

# **Yellow Brick Road Holdings Limited**

**ABN 44 119 436 083**

**Directors' Report and Financial Statements - 30 June  
2025**

## **Yellow Brick Road Holdings Limited**

### **Contents**

**30 June 2025**

Directors' report	2
Auditor's independence declaration	9
Statement of profit or loss and other comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Consolidated entity disclosure statement	49
Directors' declaration	50
Independent auditor's report to the members of Yellow Brick Road Holdings Limited	51

## Yellow Brick Road Holdings Limited

### Directors' report

30 June 2025

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Yellow Brick Road Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

#### Directors

The following persons were directors of Yellow Brick Road Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mark Bouris - Chairman  
Adrian Bouris  
Frank Ganis  
John George (resigned on 10 January 2025)

#### Principal activities

During the financial year, the principal continuing activities of the consolidated entity consisted of mortgage broking, aggregation and management services.

#### Dividends

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

#### Review of operations

The statutory profit for the consolidated entity after providing for income tax amounted to \$1,357,000 (30 June 2024: loss of \$78,000). The profit before tax (excluding movement in net present value of trail commissions) for the consolidated entity was \$4,658,000 (30 June 2024: \$509,000).

The FY25 result has been influenced by several factors including:

- A \$5,860,000 reduction in operation expenses, driven by a disciplined cost management and continued cost savings, along with savings due to restructuring of Resi Wholesale Funding agreement.
- Since FY22, the business has experienced a decline in run-off rates across all segments, except for the high-volume, lower-margin aggregation business, which saw an increase in run-off rate in FY25.

The effect of this is shown in the table below:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) before tax	3,069	(227)
Add: Gain on revaluation of net present value of trail commissions	(97)	(977)
Add: Loss on other movements in net present value of trail commissions	1,686	1,713
Net loss related to the net present value of trail commissions	1,589	736
Profit before tax (excluding movement in net present value of trail commissions)	<u>4,658</u>	<u>509</u>

**Yellow Brick Road Holdings Limited**  
**Directors' report**  
**30 June 2025**

The directors consider Normalised Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the consolidated entity. Normalised EBITDA is not a financial measure prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items. The consolidated entity's reconciliation of its statutory net profit/(loss) after tax for the current and previous year to Normalised EBITDA is as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after income tax	1,357	(78)
Add: Depreciation and amortisation*	559	358
Less: Interest income	(522)	(416)
Add: Interest expense**	273	279
Less: Income tax benefit	1,712	(149)
<b>EBITDA</b>	<b>3,379</b>	<b>(6)</b>
Add: Setup costs for Head Office branch	-	618
Add: Expenses in relation to the delisting and group restructure	229	757
Add: Legal expenses in relation to payroll tax advice	167	-
Add: Legacy and discontinued business legal/settlement expenses	-	46
Less: Service charges (equity-accounted) for Resi Wholesale Funding	(400)	(400)
Add: Share of net loss from joint venture	2,708	-
<b>Normalised EBITDA</b>	<b>6,083</b>	<b>1,015</b>
Add: Net loss related to the net present value of trail commissions	1,589	736
<b>Cash based Normalised EBITDA</b>	<b>7,672</b>	<b>1,751</b>

\* Excludes depreciation on right-of-use assets

\*\* Excludes discount unwind on trail commission payments and interest on lease liabilities

Key features of the consolidated entity's result were:

- Cash based Normalised EBITDA increased by \$5,921,000 to \$7,672,000 (30 June 2024: \$1,751,000).
- Total revenue from contracts with customers (after net present value movements) decreased by 8.2% to \$244,230,000 (30 June 2024: \$265,981,000). The revenue (before net present value movements) increased by 9.1% to \$249,100,000 (30 June 2024: \$228,226,000). This increase was primarily driven by 14.4% increase in settlements to \$23,348 million (30 June 2024: \$20,411 million).
- Receipts from customers (inclusive of GST) increased by 8.8% to \$296,588,000 (30 June 2024: \$272,575,000).
- Operating expenses decreased by \$5,860,000 to \$18,401,000 (30 June 2024: \$24,261,000). These savings resulted from significant cost-saving initiatives implemented by the company, along with Resi Wholesale Funding restructure agreement.
- Cash balances increased by \$6,600,000 to \$13,354,000 (30 June 2024: \$6,754,000). This includes \$1,662,000 from net proceeds of finance facility, offset by \$2,100,000 for investment to Resi Wholesale Funding joint venture, and the net cash inflow from operating activities of \$8,137,000 (30 June 2024: cash inflow of \$1,263,000). The net cash flow from operating activities was impacted by termination payments of \$412,000 due to group restructuring, \$227,000 legal/consulting expenses in relation to Resi Wholesale Funding Pty Ltd restructuring and \$184,000 legal expenses in relation to payroll tax advice.
- Net cash after borrowings increased by \$4,938,000 to \$10,954,000 (30 June 2024: \$6,016,000).
- Borrowings increased by \$1,662,000 to \$2,400,000 (30 June 2024: \$738,000).
- Net tangible assets per ordinary share increased by 0.26 cents to 11.46 cents (30 June 2024: 11.20 cents). When incorporating the consolidated entity's 50% interest in the Resi Wholesale Funding joint venture, the net tangible assets per ordinary share becomes 14.14 cents (30 June 2024: 12.98 cents).
- Settlements increased by 14.4% to \$23,348 million (30 June 2024: \$20,411 million).
- Underlying loan book size increased by 8.4% to \$71,968 million (30 June 2024: \$66,379 million).
- Net present value of underlying loan book decreased by 5.1% to \$29,662,000 (30 June 2024: \$31,258,000).
- Net present value of underlying loan book per ordinary share is 9.3 cents (30 June 2024: 9.8 cents).

**Yellow Brick Road Holdings Limited**  
**Directors' report**  
**30 June 2025**

**Significant changes in the state of affairs**

On 14 October 2024, Yellow Brick Road Group Pty Ltd (100% owned by the consolidated entity) entered into a restructure agreement with Resi Wholesale Funding Pty Ltd ('RWF') to undertake a reorganisation of RWF, with an effective date of 1 October 2024. The key terms of the agreement included:

- (a) The consolidated entity subscribed for 2.1 million Class A shares at \$1 each in RWF;
- (b) \$1.5 million shareholder loan made to RWF, funded by the consolidated entity, was converted into Class A shares issued by RWF at \$1 each; and
- (c) RWF assumed responsibility for its allocated share of the operational costs of the corporate services provided by the consolidated entity. The consolidated entity's staff who were previously engaged in providing origination and loan services to RWF were transferred into RWF to continue to provide those services as direct employees of RWF.

On 18 February 2025, the consolidated entity subscribed to 290,741 Class AA shares in Resi Wholesale Funding Pty Ltd at \$1 per share, pursuant to the Capitalisation Deed. The consideration for these shares was fully settled by offsetting an outstanding interest receivable from Resi Wholesale Funding Warehouse Trust No. 1.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2025 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.

**Likely developments and expected results of operations**

The consolidated entity will continue to provide customers with lending choice through its retail and wholesale mortgage broking and lending businesses whilst extending reach in other areas in the market.

Further information about likely developments in the operations and the expected future results of those operations have not been included in this report because disclosure of the information would, in the opinion of the directors, be likely to result in unreasonable prejudice to the consolidated entity.

**Business risks**

Provided below are the principal risks and uncertainties associated with the consolidated entity that could adversely affect its financial performance and growth potential in future years.

*Macroeconomic risks*

The consolidated entity operates in a highly competitive market with competition from mortgage broking organisations, established financial services providers and new market entrants including FinTechs. Strong competition increases pressure on margins and volumes of the business.

The business is subject to macroeconomic, regulatory and legal conditions across the Australian lending market. These conditions impact interest rates, the property market and consumer confidence which influence lending volumes and the present value of trail commissions (through increased run-off rates). In periods of rising interest rates, financial pressures are placed on borrowers which increases the probability of loans going into arrears. This can impact the consolidated entity in two ways, either through the cessation of trail commissions for brokered loans (generally when the loan is greater than 90 days in arrears), or reduced earnings through the securitised lending business. To date, the consolidated entity has not experienced a significant increase in loans arrears. It is noted that group exposure to arrears risk is further mitigated as the obligation to remit trail commission payments to its brokers would be suspended whilst loans are in arrears.

**Yellow Brick Road Holdings Limited**  
**Directors' report**  
**30 June 2025**

Regulatory compliance presents the risk of failure to act in accordance with laws, regulations, industry standards and internal policies. The consolidated entity maintains internal controls to ensure continued compliance. From time to time, the company is exposed to a regulatory compliance breach of which appropriate remedial steps are undertaken on a timely basis with brokers and employees and (if relevant) third parties.

