

Victory Offices Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Victory Offices Limited
ABN:	76 616 150 022
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	62.7% to	16,050,834
Loss from ordinary activities after tax attributable to the owners of Victory Offices Limited	up	341.6% to	(35,636,212)
Loss for the year attributable to the owners of Victory Offices Limited	up	341.6% to	(35,636,212)

Dividends

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

Commentary

Refer to Commentary and Review of Operations attached.

3. Statement of comprehensive income together with notes to the statement

Refer attached

4. Statement of financial position together with notes to the statement

Refer attached.

5. Statement of cash flows together with notes to the statement

Refer attached.

6. Statement of changes in equity

Refer attached

7. Dividends and dividend reinvestment plans

Dividends

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

Dividend reinvestment plans

There were no dividend reinvestment plans in either the current or previous financial period.

8. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.20	0.90

9. Control gained or lost over entities

Not applicable.

10. Details of associates and joint venture entities

Not applicable.

11. Audit

Details of audit/review dispute or qualification (if any):

The Appendix 4E is based on the Annual Report which is in the process of being audited. An unmodified opinion is expected to be provided with a material uncertainty paragraph around going concern.

12. Commentary on results for the period

Refer to Commentary and Review of Operations attached.

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Commentary and Review of Operations

The loss for the consolidated entity after providing for income tax amounted to \$35.6 million (30 June 2020: loss of \$8.1 million). Revenue from suite services was \$14.7 million in the 2021 financial year (2020: \$42.3 million). COVID-19 had a significant impact on revenues throughout the 2021 financial year.

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Loss before income tax benefit	(42,172,042)	(11,573,961)
Impairment of receivables	2,733,554	3,899,687
Impairment of assets	9,556,545	8,525,253
Reversal of impairment of assets	(966,445)	-
Jobkeeper subsidy	(1,632,800)	(667,500)
Rent concession income	(1,313,971)	(756,834)
Underlying net loss before tax	<u>(33,795,159)</u>	<u>(573,355)</u>

Underlying net loss before tax for the 2021 financial year was \$33.8 million (2020: underlying net loss before tax of \$0.6 million). Underlying net loss before tax excludes the impact of the impairment of receivables, impairment of assets, reversal of impairment of assets as well as adjusting for Jobkeeper subsidies and rent concession income. A provision of \$9.6 million for impairment of assets has been identified for the portfolio after performing value-in-use calculations. The impairment provision is non-cash and will result in a reduced depreciation charge going forward. The impairment provision was required, in part, due to having reflected a significant right of use asset pursuant to the requirements of AASB 16 Leases and AASB 136 Impairment.

The economic and trading conditions associated with the impact of COVID-19 pandemic have had a significant, adverse effect on the consolidated entity's revenues and results from operations. In particular, the combination of reduced rent rates and occupancy rates, which have fallen from pre-COVID levels of in a range of 67% to 98% to a range of 6 to 80% in 2021, have resulted in the reduction in revenues and an increase in the underlying net loss before tax during the years ended 30 June 2020 and 2021.

With the commencement of the national vaccination programme in Australia, it is anticipated, based on public announcements made by the Australian Federal Government, that the necessity to implement government led lockdowns will diminish in the 2022 financial year and beyond. This reduced reliance on lockdowns as a means to control the spread of COVID-19 is expected to positively impact both rent and occupancy rates in the upcoming financial years and accordingly revenues and operating performance.

All locations are providing a positive value-in-use. However, six of the locations have a value-in-use not in excess of the carrying value of the cash generating unit due to, in part, the current and forecast short-term trading conditions, which has resulted in an impairment of \$9.6 million recognised in the statement of profit or loss and other comprehensive income for the year ended 30 June 2021. Furthermore, a reversal of impairment of assets of \$1.0 million was recognised for locations where there was an improvement in the value-in-use calculation above the carrying value, to the extent to which the locations had been previously impaired as of 30 June 2020. The reversal is non-cash and reflects an increase in the value-in-use, as a result of increased occupancy rates and forecasts.

Cash balances at 30 June 2021 were \$14,513,012, following the \$15,000,000 share placement in June 2021 made by entity associated with Mr Dan Baxter, Co- Chief Executive Officer and Managing Director, subsequent to approval by shareholders on 1 June 2021.

