

## Quarterly Activity Report and Appendix 4C

Xplore Wealth Limited (ASX:XPL) (the Company or Xplore Wealth) is pleased to provide its Quarterly Activity Report for the quarter ended 31 March 2020 which includes preliminary unaudited Revenue, Gross Margin, Earnings Before Interest Tax Depreciation & Amortisation (EBITDA) and Net Profit Before Tax (NPBT) results for the nine months ending 31 March 2020. The Company is also releasing its Appendix 4C (attached) providing a quarterly update on its cash position for the March 2020 quarter.

### Key points

- A return to profitability for the March quarter, demonstrating strategies to “upgrade” Xplore Wealth are beginning to generate early positive results
- Revenue growth Year to Date (YTD) to 31 March up 23% prior comparable period (pcp) and Gross Profit up 25% pcp
- Another quarter of positive cashflow from operations, with YTD to 31 March cashflow positive
- Strong growth in Funds Under Administration (FUA) and net inflows pcp despite recent market volatility
- Delivering on our key strategic priority: move to One Platform program – affirming \$1 Million recurring expected annualised cost savings

*Mike Wright, CEO noted, “Xplore Wealth’s immediate priority has been to ensure the health and safety of our people and their families, whilst continuing full business operations. Staying “safely” open for business has been critical to enable our clients to confidently support and reassure their clients during these uncertain times caused by COVID-19. Pleasingly Xplore Wealth was able to, and continues to, have all our people across Australia working remotely with seamless levels of productivity and service standards.*

*As notified over the last six months, our medium-term priority has been upgrading our business model via our One Platform program where we continue to make real progress. It is encouraging to see that Xplore Wealth returned to Net Profit Before Tax in the March quarter and cashflow from operations continues to be positive.*

*Notwithstanding the COVID-19 challenges we are fully committed to executing our One Platform program and accelerating plans where possible. This will promote the delivery of additional benefits to our clients, our people and our shareholders, the results of which should continue to flow through in the June quarter and FY21.”*

## About Xplore Wealth

Xplore Wealth is one of Australia's longest serving non-bank owned Specialist Platform Providers (SPP) and investment administrators, with extensive expertise in managed accounts.

Xplore Wealth fully owns an Australian Prudential Regulatory Authority (APRA) regulated Registrable Superannuation Entity (RSE) licence, Aracon Superannuation Pty Ltd (ABN 13 133 547 396, AFSL 507184, RSEL L0003384) ("**Aracon**"), the trustee of Aracon Superannuation Fund (ABN 40 586 548 205).

Xplore Wealth also fully owns Investment Administration Services Pty Limited (ABN 86 109 199 108, AFSL 284316) ("**IAS**"), a Managed Discretionary Account (MDA) Operator providing investment administration and platform services to Retail Clients who have appointed their own third-party External MDA Adviser.

Xplore Wealth's Investment Platform, broad Managed Account offer and Superannuation services provide an array of wealth management options for Australia's financial advisory firms, full-service stockbrokers and wealth managers.

During the quarter there were no material developments or changes to Xplore Wealth's business, apart from successfully mobilising our Business Continuity Plan (BCP) in relation to the COVID-19 pandemic.

## March 2020 Quarterly Activity Report

### Summary

#### 1. Profit and Loss (unaudited)

- Xplore Wealth produced a NPBT (unaudited) for the March quarter of \$0.03 Million signifying a positive step in returning the business to overall profitability
- Revenue from FUA based administration fees impacted by ongoing market volatility, however largely offset by higher than expected transaction-based fee revenue and elevated cash balances
- Management have implemented a range of initiatives designed to reduce operating costs in addition to the targeted savings arising from the One Platform program of work

#### 2. Cashflow (Appendix 4C)

- Xplore Wealth continues to deliver positive operating quarterly cashflows with the March quarter at \$0.69 Million
- Overall Xplore Wealth's cash position has improved by \$1.15 Million from the start of the financial year

