WT | FINANCIAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended 30 June 2022

WT FINANCIAL GROUP LIMITED

ABN 87 169 037 058

Contents

The directors present their report, together with the consolidated financial statements of WT Financial Group Limited (**WTL** or the **Company**) and its subsidiaries and controlled entities (the **Group**) for the financial year ended 30 June 2022 (**FY2022**) and the Auditor's Report thereon.

The Company listed on the Australian Stock Exchange on 15 March 2015. Its ASX code is WTL. The Company's Corporate Governance Statement is located at wtfglimited.com.

Directors

The names of each person who has been a director during the year and to the date of this report, and their qualifications and experience are provided below. The directors were in office for the entire period unless otherwise noted.

Guy Hedley
Chairman & Non-Executive Director

Guy Hedley is a non-executive director and chairman of the Company and has a track record of success as a corporate executive in financial services.

Guy spent 15 years as head of Macquarie Bank's global private banking unit, and BNP Private Banking, and is now chair at Stoic Asset Management and Atlas Advisors Australia.

He has helped steer WTL through industry upheaval and supported the management team with its transformation to a B2B focussed enterprise.

Interest in shares 1,000,000 ordinary shares
Special responsibilities Chairman of Audit & Risk and Remuneration & Nomination Committees

Keith Cullen
Managing Director & CEO

Keith Cullen is the founder and managing director of the Group and the Company's largest non-institutional shareholder. He has 37 years of experience as a corporate executive and entrepreneur across broadcast media, technology, and financial services. Keith successfully conceived and implemented the strategy to pivot the group from its previous B2C focus to a primarily B2B focus through the acquisitions of Wealth Today, Sentry Group, and Synchron.

From 1994–2006 he was a founding director and shareholder of eBet Limited (later known as Intecq Limited) (and its managing director from 1994-2004), an ASX-listed gaming & wagering technology company with operations in Australia, NZ, USA, Canada, and various Asian countries.

Prior to 1994 Keith held various sales & marketing roles with the privately-owned Australian Radio Network and ASX-listed Wesgo Communications.

Interest in shares 35,433,540 ordinary shares
Special responsibilities Member of Audit & Risk and Remuneration & Nomination Committees

Chris Kelesis
Non-Executive Director

Chris Kelesis is a foundation director and significant shareholder of the Group. For the period from April 2011 until August 2021 he was an executive director before moving to a non-executive role. Chris has 20 years of financial services experience as an equities trader and technical analyst and has held private and wholesale client adviser roles with Spring Equities, Ark Equities, and the Rivkin Group.

Chris has helped steer WTL with its transformation to a B2B focussed enterprise.

Interest in shares 21,963,099 ordinary shares
Special responsibilities Director of various WTL subsidiaries

Michael Harrison
Non-Executive Director

Michael Harrison is a significant WTL shareholder and commenced as a non-executive director on 20 July 2021. He has more than 20 years of financial services industry experience and was a director and significant shareholder of Sentry Group Pty Ltd when it was acquired by WTL. Michael played a key role in the formation and growth of ASX-listed Shadforths ahead of its acquisition by IOOF in 2014. He is chairman of leading financial services growth consultant Peloton Partners; and chairman of Mainstream, one of the world's largest barramundi breeders and suppliers.

Interest in shares 16,594,666 ordinary shares
Special responsibilities Nil

Company Secretary
Ian Morgan

Ian is a Chartered Accountant and a Chartered Company Secretary, with over 30 years' experience. He holds a Bachelor of Business (NSW Institute of Technology), a Master of Commercial Law (Macquarie University), a Graduate Diploma of Applied Finance & Investment (Securities Institute) and is a Fellow of the Financial Services Institute of Australasia.

Meetings of directors

The table below sets out the meetings of directors and meetings of sub-committees held during the period.

	Directors' Meetings		Audit & Risk Committee		Remuneration Committee	
Director	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**	**Eligible to attend**	**Attended**
Guy Hedley	9	9	3	3	1	1
Keith Cullen	9	9	3	3	1	1
Chris Kelesis	9	9	-	-	-	-
Michael Harrison	9	8	-	-	-	-

Principal activities

Over the past three financial years WT Financial Group Limited (**WTL**, **the Company** or **the Group**) has undergone a transformational restructure to reduce its previous focus and reliance on business-to-consumer (B2C) and non-recurring revenue, to emerge as a primarily business-to-business (B2B) focused enterprise targeting predominately recurring revenue lines.