The 2022 financial year is expected to be challenging. The current lockdown restrictions in New South Wales and Victoria are having an adverse effect on short-term suite service revenue. The Board remains cautiously optimistic that, while the recovery in the flexible workspace service offering sector is taking longer than initially anticipated, the currently anticipated rollout timetable of the COVID-19 vaccine will aid business and consumer confidence, which in turn is expected to facilitate a greater level of workers returning to the office.

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Preliminary consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

		Consolidated	
	Note	30 June 2021	30 June 2020
		\$	\$
Suite services revenue	2	14,714,246	42,309,916
Other income	3	2,969,388	1,433,221
Interest revenue calculated using the effective interest method		18,269	21,005
Expenses			
Depreciation		(22,447,877)	(17,528,483)
Finance costs	4	(10,902,034)	(8,904,306)
Employee benefits expense		(6,216,346)	(7,554,493)
Other administration expenses		(4,436,702)	(4,661,705)
Occupancy costs		(4,547,332)	(4,264,176)
Impairment of receivables		(2,733,554)	(3,899,687)
Impairment of assets		(9,556,545)	(8,525,253)
Reversal of impairment of assets		966,445	-
Loss before income tax benefit		(42,172,042)	(11,573,961)
Income tax benefit	5	6,535,830	3,504,586
Loss after income tax benefit for the year attributable to the owners of Victory Offices Limited		(35,636,212)	(8,069,375)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Victory Offices Limited		<u>(35,636,212)</u>	<u>(8,069,375)</u>
		Cents	Cents
Basic loss per share	27	(45.2)	(19.7)
Diluted loss per share	27	(45.2)	(19.7)

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

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Preliminary consolidated statement of financial position
As at 30 June 2021

		Consolidated	
	Note	30 June 2021	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	15,116,337	670,702
Trade and other receivables	7	3,505,125	4,618,626
Other financial assets	8	940,988	2,041,864
Total current assets		<u>19,562,450</u>	<u>7,331,192</u>
Non-current assets			
Other financial assets	9	31,423,810	28,904,258
Property, plant and equipment	10	176,034,708	180,639,619
Deferred tax	11	16,456,734	11,320,992
Total non-current assets		<u>223,915,252</u>	<u>220,864,869</u>
Total assets		<u>243,477,702</u>	<u>228,196,061</u>
Liabilities			
Current liabilities			
Trade and other payables	12	6,125,317	4,392,682
Borrowings	13	603,325	-
Lease liabilities	21	20,124,572	12,371,506
Income tax	14	1,198,427	2,598,515
Provisions	15	469,007	323,527
Other liabilities	16	3,159,936	3,207,404
Total current liabilities		<u>31,680,584</u>	<u>22,893,634</u>
Non-current liabilities			
Trade and other payables	17	9,067,512	13,160,127
Borrowings	18	2,697,371	2,566,085
Lease liabilities	21	162,507,244	150,257,095
Provisions	19	2,548,712	2,402,984
Other liabilities	20	240,678	302,257
Total non-current liabilities		<u>177,061,517</u>	<u>168,688,548</u>
Total liabilities		<u>208,742,101</u>	<u>191,582,182</u>
Net assets		<u>34,735,601</u>	<u>36,613,879</u>
Equity			
Issued capital	22	61,922,519	28,164,585
Retained profits/(accumulated losses)	23	<u>(27,186,918)</u>	<u>8,449,294</u>
Total equity		<u>34,735,601</u>	<u>36,613,879</u>

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

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Preliminary consolidated statement of changes in equity
For the year ended 30 June 2021

Consolidated

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	28,164,585	16,518,669	44,683,254
Loss after income tax benefit for the year	-	(8,069,375)	(8,069,375)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(8,069,375)	(8,069,375)
Balance at 30 June 2020	<u>28,164,585</u>	<u>8,449,294</u>	<u>36,613,879</u>

Consolidated

	Issued capital \$	Retained profits / (accumulated losses) \$	Total equity \$
Balance at 1 July 2020	28,164,585	8,449,294	36,613,879
Loss after income tax benefit for the year	-	(35,636,212)	(35,636,212)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(35,636,212)	(35,636,212)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 22)	<u>33,757,934</u>	<u>-</u>	<u>33,757,934</u>
Balance at 30 June 2021	<u>61,922,519</u>	<u>(27,186,918)</u>	<u>34,735,601</u>

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

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Preliminary consolidated statement of cash flows
For the year ended 30 June 2021