The business mitigates these risks through the monitoring of key risk indicators and market conditions as well as keeping abreast of regulatory changes.

*Strategic risks*

Strategic risk is the risk associated with the implementation of the consolidated entity's strategic objectives including the risk of failure to execute its strategy effectively or in a timely manner. The consolidated entity invests resources in the execution of initiatives that are aligned to its strategy, including programs focused on technology, digital and data assets, distribution expansion, margin improvements and improvements to risk and controls. There is a risk that these programs may not realise some or all of their anticipated benefits. The consolidated entity's response is to implement appropriate project governance measures for all major initiatives and to track associated benefits that are derived.

*Operational risk*

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. The consolidated entity takes a risk-based approach to the management of operational risk and obligations to identify, assess, manage and escalate operational risk-related exposures.

The consolidated entity engaged in activities during the financial year to develop the skills and experience of staff.

*Cyber risk, privacy and data breach*

Due to the significant volume of sensitive data managed by the consolidated entity, there is a risk that technology is inappropriately accessed, manipulated or damaged from cybersecurity threats or vulnerabilities. The consolidated entity proactively manages cyber risk to limit the likelihood of inappropriate access, manipulation, theft or damage to its own and third parties' data and technology as well as continuing to invest to enhance cyber controls commensurate to the threats required to be responded to.

The consolidated entity handles personal and sensitive information through management of its privacy policy and use of select external technology suppliers to process and store confidential data, including the increased use of secure cloud infrastructure. The consolidated entity keeps its workforce, franchisees and licensees appropriately trained and updated with privacy and data breach training and initiatives, and continually tests staff capability through simulated cyber exercises.

*Digital transformation*

The consolidated entity continues to see the rapid change in technology and adoption of digital services through the ubiquitous access through cloud driven technologies. The growth of cloud automation and integration is driving an enhanced customer experience. The rise of generative AI is making the adoption and application of data driven intelligence the fastest growing technology space. This will significantly disrupt services and offerings into the future, with greater expectations on highly customised and personalised experiences driven by machine learning and predictive analytics. Data continues to grow in value as a material asset.

The consolidated entity's response is to invest in its own lending capabilities, increase the number and productivity of YBR Retail franchise branches, YBR Aggregation independent broker networks, and the YBR Head Office branch and to invest in the YBR brand which continues to be well regarded within the lending market.

*Work, health and safety ('WHS')*

The consolidated entity has a zero-risk tolerance for serious safety incidents. During the financial year, the consolidated entity continued to exhibit strong WHS practices across the business and continued to develop and train its workforce on WHS matters.

**Environmental regulation**

The consolidated entity has complied with all regulations applicable to the financial services sector industry. It is not required to report under any specific environmental legislation.

## Yellow Brick Road Holdings Limited

### Directors' report

30 June 2025

#### Information on directors

Name: Mark Bouris  
Title: Executive Chairman  
Qualifications: BCom (UNSW), MCom (UNSW), HonDBus (UNSW), Hon DLitt (UWS), FCA  
Experience and expertise: Mark Bouris is the Executive Chairman of Yellow Brick Road ('YBR') and has extensive experience in the finance and property sectors. Mark is a board member of the Sydney Roosters. He is an Adjunct Professor at the UNSW Australia Business School and he sits on boards for the UNSW Business Advisory Council.  
Special responsibilities: YBR appointed director of Resi Wholesale Funding Pty Limited.

Name: Adrian Bouris  
Title: Non-Executive Director  
Qualifications: BCom (UNSW), LLB (UNSW), Solicitor of Supreme Court of NSW.  
Experience and expertise: Adrian Bouris is a Non-Executive Director of YBR and has extensive experience in finance, investment banking and corporate and commercial law. He is currently a Principal and Managing Director of BBB Capital Pty Ltd, a boutique corporate advisory and investment company. Prior to founding BBB Capital Pty Ltd, Adrian was Managing Director of the Australian Investment Banking Division of ING Bank N.V. and was previously Director of SG Hambros Australia. He is also a Non-Executive Director of Surfing Australia and Momentum Markets Group.  
Special responsibilities: Member of the Audit and Risk Committee.  
YBR appointed director and chairman of Resi Wholesale Funding Pty Limited.

Name: Frank Ganis  
Title: Non-Executive Director  
Qualifications: FAPI, GAICD  
Experience and expertise: Frank Ganis is a Non-Executive Director of YBR and has over 41 years of career in Banking and Finance, retiring from full-time executive responsibilities in 2017 after 28 years at Macquarie Group, including 17 years as Executive Director. He is recognised as a pioneer and influential industry leader in Australia and has fulfilled a broad range of responsibilities which include Chair and Board roles, management and oversight of global businesses and a member of regulatory, risk and compliance committees. Frank remains active in financial services as a Non-Executive Director for N1 Holdings Limited along with various and private companies, in addition to numerous advisory and consulting roles.  
Special responsibilities: Member of the Audit and Risk Committee

#### Company secretary

Nicholas Bouris (appointed as Company Secretary for the YBR group of companies and its affiliates on 25 July 2024) has years of corporate and operational experience and holds undergraduate and post-graduate qualifications in finance, economics, information technology (IT), software development and mortgage broking. Nicholas has previously held senior roles for a number of ASX listed and private companies, in capital markets, media and technology. During his capital markets career, Nicholas worked on many primary and secondary market offerings, restructures and M&A transactions for Australian small, medium and large cap companies within the Bell Financial Group of companies. Whilst in the media industry, Nicholas produced multi-million dollar and nationally syndicated free-to-air television shows and podcasts for Seven West Media and Southern Cross Austereo. As a technology entrepreneur, Nicholas founded, capitalised and successfully exited a large-scale Real Estate SaaS business, jointly owned with REA Group and Momentum Media. Nicholas currently holds an executive role with YBR as its General Manager of Operations and is principally responsible for designing, implementing and managing scalable infrastructure to both support and enable the YBR broking network and lending businesses achieve revenue growth and profitability.

Stephen McKenzie (resigned on 24 July 2024) is a member of Chartered Accountants Australia and New Zealand, as well as possessing further qualification in Applied Finance and Investment and Mortgage Broking. He has extensive experience in leading teams across Operations, Customer Services, Finance and Risk Management, along with initiating and implementing strategies to grow the profitability of businesses including increasing customers, driving efficiency gains and improving product margins.

**Yellow Brick Road Holdings Limited**  
**Directors' report**  
**30 June 2025**

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director or officer were:

	Full Board		Audit and Risk Committee	
	Held	Attended	Held	Attended
Mark Bouris *	5	3	-	-
Adrian Bouris	5	5	6	6
Frank Ganis	5	5	6	5
Owen Williams **	-	-	6	6
John George ***	3	3	4	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

\* Mark Bouris is not a member of the Audit and Risk Committee.

\*\* Owen Williams, former director of the board has remained a member of the Audit and Risk Committee under a Consultancy Agreement with the consolidated entity. He was appointed as Chairman of Audit and Risk Committee on 10 January 2025.

\*\*\* John George resigned on 10 January 2025 as a director of the consolidated entity and chairman of the Audit and Risk Committee.

**Shares under option**

There were no unissued ordinary shares of Yellow Brick Road Holdings Limited under option outstanding at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

**Indemnity and insurance of officers**

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is fraud or a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

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

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

**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 purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Yellow Brick Road Holdings Limited**  
**Directors' report**  
**30 June 2025**

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 immediately follows this report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink that reads "Mark Bouris". The signature is written in a cursive style with a long horizontal stroke at the end.