#### 3. Funds under Administration (FUA)

- The ASX All Ordinaries was down 22% from 31 December 2019 to the end of March 2020. Xplore Wealth's FUA for the same period was down 8.7%, attributed to negative market movements
- Group FUA as at 31 March up 9.1% pcp, from \$13.29 Billion to \$14.51 Billion
- Positive net inflows of \$741 Million year to date (YTD), which is more than double the net inflows for the 9 months to 31 March 2019

#### 4. 2020 business priorities progress

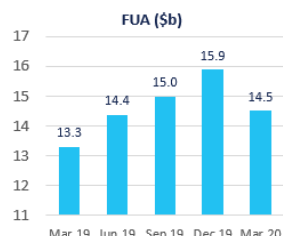
- Xplore Wealth's One Platform program delivered Wholesale MDA, International trading across 16 markets directly for MDA clients and an Intranet for our people
- Xplore Wealth finalised its new 3-year strategy which has now been approved by the Board

#### 5. COVID-19 response and impact

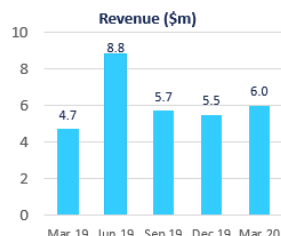
- Please refer to separate market release dated 17 April 2020 on the Company's response to Covid-19. Key highlights:
  - Xplore Wealth continues to serve clients seamlessly through volatile markets whilst working remotely
  - Managed Discretionary Account structure advantages come to the fore in these times
  - Elevated trading (and cash) levels as advisers rebalance their clients' portfolios which neutralises revenue impact overall for the March quarter

# Results summary

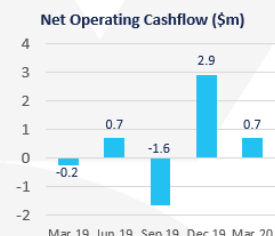
## Positive results to date



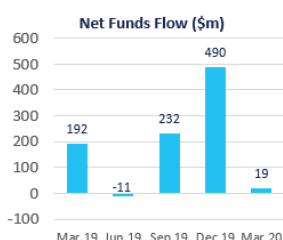
FUA up  
9.1% pcp



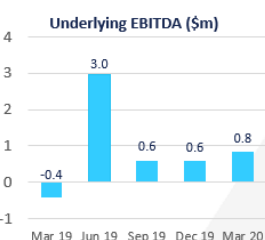
Revenue up  
27% pcp



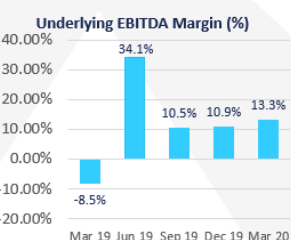
Positive  
operating  
cashflow



Softer  
flows



Positive  
growth



EBITDA  
margin  
growth pcp

## 1. Unaudited Profit and Loss YTD to 31 March 2020

9 months, ending 31 March	FY19 (\$'m)	FY20 (\$'m)	Growth
Total revenue	13.967	17.211	23%
Gross profit	10.481	13.055	25%
Gross Margin (%)	75%	76%	1%
Other income	0.234	0.173	-26%
Other costs	(10.543)	(11.263)	6%
<b>Underlying EBITDA (*)</b>	<b>0.172</b>	<b>1.965</b>	<b>Large</b>
Depreciation & Amortisation	(3.331)	(1.835)	
Write off the carrying value of Linear software	-	(10.800)	One off
Interest	0.072	(0.007)	
Non-recurring expenditure	(1.035)	(1.376)	
<b>Net Profit before tax</b>	<b>(4.122)</b>	<b>(12.053)</b>	

\* Underlying EBITDA has been prepared to exclude non-recurring expenses



Xplore Wealth continues to remain in a sound financial position, even with the significant falls in investment markets due to the COVID-19 pandemic.