		Consolidated	
	Note	30 June 2021	30 June 2020
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		15,656,042	39,916,774
Payments to suppliers and employees (inclusive of GST)		<u>(15,121,053)</u>	<u>(18,670,332)</u>
		534,989	21,246,442
Interest received		18,629	21,005
Jobkeeper subsidy		1,848,800	667,500
Interest and other finance costs paid		<u>(10,770,748)</u>	<u>(7,024,533)</u>
Net cash from/(used in) operating activities	26	<u>(8,368,330)</u>	<u>14,910,414</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(2,241,416)	(17,173,607)
Payments for bank guarantees		(1,418,675)	(18,094,037)
Proceeds from release of term deposits		<u>-</u>	<u>18,079,314</u>
Net cash used in investing activities		<u>(3,660,091)</u>	<u>(17,188,330)</u>
Cash flows from financing activities			
Receipt of funds from related parties		-	5,036,317
Proceeds from share issues		30,337,400	-
Share issue transaction costs	22	(672,079)	-
Repayment of related party borrowings		-	(450,694)
Repayment of lease liabilities		<u>(3,794,590)</u>	<u>(4,835,810)</u>
Net cash from/(used in) financing activities		<u>25,870,731</u>	<u>(250,187)</u>
Net increase/(decrease) in cash and cash equivalents		13,842,310	(2,528,103)
Cash and cash equivalents at the beginning of the financial year		<u>670,702</u>	<u>3,198,805</u>
Cash and cash equivalents net of bank overdraft at the end of the financial year	6	<u><u>14,513,012</u></u>	<u><u>670,702</u></u>

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

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Preliminary selected notes to the consolidated financial statements
For the year ended 30 June 2021

Note 1. Basis of preparation

This preliminary financial report has been prepared in accordance with ASX Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2020 and any ASX announcements made by the Company during the period.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year.

Note 2. Suite services revenue

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Suite services	<u>14,714,246</u>	<u>42,309,916</u>

Disaggregation of revenue

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

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	1,705,868	3,554,407
Services transferred over time	<u>13,008,378</u>	<u>38,755,509</u>
	<u>14,714,246</u>	<u>42,309,916</u>

Note 3. Other income

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Jobkeeper subsidy	1,632,800	667,500
Rent concession income	1,313,971	756,834
Other revenue	<u>22,617</u>	<u>8,887</u>
Other income	<u>2,969,388</u>	<u>1,433,221</u>

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Note 4. Finance costs

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Interest and finance charges paid	164,511	187,465
Unwinding of lease liability interest	10,606,237	8,674,515
Interest on related party loan	131,286	42,326
	<u>10,902,034</u>	<u>8,904,306</u>

Note 5. Income tax benefit

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
<i>Income tax benefit</i>		
Current tax	(1,400,095)	2,217,367
Adjustment recognised for prior periods	-	224,170
Deferred tax	(5,135,735)	(5,946,123)
Aggregate income tax benefit	<u>(6,535,830)</u>	<u>(3,504,586)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(42,172,042)	(11,573,961)
Tax at the statutory tax rate of 30%	(12,651,613)	(3,472,188)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	8,704,795	1,860
Deferred tax adjustments	(1,188,917)	(258,428)
Under provision	(1,400,095)	-
	<u>(6,535,830)</u>	<u>(3,728,756)</u>
Adjustment recognised for prior periods	-	224,170
Income tax benefit	<u>(6,535,830)</u>	<u>(3,504,586)</u>

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Note 6. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Cash on hand	8,040	8,879
Cash at bank	15,108,297	654,487
Cash on deposit	-	7,336
	<u>15,116,337</u>	<u>670,702</u>

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

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

Balances as above	15,116,337	670,702
Bank overdraft (note 13)	(603,325)	-
Balance as per statement of cash flows	<u>14,513,012</u>	<u>670,702</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Trade receivables	782,229	6,933,556
Less: Allowance for expected credit losses	(265,981)	(3,899,687)
	<u>516,248</u>	<u>3,033,869</u>
Sundry debtors and prepayments	<u>2,988,877</u>	<u>1,584,757</u>
	<u>3,505,125</u>	<u>4,618,626</u>

Note 8. Current assets - Other financial assets

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Term deposits	<u>940,988</u>	<u>2,041,864</u>