The Group's restructure commenced with the FY2018 acquisition of Wealth Today Pty Ltd (**Wealth Today**) which was followed by the acquisition of both Sentry Group Pty Ltd (**Sentry**) (completed 19 July 2021) and Synchronised Business Services Pty Ltd (**Synchron**) (completed 15 March 2022).

WTL's success with the integration of these acquisitions has seen it establish itself as the largest non-institutionally-owned, non-product producing financial adviser network in Australia, and enabled it to achieve a strong revenue and profit result during the period. Its network of financial planners and advisers collectively has in excess of $16Bn of assets under advice; annual in-force personal insurance premiums of more than $360M; and is responsible for circa $25M of new insurance premium sales annually.

The Group's B2B operations now contribute more than 95% of *Revenue from Ordinary Activities* and are the engine-room for growth as the disruption and consolidation occurring in the financial services industry continues to present unprecedented opportunities.

Through its B2B subsidiaries, WTL provides independently-owned financial advice practices (whose advisers operate as authorised representatives) a comprehensive range of licensing, risk management & compliance, education & training, and technical support; and practice management and development services, including extensive consumer marketing and education tools.

Importantly, each of Wealth Today, Sentry, and Synchron are B2B brands (rather than consumer-facing brands), with financial advice practices in the Group operating under their own company, business and brand names - enabling them to build personal connection to their clients and the communities in which they operate.

Through the various entities that make up the Spring Financial Group B2C operations, the Group also delivers a range of financial planning, accounting & tax, and mortgage finance services, directly to wholesale and retail clients.

These operations help underwrite critical intellectual property, and skilled human resources experienced in the practical application of financial advice and services; regulatory and legislative compliance; and training and education, which enable the Group to provide meaningful "real world" support and insights to the independently-owned advice practices it supports. The Group's B2C operations also serve as a "research and development lab" for both consumer and practice management strategies - setting the Group's B2B operations apart from dealer groups that have no exposure to the practical application of the marketing and delivery of advice to consumers on a day-to-day basis.

Through regular training and seminar programs, and the publication of its Wealth Adviser library of more than 100 financial literacy handbooks and manuals on a broad range of financial and investment market topics, the Group also offers market-leading financial education services for advisers and consumers.

Operating Results and Review of Financial Position

A summary of FY2022 results is provided in the commentary below. FY2021 comparisons should be read in the context of the aforementioned material acquisitions that occurred during FY2022. It should be noted also that the Company's *Revenue & Other Income* of more than $103M includes a nearly $35M contribution from Synchron from just three and a half months of the financial year.

A. Operating results for the year

Total *Revenue & Other Income* was up 664% to $103.63M (FY2021 $13.56M), with *Direct Cost of Sales* of $92.56M (FY2021 $9.05M).

Total *Operating Expenses* (excluding depreciation, amortisation, interest and tax) were $7.15M (FY2021 $4.47M), resulting in an *Operating Profit* (EBITDA) of $3.92M (FY2021 $36K).

Depreciation & Amortisation (inclusive of *Depreciation of Right-of-Use Assets*) totalled $503k (FY2021 $419k), and underlying *Net Interest Expense* (including *Lease Liability Finance Costs* but excluding acquisition-related debt restructuring) was $598k (FY2021 $615k) resulting in an underlying operating *Net Profit Before Tax* of $2.82M (FY2021 NPBT a loss of $998K).

After accounting for one-off debt restructuring of $472k (associated with the Synchron acquisition), statutory *Net Profit Before Tax* was $2.35M (FY2021 NPBT loss of $3.89M after accounting for $2.89M of restructuring costs).

With the benefit of carried-forward tax losses of more than $9M no cash tax liability will arise; however, the Company's statutory tax calculation was $477k (FY2021 tax benefit of $605k) resulting in a statutory *Net Profit After Tax* of $1.87M (FY2021 loss of $3.29M).

Segments

The Company's FY2022 Segment Reporting is included at Note 4 of the financial statements.

The Group's primary business-to-business segment (B2B Segment), which includes its Wealth today, Sentry and Synchron dealer group operations, recorded NPBT of $3.34M (FY2021 $927k); while its direct-to-consumer segment (B2C Segment), which delivers a range of financial planning, accounting & tax; and mortgage finance services, directly to wholesale and retail clients through the Spring Financial Group brand, recorded NPBT of $340k (inclusive of a one-off debt restructuring charge of $294k) (FY2021 loss of $425k).