Over the past year, the key focus for the leadership team has been on improving the overall financial position of the Xplore Wealth Group through a range of initiatives designed to diversify revenue, grow FUA, improve operational efficiencies and reduce the cost base. Whilst a number of these initiatives are ongoing, we are seeing the benefit of these through an improved operating result for the quarter. A NPBT of \$0.03 Million for the March quarter during a period of ongoing market volatility highlights the positive steps made in enhancing our financial position. Our goal now is to continue to deliver on these initiatives to further improve our operating results.

The Company has observed a decline in funds under administration (FUA) as a result of the recent market volatility. This has resulted in a decline in FUA based administration fees for the quarter. However, this decline has been largely offset by higher transaction-based fees associated with the uplift in trading activity being two to three times normal levels.

Our revenues are impacted by FUA movements and should we continue to see ongoing market volatility in the coming months, it is expected that this will negatively impact on earnings for the balance of FY20. However, transactional revenue, our diversified revenue base and the effect of tiered administration fees may help in mitigating the impact of any earnings decline.

Over the last six months Xplore Wealth has taken steps to ensure that its clients receive at minimum RBA Official Cash Rate on their cash holdings. With the recent reduction in the RBA Official Cash Rate, Xplore Wealth has ensured that none of its clients under the legacy pricing schedule are being charged negative interest. The reduction in revenues from the cash margin due to our overall strategic pricing review has been largely offset by clients holding a greater percentage of their portfolio in cash during this period and repricing other fees.

As previously reported, and discussed in Section 4 below, Xplore Wealth has commenced a significant program of work ("One Platform Program") focussed on creating operational efficiencies and reducing its cost base. Additional steps have been taken in March to accelerate the components of the One Platform Program that will provide the greatest financial benefit to the Xplore Wealth Group in the short term. In addition to the One Platform Program, the leadership team has commenced extra initiatives aimed at reducing operational costs of the business to protect the financial position of the business during this period of ongoing market volatility. Extra initiatives include a recruitment freeze, reducing FTE by holding vacancies, staff taking additional Easter leave, sequencing more work into FY21 and deferring any new supplier contracts to FY21.

## 2. March quarter Cashflow – Appendix 4C

The Company is pleased to provide the Appendix 4C providing an update on its cash position for the March 2020 quarter.

Xplore Wealth continues to deliver quarterly net positive cash from operations, at \$0.69 Million for the March quarter and \$1.98 Million for the nine months to 31 March 2020.

Overall the cash position has improved by \$1.15 Million from the start of the financial year, now at \$2.094 Million.

The Company is free of debt and is in discussions with Australia and New Zealand Banking Group Limited (ANZ) with respect to implementing a short-term overdraft facility of up to \$250,000 as an additional source of funding should this be required.