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Mark Bouris  
Executive Chairman

28 August 2025  
Sydney

## Auditor's Independence Declaration

### To the Directors of Yellow Brick Road Holdings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Yellow Brick Road Holdings Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



Tari Makanda  
Partner – Audit & Assurance

Sydney, 28 August 2025

**Yellow Brick Road Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

	Note	<b>Consolidated</b>	
		<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Revenue from contracts with customers (excluding trail PV movements)		249,100	228,226
Revenue from contracts with customers (trail PV movements)		(4,967)	36,778
Gain on revaluation of net present value of trail commissions		97	977
Total revenue from contracts with customers	4	<u>244,230</u>	<u>265,981</u>
Other income		32	97
Interest income		522	416
Discount unwind on trail commission		24,590	20,942
Total revenue and other gains		<u>269,374</u>	<u>287,436</u>
<b>Expenses</b>			
Commissions expenses (excluding trail PV movements)	5	(224,096)	(204,189)
Commissions expenses (trail PV movements)	5	3,280	(38,491)
Employee benefits expense		(8,996)	(13,406)
Depreciation and amortisation expense		(1,347)	(1,164)
Share of losses of joint ventures accounted for using the equity method	11	(2,708)	-
Other expenses		(9,405)	(10,855)
Finance costs	5	(23,033)	(19,558)
Total expenses		<u>(266,305)</u>	<u>(287,663)</u>
<b>Profit/(loss) before income tax (expense)/benefit</b>		3,069	(227)
Income tax (expense)/benefit	6	<u>(1,712)</u>	149
<b>Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Yellow Brick Road Holdings Limited</b>		1,357	(78)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(loss) for the year attributable to the owners of Yellow Brick Road Holdings Limited</b>		<u><u>1,357</u></u>	<u><u>(78)</u></u>

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

**Yellow Brick Road Holdings Limited**  
**Statement of financial position**  
**As at 30 June 2025**

	Note	Consolidated 2025 \$'000	2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	13,354	6,754
Trade and other receivables	8	25,856	22,523
Contract assets - trail commissions	9	92,312	85,611
Financial assets at fair value through profit or loss	10	-	1,500
Deposits		400	426
Prepayments		1,580	1,820
<b>Total current assets</b>		<u>133,502</u>	<u>118,634</u>
<b>Non-current assets</b>			
Trade and other receivables	8	1,106	888
Contract assets - trail commissions	9	303,484	315,074
Financial assets at fair value through profit or loss	10	50	50
Investments accounted for using the equity method	11	1,183	-
Right-of-use assets	12	830	1,616
Plant and equipment		140	112
Intangibles	13	1,133	1,636
Prepayments		1,353	1,433
Deferred tax	6	-	1,377
<b>Total non-current assets</b>		<u>309,279</u>	<u>322,186</u>
<b>Total assets</b>		<u>442,781</u>	<u>440,820</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	114,928	105,700
Contract liabilities	15	1,547	1,456
Borrowings	16	500	738
Lease liabilities	17	868	1,404
Provisions	18	1,310	1,212
<b>Total current liabilities</b>		<u>119,153</u>	<u>110,510</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	282,367	292,541
Borrowings	16	1,900	-
Lease liabilities	17	106	413
Provisions	18	132	133
Deferred tax	6	326	-
<b>Total non-current liabilities</b>		<u>284,831</u>	<u>293,087</u>
<b>Total liabilities</b>		<u>403,984</u>	<u>403,597</u>
<b>Net assets</b>		<u>38,797</u>	<u>37,223</u>
<b>Equity</b>			
Issued capital	19	112,222	112,222
Reserves	20	2,215	2,215
Accumulated losses		<u>(75,640)</u>	<u>(77,214)</u>
<b>Total equity</b>		<u>38,797</u>	<u>37,223</u>

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

**Yellow Brick Road Holdings Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2025**

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023	112,630	2,215	(77,136)	37,709
Loss after income tax benefit for the year	-	-	(78)	(78)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(78)	(78)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 19)	194	-	-	194
Share buy-back (note 19)	(602)	-	-	(602)
Balance at 30 June 2024	<u>112,222</u>	<u>2,215</u>	<u>(77,214)</u>	<u>37,223</u>
<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2024	112,222	2,215	(77,214)	37,223
Profit after income tax expense for the year	-	-	1,357	1,357
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,357	1,357
<i>Transactions with owners in their capacity as owners:</i>				
Reclassification of accumulated losses (note 11)	-	-	217	217
Balance at 30 June 2025	<u>112,222</u>	<u>2,215</u>	<u>(75,640)</u>	<u>38,797</u>

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

**Yellow Brick Road Holdings Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2025**

	<b>Note</b>	<b>Consolidated</b>	
		<b>2025</b>	<b>2024</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		296,588	272,575
Payments to suppliers and employees (inclusive of GST)		<u>(288,700)</u>	<u>(271,558)</u>
		7,888	1,017
Interest received		610	611
Interest and other finance costs paid		<u>(311)</u>	<u>(365)</u>
Net cash from operating activities	31	<u>8,187</u>	<u>1,263</u>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(85)	(63)
Payments for intangibles	13	-	(250)
Payments for purchase of investments	10	-	(50)
Payments for investments accounted for using equity method	11	(2,100)	-
Loans to franchisees and licensees		<u>(219)</u>	<u>(549)</u>
Net cash used in investing activities		<u>(2,404)</u>	<u>(912)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	19	-	194
Payments for share buy-backs	19	-	(602)
Net proceeds/(repayment) of borrowings		1,662	(450)
Repayment of lease liabilities		<u>(845)</u>	<u>(798)</u>
Net cash from/(used in) financing activities		<u>817</u>	<u>(1,656)</u>
Net increase/(decrease) in cash and cash equivalents		6,600	(1,305)
Cash and cash equivalents at the beginning of the financial year		<u>6,754</u>	<u>8,059</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>13,354</u></u>	<u><u>6,754</u></u>

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

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 1. General information**

The financial statements cover Yellow Brick Road Holdings Limited as a consolidated entity consisting of Yellow Brick Road Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Yellow Brick Road Holdings Limited's functional and presentation currency.

Yellow Brick Road Holdings Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11  
1 Chifley Square  
Sydney NSW 2000

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 28 August 2025. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial year.

The following Accounting Standards and Interpretations have been adopted from 1 July 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants.
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

**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 Accounting 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 financial assets measured at fair value through profit or loss.

*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 3.

**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 29.

**Note 2. Material accounting policy information (continued)**

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Yellow Brick Road Holdings Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Yellow Brick Road Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries 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 activities of the entity. Subsidiaries 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 subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

**Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. The consolidated entity has estimated the cost of servicing the loan books which is detailed in note 3 'Critical accounting judgements, estimates and assumptions'.

Revenue is recognised either at a point in time or over the time, when (or as) the consolidated entity satisfies performance obligations by transferring the promised services to its customers.

Revenue includes the rendering of mortgage broking services and aggregation and management services.

*Mortgage broking services - Origination commissions*

Revenue in the form of a commission generated on origination of mortgages is recognised at a point in time on settlement of the loan net of expected clawbacks using the expected value method. Costs to introduce the loans are also recognised at inception of the loan.

*Mortgage broking services - Trail PV commissions*

At the time of loan settlement, trail commission revenue and the related contract assets are recognised at the estimated 'expected value' of the variable consideration being the present value of the expected future trail commissions to be received from the lending institution.

**Note 2. Material accounting policy information (continued)**

The expected value of variable consideration includes amounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainties associated with the variable consideration are subsequently resolved. The consolidated entity has regard to constraining factors such as market volatility and possible change in run-off rates, absence of experience with certain customer or contract types, and likelihood of unfavourable changes to commission arrangements when determining variable consideration. Refer to note 3 - Mortgage trail commissions for further information.

An associated expense and payable to the franchisees and licensees is also recognised and measured at fair value being the present value of the expected future trail commission payable to licensees.

The contract assets and trail commission payable are calculated having regard also to a 'run-off' of clients that discharge or pay-down their loans resulting in trail commission no longer being receivable or payable. The asset is tested for impairment annually and is adjusted for any difference in the expected trail run-off and the actual run-off experienced.

Subsequent to initial recognition, the carrying amount of the contract asset and trail commission payable are adjusted to reflect actual and revised estimated cash flows by recalculating the net present value of estimated future cash flows at the original effective interest rate. This results in a significant financing component recognised in profit or loss.

*Mortgage broking services - Trail commissions*

Cash received by the consolidated entity for the trail commission revenue for the reporting period is reported in this category. On receipt of cash, an adjustment is made to mortgage broking services - Trail PV commissions to reflect the cash collected during the period.

*Mortgage management charges*

Ongoing mortgage management charges from servicing the loan book portfolio are recognised as services provided over the course of the loan. The charges represent a separate service obligation that includes maintaining a dedicated post settlement customer service function.

*Mortgage broking services - professional services*

Professional services represent branch and broker charges for services offered by the consolidated entity. The revenue from these services are recognised at a point in time.

*Service charges for Resi Wholesale Funding Pty Ltd*

Service charges for Resi Wholesale Funding represents charges for administration services provided to the joint venture. The revenue from these service charges are recognised over time.

*Sponsorship revenue*

Sponsorship revenue represents contributions from lenders to market at YBR arranged events for its franchise and broker networks. The key services relate to compliance, training and education in the form of learning management systems, conferences and professional development workshops. This is recognised at a point in time when the events are held.

**Income tax**

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

**Note 2. Material accounting policy information (continued)**

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

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Yellow Brick Road Holdings Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'standalone taxpayer/separate taxpayer within a group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated.

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

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

A deferred tax benefit relating to previously unrecorded tax losses has been recognised to the extent they are expected to be utilised against the deferred tax liability acquired.

**Current and non-current classification**

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

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

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

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

**Note 2. Material accounting policy information (continued)**

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30-90 days of recognition.