B. Review of financial position

The Company's FY2022 *Consolidated Statement of Financial Position* is included in the financial statements.

The Company's Net Asset position as at 30 June 2022 was $20.06M (FY2021 $5.96M). Current Liabilities included $4.93M of accruals that represent the maximum amounts that may be payable for upside, retention and deferred payments associated with its acquisition of both Sentry and Synchron.

The Company has the unilateral contractual right to satisfy up to $3.16M of any such payments by way of the issue of ordinary shares (for which shareholder approval and/or relevant ASX waivers have already been granted).

Further, the Company has a secured corporate debt facility for up to $6.7M of which $2M remains available and may be drawn to satisfy any deferred consideration attributed to the acquisitions.

Details of certain of these payments are included below in the section headed *Events Occurring After the Balance Date*.

Net Tangible Assets (NTA) were $(11.03M) (FY2021 $212K).

The Group had drawn financing facilities of $4.7M (FY2021 $1.66M) the terms of which are more fully detailed in Note 11(a).

Cash from operations

The Company's FY2022 *Consolidated Statement of Cash Flows* is included in financial statements. Cashflow from operating activities was negative $2.85M (FY2021 cash outflow of $1.49M) inclusive of the payment of more than $2.75M of restructuring costs that were expensed in the prior year; and costs associated with acquisitions.

The Company's cash balance on 30 June 2022 was $3.38M (FY2021 $1.25M), with additional undrawn facilities of $2.12M (FY2021 nil) available to it.

Capital management

As at 30 June 2022 the Company had a total of 321,080,842 (FY2021 167,171,900) ordinary shares on issue, with 153,908,942 shares issued during the year. A further 1,500,000 options (to acquire ordinary shares) are on issue, having been issued during the year.

Dividends

The Company has paid a total of $6.83M in fully-franked dividends since it was incorporated as the parent company of the Group in 2015.

No dividend will be declared for the period as the Directors consider it prudent to retain cash to satisfy components of upside, retention and deferred payments associated with its Sentry and Synchron acquisitions. However, the Company retains its policy to pay fully-franked dividends at least annually, as and when available profit and cashflow provide.

Notwithstanding its carried-forward tax losses, the Company has a franking credit balance of $1.49M which will enable it to pay future franked dividends in advance of any cash tax liability arising.

Acquisition of Sentry Group

On 14 June 2022 the Company entered into a share purchase agreement to acquire all of the issued capital of national financial advisory dealer group, Sentry Group Pty Limited (**Sentry**) for an initial purchase price of $7M to be provided to the Sentry selling shareholders (**Sentry Sellers**) as to 50% in cash and 50% in the form of WTL shares (**Shares**). The acquisition was subsequently settled on 19 July 2022 following shareholder approval being granted at a meeting of members held on 16 March 2021.

The cash consideration was funded through the placement of new Shares to institutional and professional investors at an issue price of $0.075 per Share, which represented a 25% premium to the closing price of WTL on 9 June 2021. The Company raised a further $1.5M in cash to fund acquisition and integration costs, bringing total cash raised under the placement to $5M, and total Shares issued under the placement to 66,666,665. A total of a further 46,666,667 Shares were issued to the Sentry Sellers at an issue price of $0.075 to satisfy the Shares component of the initial purchase price. The Shares issued to the Sentry Sellers were subject to 24 months escrow from the date of issue.

Under the acquisition terms the Sentry Sellers were entitled to a maximum of a further $3M (**Upside Consideration**) to be satisfied by a combination of cash and Shares, subject to exceeding a base fee revenue performance hurdle for FY2022. As was detailed in the Company's ASX disclosures at the time of the acquisition, the Upside Consideration was agreed as payable at a rate of $1.97 for every $1.00 that base fee revenue contributed by Sentry in respect of FY2022 exceeded an agreed milestone of $3.55M (as certified by the Company's auditor).

Following the acquisition, Michael Harrison (who had been a Sentry shareholder and director) joined the Company's board as a non-executive director. Sentry managing director David Newman (who had also been a Sentry shareholder) assumed the role of the Company's joint-chief operating officer (while remaining as managing director of Sentry) - focussing his attention on business development and management of west coast operations; while the Company's (previously sole) COO, Frank Paul, became joint-COO of the expanded group, focussing on east coast operations and group risk management processes.