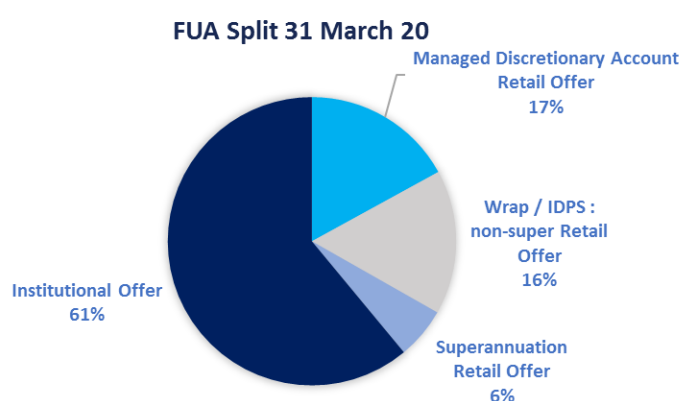
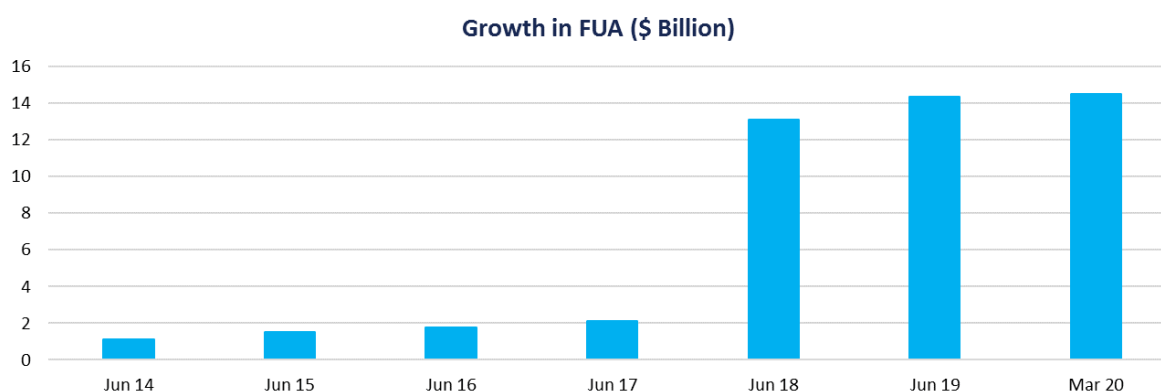
Please refer to the Appendix 4C for a breakdown of expenditure paid out during the period. The following provides a summary of the expenditure incurred during the period.

■ Cost of sales	\$1.448m
■ Administration expenses	\$1.559m
■ Salaries & wages	\$2.883m
■ One platform costs	\$0.121m
■ Other expenses	\$0.033m

Section 6.3 of the Appendix 4C seeks an explanation of payments to related parties of Xplore Wealth and its associates. As announced to the ASX on 1 November 2019, Xplore Wealth advised that a non-executive Director, Don Sharp, would provide specific project-based consultancy services to Xplore Wealth for a fixed term contract period of 6 months commencing 1 November 2019. This figure also includes standard Director Fees for the period.

### 3. Funds Under Administration

Group FUA as at 31 March 2020 up 9.1% pcp from \$13.29 Billion to \$14.51 Billion. The ASX All Ordinaries was down 22% from 31 December 2019 to 31 March 2020. Xplore Wealth's FUA for the same period was down 8.7%, fully attributed to negative market movements and volatility. In terms of client segments 39% of FUA is Retail and 61% is Institutional.



During the quarter Gross Flows were \$0.88 Billion with a strong contribution from our superannuation businesses, albeit net flows were impacted by the challenging market conditions over the quarter.

FUA (\$ Billion)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Growth on PCP
Opening FUA	13.22	13.29	14.38	14.99	15.89	
Net Flows	0.19 -	0.01	0.23	0.49	0.02	
Market Movement	- 0.12	1.10	0.38	0.41 -	1.41	
Closing FUA	13.29	14.38	14.99	15.89	14.51	9.1%
<b>Gross Flows (\$m)</b>						
Retail	227.4	203.0	253.1	255.9	262.4	
Institutional	627.5	537.0	565.5	669.9	482.6	
Superannuation*		5.0	15.4	92.1	141.7	
<b>Net Flows (\$m)</b>						
Retail	34.4	-92.0	33.7	86.7 -	30.0	
Institutional	157.4	115.0	227.7	343.2 -	54.9	
Superannuation*		-34.0	-29.4	60.2	104.0	

\* Superannuation businesses wholly owned by Xplore Wealth - Aracon Superannuation Pty Ltd and DIY Master Pty Ltd

## 4. Our 2020 Key Priorities

### A. One Platform Program

The One Platform program will deliver one technology back-end, one custodian, one client portal, one team and one set of policies and procedures with the purpose of achieving operational efficiencies and savings.

Strategically the One Platform program supports the upgrading of our business to build a highly scalable and competitive operating model to drive operating leverage. The One Platform program is expected to be finalised during FY21.