The consolidated entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The consolidated entity assesses impairment of trade receivables on a collective basis, as they possess shared credit risk characteristics, based on the days past due.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

*Revenue accrual*

The revenue accrual relates to upfront and trail commission receivable, which the consolidated entity is entitled to at the end of the financial year. The cash from this revenue accrual is normally received in the subsequent month.

**Contract assets**

Contract assets are recognised when the consolidated entity has transferred services to the customer but where the consolidated entity is yet to establish an unconditional right to the consideration. Contract assets are treated as financial assets for impairment purposes.

Present value of trail commission receivable (Contract assets - trail commissions) is classified in this category.

**Financial assets**

Financial assets are recognised when the consolidated entity becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when substantially all the risks and rewards are transferred.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for any transaction costs. Subsequent measurement depends on classification.

Financial assets are classified into one of the following categories: amortised cost; fair value through profit or loss; or fair value through other comprehensive income.

The classification is determined by both: the consolidated entity's business model for managing the financial asset; and the contractual cash flow characteristics of the financial asset.

The consolidated entity does not have any financial assets categorised as fair value through other comprehensive income.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

## **Note 2. Material accounting policy information (continued)**

### *Financial assets at amortised cost*

Financial assets are subsequently measured at amortised cost, using the effective interest method, if the assets meet the following conditions: they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Discounting is omitted where the effect of discounting is immaterial.

The consolidated entity's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

In 2024, the consolidated entity's financial assets at fair value through profit or loss include the loan to Resi Wholesale Funding Pty Ltd. In 2025, this has been converted to investment in joint venture.

## **Joint ventures**

A joint venture is an arrangement whereby the parties that have joint control and rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.

## **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The useful life of the lease assets is referenced in note 12.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **Intangibles**

Intangible assets acquired are initially recognised at cost and subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### *Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of three and four years.

## **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

## **Financial liabilities**

Financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Note 2. Material accounting policy information (continued)**

The consolidated entity's financial liabilities include borrowings, contract liabilities and trade and other payables.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted except for trail commission payables which are discounted to its net present value. The amounts are unsecured and are usually paid within 30-90 days of recognition.

*Clawback payables*

This amount represents the net expected clawback payable on upfront commissions received by the consolidated entity from the funders after deducting the amount clawed back from the branches/brokers. Refer to note 3 for further information.

**Contract liabilities**

Contract liabilities represent cash or consideration received where the services to customers have not yet been performed.

The consolidated entity's contract liabilities comprise:

- Unearned sponsorship revenue received from lenders, intended for training the branch and broker network at YBR-arranged events; and
- Future administration services to be provided to Resi Wholesale Funding (joint venture) resulting from the consolidated entity's investment.

**Borrowings**

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and any consideration paid is recognised in profit or loss.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Finance costs**

Finance costs are expensed in the period in which they are incurred.

The consolidated entity's finance costs comprise:

- discount unwind on trail commission payments;
- interest expense on borrowings; and
- interest expense on lease liabilities.

**Note 2. Material accounting policy information (continued)**

**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.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries and other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

Employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

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

**Fair value measurement**

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

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

**Issued capital**

Ordinary shares are classified as equity.

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

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

**Note 2. Material accounting policy information (continued)**

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity does not expect these amendments to have a material impact on the amounts recognised in prior periods or will affect the current or future periods. The main standards are listed below:

- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability
- AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11
- AASB 2014-10 Sale or contribution of assets between investor and its associate or joint venture

**Note 3. 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, and what 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.

*Determination of variable consideration - cost of servicing loan book*

For loans where there is a continuing obligation to provide a customer service, the consolidated entity estimates the cost of servicing the existing loan book customers over the estimated life of the loans. The present value for the cost of servicing the loan book is netted off against the trail income receivable. In calculating the estimate, the consolidated entity considers the costs incurred in managing the portfolio. The loan run off assumption is the same as used in the present value of trail income receivable.

*Mortgage trail commissions*

The consolidated entity receives trail commissions from lenders (presented as contract assets) over the life of the loan based on the loan balance outstanding subject to the loan continuing to perform. The consolidated entity is obligated to make trail commission payments to franchisees and broker groups based on their loan book balance outstanding. Significant assumptions used in the valuation are listed below.

	30 June 2025	30 June 2024
Weighted average loan life *	3.7 years	3.7 years
Discount rate per annum	between 4.3% and 12.5%	between 4.3% and 12.5%
Weighted percentage paid to YBR franchisees	79%	78%
Weighted percentage paid to YBR Aggregation brokers	97%	96%

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

\* Average loan life is impacted by the future run-off rate. A reduction in the average loan life as a result of higher run-off would result in a lower net asset position. An increase of the run-off rate by 2% would lead to a reduction in contract assets by \$32.8 million and corresponding reduction in trade and other payables by \$30.3 million with net impact of reduction in net assets of \$2.5 million. A decrease of the run-off rate by 2% would lead to growth in contract assets by \$37.7 million and corresponding increase in trade and other payables by \$34.9 million with net impact of the growth in net assets of \$2.8 million.

Discount rates are locked in with each tranche of loans. Once set, for a given 12 month tranche of loans, the discount rate does not change. The derived discount rate is a combination of the risk free rate (measured by the yield on a five year Commonwealth Government Bond), default risk spread, run off risk spread and model risk.

*Mortgage management charges*

Revenue for ongoing mortgage management charges of 3.4 basis points has been estimated on a cost plus methodology. The fee is deducted from the trail commission received over the course of the loan.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrance of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Incremental borrowing rate*

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

*Clawback*

A clawback on the upfront commission received from funders is incurred when a loan is discharged within the first 2 years of a loan settling. The liability represents the net expected clawback payable on upfront commissions received by the consolidated entity from the funders. The key assumption is that the value of clawed-back commissions range between 25% and 100% of the upfront commissions on originated loan over a period of 0 to 24 months from the date of loan inception. The clawback is calculated based on historical trends and the application of a weighted average margin for each business unit. The key assumptions that underpin this liability estimation are reviewed annually.

*Recognition of deferred tax assets and liabilities*

The net deferred tax asset requires the consideration of realisation of carried forward tax losses of the consolidated entity. The extent to which net deferred tax assets can be recognised and set off against the deferred tax liability is based on an assessment of the probability of the consolidated entity's future taxable income against which the net deferred tax assets can be utilised.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 4. Revenue from contracts with customers**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Mortgage broking services and mortgage aggregation services	244,230	265,981

*Disaggregation of revenue*

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

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Major product lines</i>		
Mortgage broking services - origination commissions	134,825	119,766
Mortgage broking services - trail commissions	98,290	94,069
Mortgage broking services - trail PV commissions *	(4,870)	37,755
Mortgage broking services - professional services	12,310	11,060
Sponsorship revenue	2,979	2,605
Mortgage management fees	296	326
Service charges for Resi Wholesale Funding	400	400
	244,230	265,981

*Geographical regions*

Australia	244,230	265,981
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*Timing of revenue recognition*

Services transferred at a point in time	243,534	265,255
Services transferred over time	696	726
	244,230	265,981

\* This is a combination of revenue from trail PV commissions and loss on revaluation of trail PV commissions.

**Note 5. Expenses**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Disaggregation of commission expenses</i>		
The disaggregation of expenses paid to branches and brokers is as follows:		
<i>Major product lines</i>		
Mortgage broking services - origination commissions	130,631	115,434
Mortgage broking services - trail commissions	91,028	86,391
Mortgage broking services - trail PV commissions	(3,280)	38,491
Mortgage broking services - professional services	2,437	2,364
	220,816	242,680

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 5. Expenses (continued)**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Office equipment	56	58
Right-of-use assets	788	806
Total depreciation	<u>844</u>	<u>864</u>
<i>Amortisation</i>		
Software	503	300
Total depreciation and amortisation	<u>1,347</u>	<u>1,164</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	273	279
Interest and finance charges paid/payable on lease liabilities	56	86
Discount unwind on trail commission payments	22,704	19,193
Finance costs expensed	<u>23,033</u>	<u>19,558</u>
Marketing expenses	2,198	2,537
Consultancy expenses	1,409	1,459
Defined contribution superannuation expense	775	1,040

**Note 6. Income tax**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Income tax expense/(benefit)</i>		
Current tax	9	-
Deferred tax - origination and reversal of temporary differences	1,703	(149)
Aggregate income tax expense/(benefit)	<u>1,712</u>	<u>(149)</u>
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease/(increase) in deferred tax assets	1,703	(149)
<i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i>		
Profit/(loss) before income tax (expense)/benefit	3,069	(227)
Tax at the statutory tax rate of 30%	921	(68)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	20	34
Other adjustments	771	(115)
Income tax expense/(benefit)	<u>1,712</u>	<u>(149)</u>