The Company's head of advice Jack Standing; and (then) Sentry head of finance, Ricton Jones, each assumed expanded responsibilities across the Group.

Detailed disclosures with respect to the acquisition (which can be accessed at the Company's website or via the ASX) were made to the market by way of ASX releases, and a notice of meeting and explanatory memorandum for a meeting of members that was convened at the time.

Acquisition of Synchron Group

On 17 March 2022 the Company acquired 100% of the issued capital of Australia's (then) largest privately-owned financial adviser group, Synchronised Business Services Pty Ltd (**Synchron**). The total consideration to the Synchron sellers (**Synchron Sellers**) for the acquisition was agreed as up to $7.96M, payable over two-years in a combination of cash and shares subject to various terms and conditions (as summarised below).

On Completion the Synchron Sellers received total consideration of $3.48M comprised of $2.46M cash and a further $1.02M by way of the issue of 10,176,210 WTL ordinary shares at an issue price of $0.10 per share (**Synchron Seller Shares**). The issue price of the Synchron Seller Shares represented a 22% premium to the VWAP of WTL Shares over the 30 trading days prior to the acquisition. The Synchron Seller Shares were subject to 24 months escrow from the date of issue.

A deferred cash consideration of $1.05M is payable to the Synchron Sellers 12 months after settlement.

A retention payment (**Synchron Retention**) of up to $2.43M is also payable if base fee revenue contributed by Synchron in respect of the 12 months to 31 March 2023 exceeds an agreed milestone as certified by the Company's auditor. At its election WTL is entitled (but not obligated) to satisfy part or all of any Synchron Retention by way of the issue of WTL shares (**Synchron Retention Shares**) at the VWAP of WTL Shares at that time.

The Company has not determined whether to satisfy the Synchron Retention (if any) through the issue of shares and will assess that in light of the position of the Company and market conditions at that time. However, to ensure maximum flexibility, a general meeting of the Company's members was held on 16 May 2022 at which (among other things) approval for the issue of Synchron Retention Shares was granted. As set out in the notice of meeting at the time, the Company also received a waiver from the ASX of Listing Rule 7.3.4 (that would normally require shares issued subject to shareholder approval to be issued within 3 months).

Under the share purchase agreement, WTL and the Synchron Sellers also agreed to an accrual of $2M as a warranty reserve (**Warranty Lockup**). The Warranty Lockup is fully provided for in the Company's financial statements. To the extent that any component of the Warranty Lockup remains undrawn/unused after 2-years, 50% of the unused/undrawn portion will be released to the Synchron Sellers up to a maximum of $1M, bringing the maximum total consideration payable to the Synchron Sellers to $7.96M (assuming payment of the full Synchron Retention and release of the maximum amount of Warranty Lockup).

WTL assumed further historical and contingent liabilities of $3.1M and incurred transaction and integration costs of $1.5M bringing the anticipated total value of the acquisition to $13.6M.

Synchron founders Don Trapnell and John Prossor have continued working in the business with Mr Trapnell assuming the role of non-executive chairman and Mr Prossor remaining as an executive director of WTL's Synchron subsidiary. Mr Prossor intends to move to a non-executive role later in calendar year 2022.

The Company's executive ranks were further enhanced through the addition of Synchron's regional manager line, adding significant experience and resources to the broader group operations to support the Company's advisers across its Wealth Today and Sentry adviser groups - in addition to their support of Synchron advisers.

To assist with funding the acquisition, on 16 March 2022 the Company completed a placement to institutional and professional investors of 30,399,400 Shares at an issue price of $0.10 per Share to raise $3.04M – the placement was in line with the issue price for the Synchron Seller Shares, being the same premium to WTL's (then) 30-day VWAP.

Further, as announced on 14 March 2022, WTL entered into a secured corporate debt facility (**Facility**) for up to $6.7M with Altor Credit Partners, a subsidiary of Altor Capital (**Altor**). An initial $4.7M was drawn to assist with settling the acquisition; for repayment of (then) existing debt facilities; and for working capital. A second tranche of up to $2M can be drawn to satisfy working capital and any deferred consideration attributed to the acquisition.