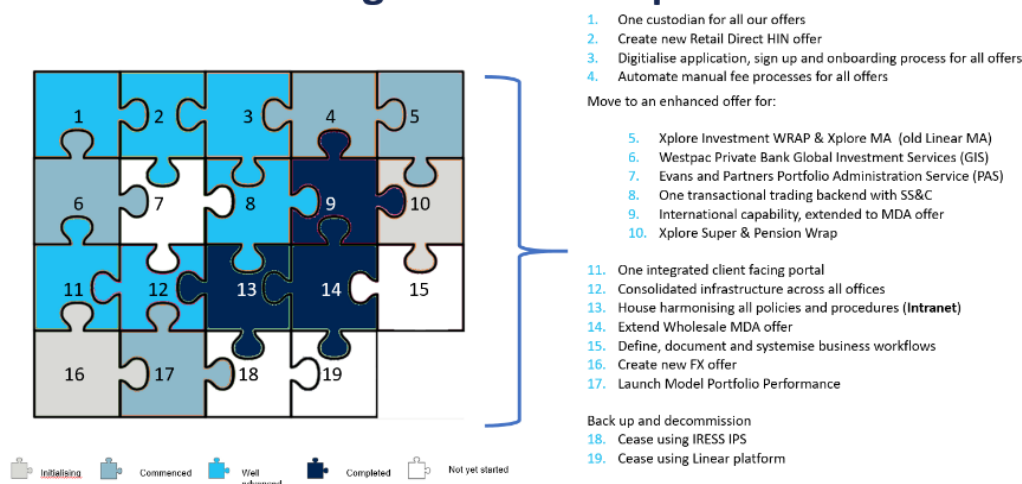
The business case was Board approved in February 2020 and is intended to be funded from ongoing cashflows from business operations and the realisation of additional integration savings. The program is appropriately resourced primarily from business as usual resources complemented by contractors.

**During the March quarter streams of the One Platform program completed (as illustrated below):**

- Wholesale Discretionary Account (WDA) offer built and launched to market 1 April:
  - New business
  - Reduced regulatory risk
  - Strategically aligned
- Direct International trading capability across 16 markets now available to MDA clients:
  - New business
  - Client retention
  - Delivering enhanced capability requested by existing Investment Managers
- Design, build and launch Xplore Wealth's inaugural company intranet ("Xtranet"):
  - House our upgraded purpose, 3-year strategy, values, behaviours and culture
  - A platform for all staff communications
  - One place for all harmonised company policies and procedures



## One Platform Program Market Update



### June Quarter One Platform program streams target completion

Thematically, the June quarter for the One Platform program is about ensuring all the key foundations are in place for successful migration of all Xplore Wealth offers onto one platform. The laying of these key foundations - one custodian, one reconfigured trading backend, consolidated technology infrastructure and one online application - is expected to realise the first ~\$1 Million of annualised recurring benefits, with the remaining operational benefits and savings to be realised when the program is complete.

1. Due to increased market volatility Xplore Wealth made the decision to delay the date of its planned transition to one custodian, JP Morgan, until 1 May 2020. Moving to one custodian will facilitate operational efficiencies and savings by simplifying the proposed migration process, progressing one set of processes and enabling more streamlined and scalable trading and settlement.
2. Reconfigure our transactional trading backend to Unified Management Account (UMA) and migrate our first client offer, being MDA. The new configuration will allow reweighting of a portfolio comprising multiple models at an account level as well as at model level. Also, it will provide the ability to define target allocation for reweighting and for all new monies coming into the account. In addition, there will be a common cash account, an enhanced investment modelling capability as well as being able to net off buys and sells for the same security within an account.
3. Technology infrastructure consolidation into one platform is well progressed. The Sydney office transition is complete, with the Melbourne and Gold Coast offices on track for completion within the quarter. One infrastructure will provide improved connectivity across offices, scale benefits and operational savings.
4. Solid progress has been made to enhance and consolidate all our online applications into one "eApp" for all new client sign ups. Client onboarding processes will also be enhanced to provide an improved client and Adviser user experience with the removal of manual processes, reduction of paper and greater speed of onboarding clients.