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 6. Income tax (continued)**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax (liability)/asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	6,849	9,194
Allowance for expected credit losses	78	79
Contract liabilities	464	317
Employee benefits	430	408
Clawback payables	191	153
Accrued expenses	327	428
Plant and equipment and intangibles assets	99	75
Net deferred trail income/commissions	(8,899)	(9,377)
Right-of-use assets and lease liabilities	43	60
Others	92	40
	<u>(326)</u>	<u>1,377</u>
Deferred tax (liability)/asset		
	<u>(326)</u>	<u>1,377</u>
Movements:		
Opening balance	1,377	1,228
(Charged)/credited to profit or loss	(1,703)	149
	<u>(326)</u>	<u>1,377</u>
Closing balance		
	<u>(326)</u>	<u>1,377</u>

**Note 7. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Cash at bank *	5,433	5,426
Term deposit	7,921	1,328
	<u>13,354</u>	<u>6,754</u>

\* Cash at bank includes \$378,000 (30 June 2024: \$Nil) restricted cash collected from network brokers.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 8. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Trade receivables	929	527
Revenue accrual	24,929	21,734
Less: Allowance for expected credit losses	(260)	(263)
	<u>25,598</u>	<u>21,998</u>
Other receivables	<u>258</u>	<u>525</u>
	<u>25,856</u>	<u>22,523</u>
<i>Non-current assets</i>		
Other receivables	<u>1,106</u>	<u>888</u>
	<u><u>26,962</u></u>	<u><u>23,411</u></u>

*Allowance for expected credit losses*

The consolidated entity has recognised a loss of \$57,000 (30 June 2024: reversal of loss of \$4,000) in respect of the expected credit losses for the year ended 30 June 2025.

The allowance for expected credit losses relates to trade debtors and not to losses associated with upfront or trail commissions receivable.

The expected credit loss from the revenue accrual and other receivables is not material as these are due from organisations that have reduced credit risks and the probability of default is extremely low. Consequently, no expected credit losses have been recognised.

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

<b>Consolidated</b>	<b>Expected credit loss rate</b>		<b>Carrying amount</b>		<b>Allowance for expected credit losses</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>%</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not overdue	1.0%	1.0%	502	193	1	-
0 to 3 months overdue	3.0%	3.0%	74	2	-	1
3 to 6 months overdue	20.0%	20.0%	15	88	1	18
Over 6 months overdue	100.0%	100.0%	<u>338</u>	<u>244</u>	<u>258</u>	<u>244</u>
			<u>929</u>	<u>527</u>	<u>260</u>	<u>263</u>

The consolidated entity continues to monitor the collection of receivables and determine the value of receivable impairments. As a result, the calculation of expected credit losses has been revised and rates have been revised in each category.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 8. Trade and other receivables (continued)**

Movements in the allowance for expected credit losses are as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance	263	317
Additional provisions recognised	57	(4)
Written-off	(60)	(50)
	<u>260</u>	<u>263</u>

**Note 9. Contract assets - trail commissions**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Contract assets	<u>92,312</u>	<u>85,611</u>
<i>Non-current assets</i>		
Contract assets	<u>303,484</u>	<u>315,074</u>
	<u><u>395,796</u></u>	<u><u>400,685</u></u>

*Reconciliation*

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

Opening balance	400,685	363,107
Additions - new settlements	142,002	130,030
Run-off and impact due to changes in other PV assumptions	(146,891)	(92,452)
	<u>395,796</u>	<u>400,685</u>

Contract assets relate to future trail commission receivables due from a combination of Australian banks and non-bank lenders. The expected credit loss from the contract assets is not material as these are receivables from organisations that have reduced credit risks, and the probability of default is extremely low. Consequently, no expected credit losses have been recognised.

Contract assets are revalued using assumptions for the current financial year, including changes to the run-off rate, discount rate, and margin mix. Portfolio run-off includes normal payments, prepayments and discharges. Loan life and other assumptions used are detailed in note 3.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 10. Financial assets at fair value through profit or loss**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Financial asset in Resi Wholesale Funding Pty Ltd *	-	1,500
<i>Non-current assets</i>		
Investments at fair value through profit or loss	50	50
	<u>50</u>	<u>1,550</u>

\* On 14 October 2024, YBR entered an Equity subscription agreement with Resi Wholesale Funding Pty Ltd ('RWF') where YBR agreed to convert the \$1.5 million shareholder loan made to RWF into Class A shares issued by RWF. As a result, YBR subscribed for 1.5 million Class A shares at \$1. Refer to note 11 'Investments accounted for using the equity method' for further details on the transaction.

**Note 11. Investments accounted for using the equity method**

On 14 October 2024, Yellow Brick Road Group Pty Ltd (100% owned by the consolidated entity) entered into a restructure agreement with RWF to undertake a reorganisation of RWF, with an effective date of 1 October 2024. The key terms of the agreement included:

- (1) The consolidated entity subscribed for 2.1 million Class A shares at \$1 each in RWF;
- (2) \$1.5 million shareholder loan made to RWF, funded by the consolidated entity, was converted into Class A shares issued by RWF at \$1 each; and
- (3) RWF assumed responsibility for its allocated share of the operational costs of the corporate services provided by the consolidated entity. The consolidated entity's staff who were previously engaged in providing origination and loan services to RWF were transferred into RWF to continue to provide those services as direct employees of RWF. A reclassification adjustment was made between the consolidated entity's provisions and accumulated losses to reverse the leave expense associated with the employees that were required to be transferred under the agreement.

On 18 February 2025, the consolidated entity subscribed to 290,741 Class AA shares in Resi Wholesale Funding Pty Ltd at \$1 per share, pursuant to the Capitalisation Deed. The consideration for these shares was fully settled by offsetting an outstanding interest receivable from Resi Wholesale Funding Warehouse Trust No. 1.

As a result of the above agreements, a new investment of \$3.9 million has been added to the RWF joint venture. \$2.1 million was funded by cash (reflected in the cash flow statement), \$1.5 million was converted from the shareholder loan (reflected in note 10 'Financial assets at fair value through profit or loss'), and \$0.3 million was converted from the capitalisation of outstanding interest receivable.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 11. Investments accounted for using the equity method (continued)**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Investments accounted for using the equity method	1,183	-
<i>Reconciliation</i>		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	-	-
Additional investment	3,891	-
Share of loss after income tax	(2,708)	-
Closing carrying amount	1,183	-

No dividends were distributed during the year by the joint venture (30 June 2024: \$Nil). There is no quoted price for the investments in the joint venture.

*Impairment testing*

In the last financial year, there was an indicator of impairment in the Resi Wholesale Funding joint venture given the joint venture was in a loss position. Since the investments in the joint venture have been reduced to \$Nil, no impairment testing was required to be performed.

For the current financial period, the joint venture's loss position continued to be an indicator of impairment. As a result of the increased investment in the joint venture during the period, management has determined that it is appropriate to calculate the recoverable amount in order to determine whether there is an impairment loss. The recoverable amount of the company's investment in joint venture has been determined by a value-in-use calculation using a discounted cash flow model, based on a five year projection period. The recoverable amount was greater than the carrying value and no impairment was required for the current financial period.

*Interests in joint ventures*

Interests in joint ventures is accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership</b>	<b>Ownership</b>
		<b>interest</b>	<b>interest</b>
		<b>2025</b>	<b>2024</b>
		%	%
Resi Wholesale Funding Pty Limited	Australia	50.00%	50.00%

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 11. Investments accounted for using the equity method (continued)**

Resi Wholesale Funding Pty Ltd fully owns the residual income and capital units in Resi Wholesale Funding Warehouse Trust No.1. The below table contains information for Resi Wholesale Funding Pty Ltd and its fully consolidated interests of Resi Wholesale Funding Warehouse Trust No.1.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Summarised consolidated statement of financial position</i>		
<b>Current assets</b>		
Cash and cash equivalents	33,180	7,159
Other current assets	1,613	1,616
Total current assets	<u>34,793</u>	<u>8,775</u>
<b>Non-current assets</b>		
Loans receivable	500,057	374,376
Other non-current assets	3,179	2,964
Total non-current assets	<u>503,236</u>	<u>377,340</u>
<b>Total assets</b>	<u><u>538,029</u></u>	<u><u>386,115</u></u>
<b>Current liabilities</b>		
Trade and other payables	1,257	5,757
Other current liabilities	859	260
Total current liabilities	<u>2,116</u>	<u>6,017</u>
<b>Non-current liabilities</b>		
Borrowings	518,000	368,470
Other non-current liabilities	837	298
Total non-current liabilities	<u>518,837</u>	<u>368,768</u>
<b>Total liabilities</b>	<u><u>520,953</u></u>	<u><u>374,785</u></u>
<b>Net assets</b>	<u>17,076</u>	<u>11,330</u>
<i>Summarised consolidated statement of profit or loss and other comprehensive income</i>		
Revenue	665	271
Interest income	31,237	26,716
Expenses	(11,151)	(4,241)
Finance costs	(26,000)	(24,305)
Loss before income tax	<u>(5,249)</u>	<u>(1,559)</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss	<u><u>(5,249)</u></u>	<u><u>(1,559)</u></u>

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 11. Investments accounted for using the equity method (continued)**

The consolidated entity's 50% share of the net assets of the joint venture not reflected in the carrying value above, is as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
50% share of net assets	8,538	5,665
Less: carrying amount	(1,183)	-
	<u>7,355</u>	<u>5,665</u>
Net assets not recognised	<u><u>7,355</u></u>	<u><u>5,665</u></u>

*Contingent liabilities*

Contingent liabilities as at 30 June 2025 \$Nil (30 June 2024: \$Nil).