The Facility has a fixed term of 4-years; may be repaid at any time; and is secured by a first ranking security over the assets of the Group. The Company also issued Altor 1,500,000 4-year options to acquire WTL shares at an exercise price of $0.14 per share.

Detailed disclosures with respect to the acquisition (which can be accessed at the Company's website or via the ASX) were made to the market by way of ASX releases and a notice of meeting and explanatory memorandum for a meeting of members that was convened at the time.

Sale of investment & asset management rights

On 6 May 2022 the Company completed the sale of its investment & asset management rights contracts with the Specialist Residential Property Impact Fund (**SRPI Fund**) to Inclusive Housing Australia Pty Ltd (**IHA**) for a total consideration of $315k. The sale which was in line with the Company's restructuring strategy involved the Company's Spring FG Realty Pty Ltd and Spring FG Funds Management Pty Ltd subsidiaries transferring their rights and obligations for management of the SRPI Fund to IHA. The sale further involved the Company transferring ownership of SRPT Holdings Pty Ltd (the trustee of the Fund's sub-trust) to the Fund's responsible entity, One Managed Investment Group Pty Ltd.

Indemnity and insurance of officers

The Company has entered into director protection deeds with each Director and an officer protection deed with the company secretary. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act 2001, each officer in respect of certain liabilities which the officer may incur as a result of, or by reason of (whether solely of in part), being or acting as an officer of the Company.

The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

Disclosure of the insurance premiums and the nature of liabilities covered by such insurance are prohibited by the relevant contracts of insurance.

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.

Environmental Regulation

The Group's operations are not subject to any particular significant environmental regulations under a law of the Commonwealth or of a State or Territory legislation.

Audit services

Rothsay Audit & Assurance Pty Ltd (**Rothsay**) was the auditor of the Company and all Group entities and is the Group's lead auditor.

Details of the amounts paid to the auditor Rothsay, and/or their related-party firms for audit services provided during the financial year and/or the prior corresponding period are provided in Note 19 to the financial statements.

Events after the reporting date

Subsequent to the reporting date the Company's auditor issued a certificate confirming that base fee revenue for the purposes of calculation of the Sentry Upside Consideration was $4.29M, thereby exceeding the minimum revenue benchmark of $3.55M by $740k. This calculates to an Upside Consideration of $1.46M which may be satisfied as to 50% cash and 50% shares (Upside Shares). This amount is fully provisioned as a liability in the FY2022 financial statements.

Under the terms of the share purchase agreement with the Sentry Sellers the issue price for any Upside Shares will be calculated as 85% of the volume weighted average price at which WTL Shares traded on ASX over the 30 days up to the date of determination of the Upside Consideration and the Upside Shares will be subject to escrow restrictions for a period of 12 months.

Likely developments (and risks)

Other than as contained within the Directors' Report, above, likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

The potential risks associated with the Group's business are outlined below.

Regulatory and Licensing Requirements and Compliance

The Company, through its various 100%-owned subsidiaries, operates in highly-regulated markets that require it to hold licences, registrations and other authorities and approvals that impose considerable statutory obligations, including with respect to monitoring and supervision of its authorised representatives.

There is a risk that regulatory and supervisory requirements, if not met, or if breached, could result in restrictive conditions being imposed or a suspension or cancellation of the licence or registration, resulting in material financial impact on the Group by way of loss of income and/or administrative or civil penalties.

While these risks can never be eliminated, the Group manages these risks through a comprehensive compliance and risk management framework regime; and through extensive internal monitoring and reporting across all key aspects of its operations, including most significantly the operations and conduct of its authorised representatives. Where deemed appropriate the Company also seeks external legal and compliance advice.

Legislative and Regulatory Changes

There is a risk that legislative or regulatory changes could adversely affect the Group's ability to offer certain products or services and/or its ability to earn revenue and profits from them and/or affect the ability of clients or potential clients of the Group to access certain products or services or make them less attractive to them.

Management of Future Growth

The Company expects to continue to experience growth and increase in the number of its authorised representatives, employees and officers. There is therefore a risk that the scope of its supporting infrastructure will be inadequate and/or systems that are not implemented and improved in a timely manner. The Group manages these risks through the recruitment of experienced operational personnel and the use of appropriate external consultants and contractors.

People risk

Given the nature of the Group's activities as a professional services business there is a risk that the loss of key executives and contractors could cause consequential material business interruption. The Group manages this risk through its succession planning; appropriate restraints to protect ongoing business; and through market-competitive remuneration and career development opportunities.