## B. Upgrading the business

Create a refreshed winning ambition, culture, values and three-year strategy anchored to strong client experience and confidence.



Key highlights during the March quarter:

- New three-year strategic plan signed off by the Board
- National roadshow and townhalls held, launching our defined culture, values and behaviours
- The launch of our “Xtranet” to support all staff communications
- During this period of extreme volatility our people have risen to the challenge, going the extra mile, showing great resilience and adaptability

## C. Take to Market Plan

Drive hard on our Take to Market Plan (a summary illustrated below), delivering on our distribution plan with the purpose of supporting our existing and new clients.



Key highlights for the March quarter:

- Strong sales operating rhythm implemented
- Development of state sales and retention plans to target new business opportunities
- Process reengineering of the build process for white labelled offers leading to greater speed to bring tailored client solutions to market

## Take to Market plan (as @ 31/3)

Upgrading our business and delivering our one platform program strengthens this plan

**XPLORE**  
WEALTH



Please note that the financial results shown in this release have not been audited and may be subject to change once the auditor's review of the full year financial accounts has been completed.

This Quarterly Activity Report and the attached Appendix 4C have been authorised for release by the Board of the Company.

For further information please contact:

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Chief Financial Officer  
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Investors should be aware that certain financial measures included in this announcement are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release. This release should be read in conjunction with the Company's other ASX announcements and releases

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Xplore Wealth Limited

ABN

34 128 316 441

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,621	19,440
1.2 Payments for		
(a) research and development	(313)	(783)
(b) product manufacturing and operating costs	(1,510)	(5,212)
(c) advertising and marketing	(30)	(66)
(d) leased assets	(130)	(406)
(e) staff costs	(3,007)	(8,950)
(f) administration and corporate costs	(943)	(2,327)
1.3 Dividends received (see note 3)		
1.4 Interest received	15	55
1.5 Interest and other costs of finance paid	(13)	(78)
1.6 Income taxes paid		(3)
1.7 Government grants and tax incentives		300
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>690</b>	<b>1,970</b>
<b>2. Cash flows from investing activities</b>		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.1	Payments to acquire:		
	(a) entities	(792)	(792)
	(b) businesses		
	(c) property, plant and equipment	(23)	(127)
	(d) investments		(12)
	(e) intellectual property		
	(f) other non-current assets	(5)	(5)

SX Listing Rules Appendix 4C

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		25
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)	25	25
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(795)</b>	<b>(886)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		73
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		1,000
3.6 Repayment of borrowings		(1,000)



## Quarterly cash flow report for entities subject to Listing Rule 4.7B

3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		(4)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>0</b>	<b>69</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,199	941
4.2	Net cash from / (used in) operating activities (item 1.9 above)	690	1,970
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(795)	(886)
<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	69
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,094</b>	<b>2,094</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,094	2,199
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,094</b>	<b>2,199</b>

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

6. <b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	33
6.2 Aggregate amount of payments to related parties and their associates included in item 2	
6.3 Include below any explanation necessary to understand the transactions included in item 6.1	

Director's consultant fee – 11 (inclusive of GST)
Directors fees - 22

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		

7.5 **Unused financing facilities available at quarter end**

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

XPL is currently in discussions with Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) with respect to implementing an overdraft facility of up to \$250,000 which will provide an additional financing facility should this be required in the future. At the time of this report, the terms and conditions of this arrangement are not finalised.

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	690
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,094
8.3 Unused finance facilities available at quarter end (Item 7.5)	
8.4 Total available funding (Item 8.2 + Item 8.3)	2,094
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>3</b>

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**Quarterly cash flow report for entities subject to Listing Rule 4.7B**


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8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 21 April 2020

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.