*Commitments*

Share of commitments but not recognised as liability as at 30 June 2025 \$Nil (30 June 2024: \$Nil).

The financial statements for Resi Wholesale Funding Pty Ltd (Joint operations) are audited by Grant Thornton Audit Pty Ltd for the fees of \$82,000 (30 June 2024: \$79,000).

**Note 12. Right-of-use assets**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Right-of-use assets	3,822	3,873
Less: Accumulated depreciation	(2,992)	(2,257)
	<u>830</u>	<u>1,616</u>
	<u><u>830</u></u>	<u><u>1,616</u></u>

The consolidated entity leases land and buildings for its offices under an agreement expiring between 2 years with option to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Reconciliations*

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

<b>Consolidated</b>	Office premises \$'000	Others \$'000	Total \$'000
Balance at 1 July 2023	2,328	19	2,347
Additions	5	70	75
Depreciation expense	(784)	(22)	(806)
	<u>1,549</u>	<u>67</u>	<u>1,616</u>
Balance at 30 June 2024	1,549	67	1,616
Additions	-	2	2
Depreciation expense	(767)	(21)	(788)
	<u>782</u>	<u>48</u>	<u>830</u>
Balance at 30 June 2025	<u><u>782</u></u>	<u><u>48</u></u>	<u><u>830</u></u>

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 12. Right-of-use assets (continued)**

For other lease related disclosures, refer to the following:

- note 5 for details of depreciation on right-of-use assets and interest on lease liabilities;
- note 17 for lease liabilities at year end;
- note 22 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

**Note 13. Intangibles**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Software - at cost	1,994	1,994
Less: Accumulated amortisation	(861)	(358)
	<u>1,133</u>	<u>1,636</u>

*Reconciliations*

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

<b>Consolidated</b>	Software \$'000
Balance at 1 July 2023	1,686
Additions	250
Amortisation expense	(300)
Balance at 30 June 2024	1,636
Amortisation expense	(503)
Balance at 30 June 2025	<u>1,133</u>

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 14. Trade and other payables**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	1,035	1,277
Trail commission payables	85,432	78,479
Accrued branch commissions	24,998	21,936
Accrued expenses	1,019	1,012
Clawback payables	240	185
Other payables	2,204	2,811
	<u>114,928</u>	<u>105,700</u>
<i>Non-current liabilities</i>		
Trade payables	1,269	1,269
Trail commission payables	280,702	290,948
Clawback payables	396	324
	<u>282,367</u>	<u>292,541</u>
	<u><u>397,295</u></u>	<u><u>398,241</u></u>

*Reconciliation of trail commission payables*

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

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance	369,427	331,263
Additions - new settlements	135,097	122,080
Run-off and impact due to changes in other PV assumptions	<u>(138,390)</u>	<u>(83,916)</u>
Closing balance	<u><u>366,134</u></u>	<u><u>369,427</u></u>

Refer to note 22 for further information on financial instruments.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 15. Contract liabilities**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Sponsorship contract liabilities	1,547	1,056
Service charges for Resi Wholesale Funding contract liabilities	-	400
	<u>1,547</u>	<u>1,456</u>

*Reconciliation*

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

Opening balance	1,456	1,934
Sponsorship payments received in advance	3,421	2,527
Transfer to revenue - included in the opening balance for sponsorship payments	(1,056)	(1,134)
Transfer to revenue - sponsorship revenue recognised during the year	(1,874)	(1,471)
Transfer to revenue - service charges to Resi Wholesale Funding recognised during the year	(400)	(400)
Closing balance	<u>1,547</u>	<u>1,456</u>

The contract liabilities includes sponsorship payments from lenders which are recognised as revenue when associated events and activities are held and initial recognition of prepayment received for professional services that will be provided to the Resi Wholesale Funding (joint venture) over the period in which services are expected to be provided.

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,547,000 as at 30 June 2025 (\$1,456,000 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 6 months	1,547	1,256
Within 12 months	-	200
	<u>1,547</u>	<u>1,456</u>

**Note 16. Borrowings**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Bank loans	500	738
<i>Non-current liabilities</i>		
Bank loans	1,900	-
	<u>2,400</u>	<u>738</u>

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 16. Borrowings (continued)**

Bank loans are secured over assets owned by the consolidated entity. The original bank loan matured on 30 September 2024. The consolidated entity renewed the finance facility, effective from 12 November 2024. Interest payable on the loan is a fixed rate of 3.75% p.a plus a variable rate based on BBSY as at year end of 4.1% p.a. on loan amounts.

Furthermore, the contractual terms of the loan include covenants that require repayment on demand of the loan if any of the below conditions are not met:

- EBITDA to Debt Service Ratio of the consolidated entity for 2H FY25 should not be less than 1.20:1.
- Cash held by the consolidated entity at all times during 2H FY25 should not be less than \$1,200,000.
- Net Value of Future Trail Commission Receivable to Total Debt of the consolidated entity for 2H FY25 should not be less than 3:1.
- Total debt to EBITDA Ratio of the consolidated entity for 2H FY25 should be less than 3:1.

The consolidated entity has passed the covenants requirements throughout the financial year ending on 30 June 2025. The consolidated entity is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

*Total secured facilities*

The total secured facilities are as follows:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	2,400	2,238

*Assets pledged as security*

Bank loan facilities are financed by the Commonwealth Bank of Australia which are secured by a first ranking charge over all present and future acquired property of the consolidated entity.

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total facilities		
Bank loans	2,400	2,238
Used at the reporting date		
Bank loans	2,400	738
Unused at the reporting date		
Bank loans	-	1,500

Refer to note 22 for further information on financial instruments.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 17. Lease liabilities**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Lease liability	868	1,404
<i>Non-current liabilities</i>		
Lease liability	106	413
	<u>974</u>	<u>1,817</u>

Refer to note 22 for further information on the maturity analysis of lease liabilities.

**Note 18. Provisions**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Employee benefits	1,217	1,119
Client remediation provision	93	93
	<u>1,310</u>	<u>1,212</u>
<i>Non-current liabilities</i>		
Employee benefits	132	133
	<u>1,442</u>	<u>1,345</u>

*Client remediation provision*

In prior periods, management identified that a number of investment and wealth management clients may not have received a Fee Disclosure Statement or a Renewal Notice within the time limits prescribed by the Corporations Act. The consolidated entity has raised a provision which is not material in nature, to cover instances of financial compensation. It is noted that investment and wealth management services are discontinued operations of the consolidated entity.

There is no movement in the client remediation provision during the financial year.

**Note 19. Issued capital**

	<b>Consolidated</b>			
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	319,484,867	319,484,867	112,222	112,222

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 19. Issued capital (continued)**

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$'000</b>
Balance	1 July 2023	326,381,450		112,630
Shares issued	October 2023	3,529,079	\$0.055	194
Share buy-back	October 2023	(3,596,979)	\$0.058	(206)
Share buy-back	November 2023	<u>(6,828,683)</u>	<u>\$0.058</u>	<u>(396)</u>
Balance	30 June 2024	<u>319,484,867</u>		<u>112,222</u>
Balance	30 June 2025	<u><u>319,484,867</u></u>		<u><u>112,222</u></u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

*Capital risk management*

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the 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's approach to capital risk management remains unchanged from the 30 June 2024 Annual Report.

**Note 20. Reserves**

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Share-based payments reserve	2,110	2,110
Fair value reserve	<u>105</u>	<u>105</u>
	<u><u>2,215</u></u>	<u><u>2,215</u></u>

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Fair value reserve*

The reserve is used to recognise the value of the discount applied to non-current financial liabilities in order to recognise them at their fair value in the statement of financial position.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 21. Dividends**

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

**Note 22. Financial instruments**

***Financial risk management objectives***

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

***Market risk***

***Foreign currency risk***

While the consolidated entity has balances in the Philippines, the consolidated entity is not exposed to any significant foreign currency risk.