Fraud or embezzlement of Group or client funds

There is a risk that employee and authorised representative due diligence and monitoring is insufficient and/or that day-to-day operational controls are inadequate. The Group manages these risks through comprehensive risk management framework that includes fidelity and professional indemnity insurance, and appropriate policies and procedures that are regularly reviewed.

Client dispute and compensation claim risk

The nature of providing financial advice and dealing in financial products is such that from time-to-time advice given by the Group either directly or by its authorised representatives generates claims from clients for compensation or refunds.

The Group operates a comprehensive risk management framework and maintains professional indemnity insurance to help mitigate these risks. It further manages these risks through claw back provisions under its authorised representative agreements with the advice practices whose advisers operate under its Wealth Today, Sentry and Synchron licenses.

However, insurance claim excesses (deductibles); annual buffer excesses; and unclaimable events (such as refunds or actions or events outside policies terms), all present potentially material financial risks - and recovery action against authorised representatives is not always possible – most notably with respect to historical claims related to departed advisers, or advisers that were directly employed by the Group.

Given the scale of the Group's operations the financial impact of these risks can be potentially material both individually and in the aggregate.

As part of its overall risk management and professional indemnity insurance regime the Company maintains significant professional indemnity insurance - and further has a total of $1.91M provisioned against known and unknown matters. An additional $2M provision is accounted for in the Company's financial statements by way of the Synchron Warranty Lockup (detailed earlier in this Directors' Report).

Investment impairment risk

There is a risk that events adverse to the Company's performance and prospects impact its investments, and in particular the value of acquired goodwill and intangible assets, which may then be subject to a permanent decrease in value. Any such investment write-down or impairment would result in an expense for the Group.

This risk is mitigated through close management of businesses operations to optimise results, and the implementation of the risk management strategies set out above.

Significant changes in state of affairs

Excluding any matters canvassed above, there have been no significant changes in the state of affairs of the Company during the year or to the date of this report.

Remuneration report summary

This remuneration report forms part of the Directors' Report and details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The current key management personnel all acted in their roles for entire financial year unless otherwise stated, are as follows.

The key management personnel of the Company are:

- Guy Hedley – Non-Executive Chairman
- Keith Cullen – Managing Director & CEO
- Chris Kelesis – Non-Executive Director
- Michael Harrison – Non-Executive Director (commenced 20 July 2021)
- Frank Paul – Joint-Chief Operating Officer
- David Newman – Joint-Chief Operating Officer (commenced 20 July 2021)

This remuneration report outlines the Group's remuneration principals, framework and outcomes for the financial year ended 30 June 2022.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate to market and the relevant experience and expertise of key management personnel. The Board of Directors (**Board**) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation only when considered required and appropriate
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for the Group's directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high-performance and high-quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. Considerations include:

Alignment to Group client and shareholders' interests:

- has economic profit as a core component of plan design
- focusing the executive on key non-financial drivers of value
- attracts and retains high-calibre executives
- recognises that Group client satisfaction is a key driver to generating shareholder wealth

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to operations
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

The Chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting.

Executive remuneration

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has predominately fixed and, in certain circumstances, some variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives (none paid during period)
- share-based payments (not currently utilised)
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits are reviewed annually by the Nomination and Remuneration Committee, based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives (**STI**) program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific targets and key performance indicators (**KPIs**) being achieved. KPIs include profit contribution, customer satisfaction, leadership contribution and product management.

Group performance and link to remuneration

No Group performance-linked incentives operated, and none were paid during the period.

There were no performance-based shares or options offered or issued during the period; and there were no unissued executive shares or options as at 30 June 2022.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables. Further details are provided below in the Service Agreements section of this Remuneration Report.