Note 9. Non-current assets - Other financial assets

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Term deposits - restricted cash to support bank guarantees	30,167,857	28,904,258
Term deposits	<u>1,255,953</u>	<u>-</u>
	<u>31,423,810</u>	<u>28,904,258</u>

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Note 10. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Leasehold improvements - at cost	42,353,985	41,265,629
Less: Accumulated depreciation	(9,644,817)	(5,943,190)
Less: Impairment	(2,898,450)	(1,591,906)
	<u>29,810,718</u>	<u>33,730,533</u>
Office furniture - at cost	7,755,925	7,301,328
Less: Accumulated depreciation	(1,944,989)	(1,188,551)
Less: Impairment	(514,923)	(275,490)
	<u>5,296,013</u>	<u>5,837,287</u>
Computer equipment - at cost	2,574,156	2,551,342
Less: Accumulated depreciation	(1,249,182)	(782,330)
Less: Impairment	(117,410)	(79,726)
	<u>1,207,564</u>	<u>1,689,286</u>
Office equipment - at cost	11,035,781	10,991,908
Less: Accumulated depreciation	(3,651,877)	(2,349,051)
Less: Impairment	(654,308)	(389,515)
	<u>6,729,596</u>	<u>8,253,342</u>
Computer software - at cost	202,722	202,722
Less: Accumulated depreciation	(141,061)	(96,502)
Less: Impairment	(5,464)	(4,787)
	<u>56,197</u>	<u>101,433</u>
Artwork - at cost	413,578	405,451
Less: Accumulated depreciation	(15,090)	(10,506)
Less: Impairment	(35,311)	(17,799)
	<u>363,177</u>	<u>377,146</u>
Right-of-use asset - at cost	192,272,629	167,505,608
Less: Accumulated depreciation	(46,811,699)	(30,688,986)
Less: Impairment	(12,889,487)	(6,166,030)
	<u>132,571,443</u>	<u>130,650,592</u>
	<u><u>176,034,708</u></u>	<u><u>180,639,619</u></u>

Note 11. Non-current assets - deferred tax

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Deferred tax asset	<u><u>16,456,734</u></u>	<u><u>11,320,992</u></u>

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Note 11. Non-current assets - deferred tax (continued)

	Consolidated 30 June 2021	Consolidated 30 June 2020
Recognised deferred tax asset		
Employee benefits provision	198,536	132,451
Make good provision	706,780	685,503
Lease liabilities	52,600,568	47,578,365
Impairment of assets	5,131,906	2,557,583
Allowance for expected credit losses	79,849	1,169,906
Black hole expenditure	122,582	241,821
Other	1,244,673	357
Capital raising costs	10,440	-
	<u>60,095,334</u>	<u>52,365,986</u>
Recognised deferred tax liabilities		
Right of use assets	<u>(43,638,600)</u>	<u>(41,044,987)</u>
	<u>16,456,734</u>	<u>11,320,999</u>

Note 12. Current liabilities - trade and other payables

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Trade payables	4,716,948	3,295,857
GST and PAYG withholding payable	1,253,703	779,909
Accrued expenses and other payables	<u>154,666</u>	<u>316,916</u>
	<u>6,125,317</u>	<u>4,392,682</u>

Note 13. Current liabilities - borrowings

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Bank overdraft	<u>603,325</u>	<u>-</u>

Note 14. Current liabilities - income tax

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Provision for income tax	<u>1,198,427</u>	<u>2,598,515</u>

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15. Current liabilities - provisions

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Annual leave	<u>469,007</u>	<u>323,527</u>

Note 16. Current liabilities - other liabilities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Client deposits	2,891,427	3,092,015
Contractual liabilities	<u>268,509</u>	<u>115,389</u>
	<u>3,159,936</u>	<u>3,207,404</u>

Note 17. Non-current liabilities - trade and other payables

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Amounts due to related parties	9,067,512	11,109,376
Related party income tax payable	<u>-</u>	<u>2,050,751</u>
	<u>9,067,512</u>	<u>13,160,127</u>

Note 18. Non-current liabilities - borrowings

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Loan payable to related party	<u>2,697,371</u>	<u>2,566,085</u>

Note 19. Non-current liabilities - provisions

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Long service leave	192,778	117,975
Provision for make good on leased premises	<u>2,355,934</u>	<u>2,285,009</u>
	<u>2,548,712</u>	<u>2,402,984</u>