***Price risk***

The consolidated entity is not exposed to any significant price risk.

***Interest rate risk***

Interest rate risk arises from fluctuations in interest bearing financial assets or liabilities that the consolidated entity may have. The consolidated entity's main interest rate risk arises from its cash at bank and bank loans.

As at the reporting date, the consolidated entity had the following variable rate borrowings and cash and cash equivalents outstanding:

	2025		2024	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
<b>Consolidated</b>				
Cash and cash equivalents	3.75%	5,433	3.40%	5,426
Term deposits	4.83%	7,921	4.63%	1,328
Borrowings	4.10%	<u>(2,400)</u>	4.35%	<u>(738)</u>
Net exposure to cash flow interest rate risk		<u>10,954</u>		<u>6,016</u>

An official increase/(decrease) in interest rates of 100 (30 June 2024: 100) basis points would have a favourable/unfavourable effect on profit before tax of \$109,540 (30 June 2024: \$60,160) per annum and favourable/unfavourable effect on equity of \$76,600 (30 June 2024: \$42,100) per annum. The percentage change is based on the expected volatility of interest rates using market data and analyst's forecasts.

***Credit risk***

Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 22. Financial instruments (continued)**

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 8, the calculation of expected credit losses has been revised as at 30 June 2025.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity. However, 54.75% (30 June 2024: 58.67%) of the value of trail commission receivable relates to loans provided by four financial institutions to customers of the consolidated entity. In the unlikely event that any of these APRA regulated financial institutions are subject to an insolvency event, the consolidated entity's obligation to remit future trail commission to its independent branch network would also be suspended pending future receipts, thereby mitigating the financial impact of any default to a point where it would have no material impact on the financial viability of consolidated entity.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The consolidated entity has a concentration of credit risk in relation to its bank balances and deposits to a number of Australian banks, other financial institutions and funds. The risk is mitigated due to the high credit rating of the banks, funds and government backed guarantees.

***Liquidity risk***

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

***Financing arrangements***

Unused borrowing facilities at the reporting date:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	-	1,500

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 22. Financial instruments (continued)**

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2025</b>	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,035	1,269	-	-	2,304
Accrued branch commissions	-	24,998	-	-	-	24,998
Other payables	-	2,204	-	-	-	2,204
Trail commission payables	-	104,083	81,851	175,550	79,465	440,949
<i>Interest-bearing - variable</i>						
Bank loans	4.10%	500	400	1,200	300	2,400
<i>Interest-bearing - fixed rate</i>						
Lease liability	-	884	91	17	-	992
<b>Total non-derivatives</b>		<b>133,704</b>	<b>83,611</b>	<b>176,767</b>	<b>79,765</b>	<b>473,847</b>

<b>Consolidated - 2024</b>	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	1,277	1,269	-	-	2,546
Accrued branch commissions	-	21,936	-	-	-	21,936
Other payables	-	2,811	-	-	-	2,811
Trail commission payables	-	96,924	78,551	180,196	93,542	449,213
<i>Interest-bearing - variable</i>						
Bank loans	4.35%	738	-	-	-	738
<i>Interest-bearing - fixed rate</i>						
Lease liability	-	900	883	105	-	1,888
<b>Total non-derivatives</b>		<b>124,586</b>	<b>80,703</b>	<b>180,301</b>	<b>93,542</b>	<b>479,132</b>

Trail commission is based on expected maturity, not contracted maturity. Other maturities reflect contracted maturities. Comparatives have been updated to reflect the same methodology as the current year.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 23. Fair value measurement**

*Fair value hierarchy*

The following tables detail 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

<b>Consolidated - 2025</b>	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
<i>Non-current assets</i>				
Financial assets at fair value through profit or loss ( note 10 )	-	-	50	50
Total assets	-	-	50	50

<b>Consolidated - 2024</b>	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Assets</i>				
<i>Current assets</i>				
Financial assets at fair value through profit or loss (note 10)	-	-	1,500	1,500
<i>Non-current assets</i>				
Financial assets at fair value through profit or loss ( note 10 )	-	-	50	50
Total assets	-	-	1,550	1,550

The fair value of a financial asset is based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including credit risk.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

*Valuation techniques for fair value measurements categorised within level 3*

The consolidated entity performs the valuations of convertible loan required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO and Audit and Risk committee. The main level 3 inputs used by the consolidated entity are derived and evaluated to be the discount rate for the financial asset using the 1 year bond yield. The balance at 30 June 2025 was immaterial to do the sensitivity analysis.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 24. 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:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	2,723,486	2,315,329
Post-employment benefits	125,531	78,696
Long-term benefits	26,703	11,275
	<u>2,875,720</u>	<u>2,405,300</u>

**Note 25. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	211,260	196,483
<i>Other services - Grant Thornton Australia Limited</i>		
Taxation services	39,350	23,793
	<u>250,610</u>	<u>220,276</u>

**Note 26. Contingent liabilities**

- The consolidated entity has provided bank guarantees as at 30 June 2025 of \$761,000 (30 June 2024: \$761,000).
- On 12 April 2024, the Supreme Court of New South Wales ruled on a case concerning the imposition of payroll tax on commissions paid to mortgage brokers. The court determined that payroll tax is applicable under specific conditions, with liability reduced by particular exemptions, including for those active broker businesses employing two or more persons or utilising external service providers relating to mortgage broking processes. There is considerable uncertainty arising from detail within the judgments, relating to payroll tax liability, assessment of exemptions and the liability period. In response to the legal uncertainty, the NSW Legislative Council has announced plans to establish a committee to review the applicability of payroll tax in similar cases, considering the recent judgments.

The consolidated entity has sought legal advice regarding the applicability of payroll tax to its broker and branch contractual arrangements. The advice highlights that several related cases are still pending, creating significant uncertainty regarding whether payroll tax applies to commissions paid to brokers, the potential exemptions available, and the period for which payroll tax may be assessed. Given this ongoing uncertainty, it is not possible to calculate with reasonable certainty the potential quantum of any liability that may arise. Consequently, in accordance with AASB 137, management has classified the payroll tax liability as a contingent liability, pending further clarification of the applicability of payroll tax in similar cases.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 27. Commitments**

**Consolidated**  
**2025            2024**  
**\$'000            \$'000**

*Advertising commitments \**

Committed at the reporting date but not recognised as liabilities, payable:

One to five years

13,697      13,697

\* This relates to committed marketing spend with Nine Entertainment Group.

**Note 28. Related party transactions**

*Parent entity*

Yellow Brick Road Holdings Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 30.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 24.

*Transactions with related parties*

The following transactions occurred with related parties:

**Consolidated**  
**2025            2024**  
**\$                    \$**

Sale of goods and services:

Sales to parties related to Resi Wholesale Funding Pty Ltd (a joint venture entity) for lending services	3,526,131	2,245,482
Sales to parties related to Resi Wholesale Funding Pty Ltd (a joint venture entity) for corporate back office services	400,000	400,000
Sales to parties related to Resi Wholesale Funding Pty Ltd (a joint venture entity) for shared costs recharges	1,956,612	-

Interest income:

Interest income from Resi Wholesale Funding Pty Ltd (a joint venture entity)	33,729	74,679
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Expensed during the year:

Purchases of consultancy services from Golden Wealth Holding Pty Ltd (director-related entity of Mark Bouris) (a)	1,125,000	1,125,000
Purchases of services from BBB Capital Pty Ltd (director-related entity of Adrian Bouris) - Corporate finance services (b)	321,275	303,236

(a) Consulting services per consultancy service agreement.

(b) BBB Capital, its team and advisors provided corporate finance services on significant projects and initiatives.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 28. Related party transactions (continued)**

*Receivables, prepayments, contract liabilities and payables with related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Current receivables:		
Sale of lending services receivables and other receivables from Resi Wholesale Funding Pty Ltd (a joint venture entity) (a)	1,217,100	691,041
Interest receivables from Resi Wholesale Funding Pty Ltd (a joint venture entity)	-	427,085
Non-current receivables:		
Sale of lending services receivables from Resi Wholesale Funding Pty Ltd (a joint venture entity)	2,181,420	1,695,590
Non-current asset - Prepayments		
Prepayment from the Nine Entertainment Group (shareholder-related entity) (b)	1,244,852	1,244,852
Current payables:		
Corporate finance services payable to BBB Capital Pty Ltd (director-related entity of Adrian Bouris) (c)	14,658	6,265
Corporate back office services payable to Resi Wholesale Funding Pty Ltd (d)	-	400,000
Non-current payables:		
Marketing expense payable to Nine Entertainment Group	1,269,178	1,269,178

(a) \$173,479 (30 June 2024: \$19,291) relates to the expense disbursements, which are recharged by the consolidated entity to Resi Wholesale Funding Pty Ltd.

