1 year	2-5 years	>5 years
Trade and other payables	3,784,691	(3,784,691)	(3,784,691)	-	-
Loans and borrowings	58,045,402	(58,045,402)	(54,545,402)	(3,500,000)	-
	61,830,093	(61,830,093)	(58,330,093)	(3,500,000)	-

Fair value measurement of financial instruments

The carrying amounts of the Group's financial instruments are assumed to approximate their fair value due to either their short term nature or their terms and conditions, including interest payable at variable rates. The fair value of the Group's borrowings are not materially different to their carrying amount since the interest payable on those borrowings are close to current market rates.

The carrying value for the interest free loan is based on initial recognition as the carrying value would likely be consistent with the fair value.

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27. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following table details the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The following table shows the Consolidated Entity's assets or liabilities measured or disclosed at fair value.

2024	Level 1	Level 2	Level 3	Total
Assets				
Investment property	-	-	20,053,973	20,053,973
Investment in unlisted property trust	-	-	300,000	300,000
Total assets	-	-	20,353,973	20,353,973
2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment property	-	-	19,919,793	19,919,793
Investment in unlisted property trust	-	-	300,000	300,000
Total assets	-	-	20,219,793	20,219,793

Valuation techniques for fair value measurements categorised within level 3

The following table shows the valuation techniques used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation of net income: the valuation method considers the present value of expected future rental income to be generated from the property, taking into account the market rental income, leasing downtimes and leasing incentive such as rent free periods. The expected future rental income is divided by a capitalisation rate. Among other factors, the capitalisation rate considers the nature, location and tenancy profile of the property.	• Market fully leased net rental income per annum after vacancy allowance \$1.57m (2023: \$1.43m) • Capitalisation rate 7.50% (2023: 6.75%) • Leasing vacancy 2.50% (2023: 2.50%) • Weighted lease duration by income: 6.8 years (2023: 6.3 years)	The estimated fair value would increase (decrease) if: • Expected market rental income were higher (lower); • Capitalisation rate were lower (higher) (\$800,000 per 0.25%); • Leasing downtime were shorter (longer).

The fair values adopted for investment properties have been supported by independent external valuations are considered to reflect market conditions at reporting date.

Estimates of fair value take into account factors and market conditions evident at reporting date. Uncertainty and changes in global market conditions in the future may impact fair values in the future.

There were no movements between different fair value measurement levels during the year (2023: nil).

28. EVENTS SUBSEQUENT TO REPORTING DATE

On 3 July 2024, a loan of $3.5m with a major shareholder of the Group, Anrinza Future Pty Ltd was fully repaid.

On 4 July 2024, the Company refinanced its matured loan with Bankwest to NAB of $10.78 million.

Subsequent to reporting date, 3 additional units of Forbes Residences totalling $2.788 million of sales were settled.

Other than what has been disclosed in the accounts, no other matters or events have arisen since 30 June 2024 which have significantly affected, or may significantly affect, the operations of the Group, the results of the operations, or the state of affairs of the Group in future financial years.

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Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee	% of share capital	Country of Incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Mustera Property Group Limited	Body Corporate	N/A	100	Australia	Australian	N/A
Sterlink Development Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Grace Property Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Claisebrook Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Riversea Property Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Apex View Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Applecross Land Holdings Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Mustera Property Fund Management Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
MPX Group Pty Ltd	Body Corporate	N/A	100	Australia	Australian	N/A
Mustera Property Fund	Body Corporate	N/A	16	Australia	Australian	N/A

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, each of the Mustera Property Group Limited consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

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In the Directors' opinion:

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

(b) the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;

(c) the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

(d) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;

(e) the remuneration disclosures included in the Directors' Report (as part of audited remuneration report) for the year ended 30 June 2024 comply with section 300A of the *Corporations Act 2001*; and

(f) the information disclosed in the attached consolidated entity disclosure statement on page 37 is true and correct.

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

On behalf of the Directors

Nicholas Zborowski
Executive Director
Dated at Perth this 30th day of August 2024.

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INDEPENDENT AUDITOR'S REPORT

To the members of Mustera Property Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mustera Property Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

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

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Carrying value of inventory

Key audit matter	*How the matter was addressed in our audit*
Note 10 to the financial report discloses a material inventory balance and Note 2 describes the accounting policies and judgements used in accounting for inventory. Property held for development and resale is accounted by the Group as inventories which are measured at the lower of cost and net realisable value ("NRV"). Cost includes the cost of acquisition, development and eligible borrowing costs incurred during the development of each asset. This is considered a key audit matter due to the significance of inventory to the financial statements and due to the significant judgement and estimates involved in the determination of net realisable value.	Our audit procedures included, but were not limited to: • Obtaining position papers provided by management to support the carrying value of the individual properties and assessing the evidence provided and assumptions used in the NRV assessment, including corroborating with external market data where appropriate; • Assessing carrying values against valuations performed by external experts, and/or assessing for adverse changes in prior external valuation reports of inventory where applicable; • Assessing the independence, professional competence and objectivity of external valuation expert's engaged by management; • Assessing the expected net realisable value of inventories to the forecasted cost of the project ensuring inventories are carried at the lower of cost and net realisable value; • Reviewing classification of inventory as current or non-current in line with the accounting policy of the Group and the accounting standards; and • Assessing the adequacy of the disclosures in Note 2 and Note 10 to the financial report.