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Note 20. Non-current liabilities - other liabilities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Client deposits	<u>240,678</u>	<u>302,257</u>

Note 21. Lease liabilities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
As a lessee		
Right-of-use assets	<u>132,571,443</u>	<u>130,650,592</u>

Information about leases for which the consolidated entity is a lessee is presented below:

	Consolidated	Consolidated
	30 June 2021	30 June 2020
Right-of-use assets		
Balance at beginning of the period	130,650,592	98,005,084
Additions	23,540,142	45,604,781
Lease modifications and discount rate adjustments	1,275,156	5,200,963
Depreciation charge for the period	(16,170,990)	(11,994,206)
Impairment	(7,422,455)	(6,166,030)
Reversal of impairment	698,998	-
Balance at end of the period	<u>132,571,443</u>	<u>130,650,592</u>

	Consolidated	Consolidated
	30 June 2021	30 June 2020
Lease liabilities included in the statement of financial position		
Current	20,124,572	12,371,506
Non-current	<u>162,507,244</u>	<u>150,257,095</u>
	<u>182,631,816</u>	<u>162,628,601</u>

Note 22. Equity - issued capital

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	40,900,000		28,164,585
Entitlement offer	13 July 2020	40,900,000	\$0.375	15,337,500
Loan conversion	23 June 2021	16,301,342	\$0.251	4,092,615
Share placement to related party - Victory Group Holdings Pty Ltd	30 June 2021	59,746,674	\$0.251	15,000,000
Capital raising costs		-	\$0.000	(672,181)
Balance	30 June 2021	<u>157,848,016</u>		<u>61,922,519</u>

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Note 23. Equity - retained profits/(accumulated losses)

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Retained profits at the beginning of the financial year	8,449,294	16,518,669
Loss after income tax benefit for the year	<u>(35,636,212)</u>	<u>(8,069,375)</u>
Retained profits/(accumulated losses) at the end of the financial year	<u><u>(27,186,918)</u></u>	<u><u>8,449,294</u></u>

Note 24. Contingencies and commitments

Capital commitments

The consolidated entity had \$1,695,000 in commitments for future fit-out expenditure at 30 June 2021 (30 June 2020: \$1,400,625).

Note 25. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not been financially positive for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

The ongoing utilisation of lockdowns, social distancing requirements, quarantine, travel restrictions and other measures by the respective Australian State and Federal Governments to manage the spread of COVID-19 has and will continue to directly, in the short term, limit the consolidated entity's ability to increase occupancy rates and revenues significantly and on a stable basis.

The consolidated entity cannot estimate the nature and extent of the impact of COVID-19, as the situation is often rapidly developing and is dependent on many factors including the aforementioned measures, vaccination rates, any economic stimulus that may be provided and customer behaviour patterns, which may change as a result of the impact of the aforementioned measures over a prolonged period of time.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Victory Offices Limited
Appendix 4E Preliminary Final Report
Preliminary selected notes to the consolidated financial statements
For the year ended 30 June 2021

Note 26. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Loss after income tax benefit for the year	(35,636,212)	(8,069,375)
Adjustments for:		
Depreciation and amortisation	22,447,877	17,528,483
Impairment of non-current assets	9,556,545	8,525,253
Rent concession income	(1,313,971)	(756,834)
Impairment of receivables	2,733,554	3,899,687
Interest	131,286	1,879,773
Reversal of impairment of assets	(966,445)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(372,434)	(6,660,896)
Decrease in accrued revenue	216,000	-
Decrease in prepayments and other assets	(1,096,216)	203,532
Increase in trade and other payables	2,138,187	1,517,663
Decrease in contract liabilities	(153,121)	(180,970)
Increase in other provisions	220,283	104,728
Increase/(decrease) in other liabilities	262,167	423,956
Increase/(decrease) Tax assets and liabilities	(6,535,830)	(3,504,586)
Net cash from/(used in) operating activities	<u>(8,368,330)</u>	<u>14,910,414</u>

Note 27. Loss per share

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$	\$
Loss after income tax attributable to the owners of Victory Offices Limited	<u>(35,636,212)</u>	<u>(8,069,375)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>78,910,326</u>	<u>40,900,000</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>78,910,326</u>	<u>40,900,000</u>
	Cents	Cents
Basic loss per share	(45.2)	(19.7)
Diluted loss per share	(45.2)	(19.7)