(b) Nine Entertainment Group ('Nine') provided the consolidated entity \$6,490,000 in contra advertising in 2012 as part settlement for shares Nine acquired in the company. Advertising of \$Nil (30 June 2024: \$Nil) was used during the year ended 30 June 2021, leaving an unused balance of non-current prepayment of \$1,244,852 (30 June 2024: \$1,244,852). The consolidated entity does not expect to realise this asset within 12 months of reporting date and hence it has been classified as a non-current asset.

(c) BBB Capital Pty Ltd, its team and advisors provided corporate finance services on significant projects and initiatives.

(d) Represents the cost of back office support services provided to Resi Wholesale Funding Pty Ltd. The consideration for this services has been received in the form of equity investment in the joint venture.

*Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Current receivables:		
Loan receivable from Resi Wholesale Funding Pty Ltd	-	1,500,000

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates, except where stated otherwise.

As BBB Capital Pty Ltd is a director related entity, engagements with the consolidated entity are reviewed against similar providers fees and services and approved by the independent director prior to commencement.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 29. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit after income tax	(3,989)	652
Total comprehensive income/(loss)	(3,989)	652

*Statement of financial position*

	<b>Parent</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Total current assets	69,413	71,619
Total assets	99,094	100,118
Total current liabilities	1,535	1,647
Total liabilities	3,435	470
Equity		
Issued capital	112,222	112,222
Share-based payments reserve	2,120	2,120
Accumulated losses	(18,683)	(14,694)
Total equity	<u>95,659</u>	<u>99,648</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024 other than the cross guarantees and security arrangements associated with the bank loan facilities.

*Contingent liabilities*

The parent entity has been provided with bank guarantees for the benefit of external parties of \$761,000 as at 30 June 2025 (30 June 2024: \$761,000).

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

*Commitments*

The parent entity has a bank borrowing of \$2,400,000 as at 30 June 2025 (30 June 2024: \$738,000) and advertising commitments as follows:

	<b>Parent</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Committed at the reporting date but not recognised as liabilities, payable:		
One to five years	13,697	13,697

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 29. Parent entity information (continued)**

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries and joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

**Note 30. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2 :

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Yellow Brick Road Group Pty Ltd	Australia	100.00%	100.00%
Yellow Brick Road Finance Pty Ltd	Australia	100.00%	100.00%
ExchangeIQ Advisory Group Pty Ltd	Australia	100.00%	100.00%
YBR Services Pty Ltd	Australia	100.00%	100.00%
YBR Administration Services Pty Ltd	Australia	100.00%	100.00%
Yellow Brick Road Aggregation Pty Ltd	Australia	100.00%	100.00%
Vow Financial Group Pty Ltd	Australia	100.00%	100.00%
Vow Financial Holdings Pty Ltd	Australia	100.00%	100.00%
National Brokers Group Pty Ltd	Australia	100.00%	100.00%
The Money Factory Pty Ltd	Australia	100.00%	100.00%
The Mortgage Professionals Pty Ltd	Australia	100.00%	100.00%
Select Mortgage Finance Pty Ltd	Australia	100.00%	100.00%
Vow Wealth Management Pty Ltd	Australia	100.00%	100.00%
Ironbark Mortgage Solutions Pty Ltd	Australia	100.00%	100.00%
National Brokers Group Holdings Pty Ltd	Australia	100.00%	100.00%
National Brokers Group Leasing Pty Ltd	Australia	100.00%	100.00%
RESI Mortgage Corporation Pty Ltd	Australia	100.00%	100.00%
Loan Avenue Holdings Pty Ltd	Australia	100.00%	100.00%
ACN 124 553 206 Pty Ltd	Australia	100.00%	100.00%
ACN 126 061 569 Pty Ltd	Australia	100.00%	100.00%
ACN 128 650 037 Pty Ltd	Australia	100.00%	100.00%
ACN 125 664 593 Pty Ltd (In Liquidation)*	Australia	100.00%	100.00%
ACN 124 480 084 Pty Ltd (In Liquidation)*	Australia	100.00%	100.00%
YBR Mortgage Support Services Inc	Philippines	99.98%	99.98%

\* On 17 July 2025, these subsidiaries were de-registered.

**Yellow Brick Road Holdings Limited**  
**Notes to the financial statements**  
**30 June 2025**

**Note 31. Cash flow information**

*Reconciliation of profit/(loss) after income tax to net cash used in operating activities*

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after income tax (expense)/benefit for the year	1,357	(78)
Adjustments for:		
Depreciation and amortisation	1,347	1,164
Share of loss - joint ventures	2,708	-
Net change on the present value of trail commissions	1,596	586
Change in operating assets and liabilities:		
Decrease in prepayments	320	50
Increase in trade and other receivables	(3,598)	(1,305)
Increase in trade and other payables	2,304	975
Decrease in deferred tax assets/liabilities	1,703	(149)
Increase in employee benefits	314	147
Increase/(decrease) in other operating liabilities	136	(127)
Net cash from operating activities	<u>8,187</u>	<u>1,263</u>

*Non-cash investing activities*

Loans and interest receivable converted to investment in JV	<u>1,791</u>	<u>-</u>
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*Changes in liabilities arising from financing activities*

<b>Consolidated</b>	Bank loans \$'000	Lease liabilities \$'000	Total \$'000
Balance at 1 July 2023	1,188	2,540	3,728
Net cash used in financing activities	(450)	(798)	(1,248)
Acquisition of leases	-	75	75
Balance at 30 June 2024	<u>738</u>	<u>1,817</u>	<u>2,555</u>
Net cash used in financing activities	1,662	(845)	817
Acquisition of leases	-	2	2
Balance at 30 June 2025	<u>2,400</u>	<u>974</u>	<u>3,374</u>

**Note 32. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2025 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.

**Yellow Brick Road Holdings Limited**  
**Consolidated entity disclosure statement**  
**As at 30 June 2025**

<b>Entity name</b>	<b>Entity type</b>	<b>Place formed / Country of incorporation</b>	<b>Ownership interest %</b>	<b>Tax residency</b>
Yellow Brick Road Holdings Limited	Body Corporate	Australia	-	Australia *
Yellow Brick Road Group Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Yellow Brick Road Finance Pty Ltd	Body Corporate	Australia	100.00%	Australia *
ExchangeIQ Advisory Group Pty Ltd	Body Corporate	Australia	100.00%	Australia *
YBR Services Pty Ltd	Body Corporate	Australia	100.00%	Australia *
YBR Administration Services Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Yellow Brick Road Aggregation Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Vow Financial Group Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Vow Financial Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia *
National Brokers Group Pty Ltd	Body Corporate	Australia	100.00%	Australia *
The Money Factory Pty Ltd	Body Corporate	Australia	100.00%	Australia *
The Mortgage Professionals Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Select Mortgage Finance Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Vow Wealth Management Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Ironbark Mortgage Solutions Pty Ltd	Body Corporate	Australia	100.00%	Australia *
National Brokers Group Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia *
National Brokers Group Leasing Pty Ltd	Body Corporate	Australia	100.00%	Australia *
RESI Mortgage Corporation Pty Ltd	Body Corporate	Australia	100.00%	Australia *
Loan Avenue Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australia *
ACN 124 553 206 Pty Ltd	Body Corporate	Australia	100.00%	Australia *
ACN 126 061 569 Pty Ltd	Body Corporate	Australia	100.00%	Australia *
ACN 128 650 037 Pty Ltd	Body Corporate	Australia	100.00%	Australia *
YBR Mortgage Support Services Inc	Body Corporate	Philippines	99.98%	Australia **

\* Yellow Brick Road Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

\*\* This company, being incorporated and carrying on business activities in the Philippines would be tax resident under the domestic tax laws of the Philippines. However, on the basis that it is also carrying on business in Australia and the entity's central management and control (being the location of the making of high-level decisions that set the company's general policies, and determine the direction of its operations and the type of transactions it will enter) is exercised by directors exclusively in Australia, the entity is also considered to be an Australian tax resident company under Australian tax law.

**Yellow Brick Road Holdings Limited**  
**Directors' declaration**  
**30 June 2025**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement 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



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Mark Bouris  
Executive Chairman

28 August 2025  
Sydney

## Independent Auditor's Report

### To the Members of Yellow Brick Road Holdings Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Yellow Brick Road Holdings Limited (Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, 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:

- a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

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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 (other than the consolidated entity disclosure statement); 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/media/apzlw0y/ar3\\_2024.pdf](https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



T Makanda  
Partner – Audit & Assurance

Sydney, 28 August 2025