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Fair value of investment property

Key audit matter	*How the matter was addressed in our audit*
The valuation of investment property is a key audit matter as this asset is material in value and the fair value assessment requires the use of significant judgements and estimates. The Group's disclosures about the fair value of investment property are included in Note 2, Note 11 and Note 27, which includes details of the key assumptions used.	Our audit procedures included, but were not limited to: • Obtaining and assessing the fair value of the investment property against management's external valuation expert reports; • Assessing the independence, professional competence and objectivity of external valuation expert's engaged by management; • Testing and evaluating key inputs and assumptions used by the external valuer with reference to net operating income of the property, capitalisation rates and lease terms; and • Assessing the adequacy of the disclosures in Note 2, Note 11 and Note 27 to the financial report.

Revenue recognition - Sale of inventory

Key audit matter	*How the matter was addressed in our audit*
Revenue is disclosed in Note 5 of the financial report. Note 2 describes the accounting policy for Revenue. During the year, the Forbes Residences Apartment project reached practical completion on 29 April 2024. Revenue is recognised when control of the property is transferred to the customer and occurs on settlement. The revenue is measured at the transaction price agreed under the contract, less any additional costs such as agent commissions. Revenue has been identified as a key audit matter due to its financial significance to the performance of the Group.	Our audit procedures included, but were not limited to: • Assessing the Group's accounting policy for revenue for compliance with AASB 15 *Revenue from Contract with Customers* ("AASB 15"); • Testing a sample of revenue transactions to supporting documentation including settlement proceeds; • Assessing the adequacy of the related disclosures in the financial report.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

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This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Mustera Property Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 August 2024

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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MUSTERA PROPERTY GROUP LIMITED

As lead auditor of Mustera Property Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mustera Property Group Limited the entities it controlled during the period.

Phillip Murdoch

Director

BDO Audit Pty Ltd

Perth

30 August 2024

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Details of equity securities as at* 29 August 2024*:

Top holders

The 20 largest registered holders of each class of quoted equity security as at 29 August 2024 were:

Fully paid ordinary shares - quoted

	Name	No. of Shares	%
1.	WONDER HOLDINGS PTY LTD	43,069,603	29.45%
2.	ANRINZA FUTURE PTY LTD	41,285,656	28.23%
3.	QP & CO PTY LTD <QUPPI FAMILY A/C>	9,265,667	6.34%
4.	RYSE INVESTMENT PTE LTD	8,000,000	4.79%
5.	MR HOONG NGAI CHRISTOPHER LAI	5,333,334	3.65%
6.	MS MAY ERN GLORIA LAI	5,333,333	3.65%
7.	MUTUAL STREET PTY LTD	4,000,000	3.50%
8.	MR PARK ON LAI	2,666,667	1.82%
9.	SHERKATH PTY LTD <FORREST INVESTMENT A/C>	2,096,394	1.43%
10.	MR WILLY MASTURI <THE W E MASTURI FAMILY A/C>	4,000,000	1.37%
11.	MR JACK SPENCER-COTTON	1,516,665	1.37%
12.	MR ROBERT ANG	1,369,354	1.04%
13.	GTO GROUP CORP	1,250,000	0.94%
14.	MR NICHOLAS ZBOROWSKI	1,055,412	0.85%
15.	SANNY NANANG	1,010,000	0.72%
16.	QUINTESSENTIAL PLACES PTY LTD <N & AZ A/C>	1,000,000	0.69%
16.	TOWNSHEND CAPITAL PTY LTD	1,000,000	0.68%
16.	B YOUNG HOLDINGS PTY LTD	1,000,000	0.68%
17.	MR MICHAEL ANTHONY LIEW & MS MONIKA ADYA PRATIGNYO & MISS MEGAN AMELIA LIEW <LIEW & PRATIGNYO SF A/C>	715,000	0.68%
18.	CITICORP NOMINEES PTY LIMITED	600,746	0.49%
19.	MARNOV PTY LTD	543,000	0.41%
20.	LUNIARTY KARTOSUDIRO	533,106	0.37%
		136,759,821	93.52

Registered holders holding 20% or more of each class of unquoted equity security as at 29 August 2024 were:

Performance Rights – unquoted

Name	No. of Rights	%
N Zborowski	1,000,000	50
A Ho	600,000	25
J Spencer-Cotton	600,000	25

MUSTERA PROPERTY GROUP

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Distribution schedules – as at 29 August 2024

A distribution schedule of quoted shares

	Fully paid ordinary shares		
Range	**Holders**	**Units**	**%**
1 - 1,000	18	2,695	0.00%
1,001 - 5,000	8	20,057	0.01%
5,001 - 10,000	40	395,320	0.27%
10,001 - 100,000	73	2,666,935	1.82%
100,001 - Over	44	143,150,125	97.89%
Total	**183**	**146,235,132**	**100%**

A distribution schedule of unquoted performance rights

	Performance Rights		
Range	**Holders**	**Units**	**%**
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - Over	7	3,200,000	100.00
Total	**7**	**3,200,000**	**100.00**

Substantial shareholders

The names of substantial shareholders and the number of shares to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholding notices given to the Company, are set out below:

Substantial shareholder	Number of Shares
Wonder Holdings Pty Ltd	43,069,603
Anrinza Future Pty Ltd	41,285,656
QP & Co Pty Ltd <Quppi Family A/C>	9,265,667

Restricted securities

As at, the Company had no restricted securities.

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Unmarketable parcels

Holdings less than a marketable parcel of ordinary shares as at 29 August 2024:

Holders	Units
21	5,189

Voting Rights

The voting rights attaching to ordinary shares are:

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

Options and Performance Rights do not carry any voting rights.

On-Market Buy Back

There is no current on-market buy-back.

Principles of Good Corporate Governance and Recommendations

The Board has adopted and approved the Company's Corporate Governance Statement, which can be found on the Company's website at http://mustera.com.au/corporate-governance.