	Short term benefits		Long term	Post-employment	
	Salary & fees	Interest not charged	LSL accrual or paid	Super and other	Total
FY2022	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors (NED)					
Guy Hedley (Chairman)	**48,000**	**-**	**-**	**-**	**48,000**
Chris Kelesis*	**50,000**	-	**-**	**-**	**50,000**
Michael Harrison	**31,350**	**-**	**-**	**-**	**31,350**
Executive Directors (ED)					
Keith Cullen	**364,324**	-	**83,459**	**24,608**	**472,391**
Chris Kelesis*	**27,013**		**37,769**	**179,482**	**244,264**
Key Executives					
Frank Paul	**254,545**	**-**	**-**	**25,455**	**280,000**
David Newman	**203,526**	-	**39,073**	**20,353**	**262,952**

	Short term benefits		Long term	Post-employment	
	Salary & fees	Interest not charged	LSL accrual or paid	Super and other	Total
FY2021	$	$	$	$	$
Non-Executive Directors					
Guy Hedley (Chairman)	48,000	-	-	-	48,000
Executive Directors					
Keith Cullen	298,298	33,593	52,901	28,338	413,130
Chris Kelesis	190,294	14,530	32,332	18,077	255,233

Fixed and at-risk remuneration

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk Remuneration**	
	2022	2021	**2022**	2021
Non-Executive Directors				
Guy Hedley (Chairman)	**100%**	100%	**-**	-
Chris Kelesis	**100%**	100%	**-**	-
Michael Harrison	**100%**	N/A	**-**	N/A
Executive Directors				
Keith Cullen	**100%**	100%	**-**	-
Key Executives				
Frank Paul	**100%**	N/A	**-**	N/A
David Newman	**100%**	N/A	**-**	N/A

* Mr Kelesis received benefits during the term an Executive Director until 1 August 2021 and as a Non-Executive Director from that date. Amounts paid to him as an executive director included statutory and contractual entitlements inclusive of accrued leave and LSL entitlements.

** Bonuses are at all times at the discretion of the Board and the Managing Director, and no bonuses were granted or paid during the period.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in executive service agreements or, in the case of non-executive directors, letters of engagement. Details of these formal agreements and the effective dates (which do not necessarily reflect the date of initial engagement of the relevant personnel) are set out below. Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Guy Hedley
Non-Executive Director & Chairman

Mr Hedley commenced with the Group on 10 April 2014 and became chairman through a letter of engagement with no fixed-term that was entered into on 23 November 2014. Director's fees for the year ending 30 June 2022 of $48,000, to be reviewed annually by the Nomination and Remuneration Committee.

Chris Kelesis
Non-Executive Director

Mr Kelesis commenced with the Group on 1 April 2011 as an executive director and until 1 August 2021 (when he moved to a non-executive role by way of voluntary redundancy) he was engaged under an executive services agreement (ESA) that was entered into on 13 March 2015 with an initial fixed-term of 3-years; a 6-month termination notice by either party; entitlement to a cash bonus of up to 50% of base salary at the discretion of the Board; and customary non-solicitation, and non-compete clauses.

From 1 August 2021 Mr Kelesis entered into a letter of engagement with no fixed-term to act as a non-executive director with special responsibilities of acting as a director of several of the Company's subsidiaries. Director's fees for the year ending 30 June 2022 of $30,000 and special responsibility fees for the year ending 30 June 2022 of $30,000, to be reviewed annually by the Nomination and Remuneration Committee.

Michael Harrison
Non-Executive Director

Mr Harrison commenced with the Group on 20 July 2021 on settlement of the Company's acquisition of Sentry Group Pty Ltd when, in accordance with the terms of that acquisition, he was the nominated board member of the Sentry Sellers. Mr Harrison entered into a letter of engagement with no fixed-term and with Director's fees for the year ending 30 June 2022 of $31,250, to be reviewed annually by the Nomination and Remuneration Committee.

Keith Cullen
Managing Director and Chief Executive Officer

Mr Cullen founded the Group on 10 October 2010 and entered into his current ESA on 13 March 2015 with an initial fixed-term of 3-years; a 6-month termination notice by either party; entitlement to a cash bonus of up to 50% of base salary at the discretion of the Board; and customary non-solicitation, and non-compete clauses. Following review in March 2022, Mr Cullen's current base salary is $478,000 inclusive of superannuation and remains subject to annual review by the Nomination and Remuneration Committee.

Frank Paul
Joint-COO

Mr Paul commenced with the Group on 3 September 2019, initially in a contract role before entering into his current ESA on 24 March 2021 with an annual remuneration of $280,000 inclusive of the superannuation contributions and an annual review of not less than 3%. 6-month termination notice by either party, and non-solicitation and non-compete clauses, and continuity of service entitlements from his original start date. Mr Paul was designated as a KMP from 1 July 2021.

David Newman
Joint-COO

Mr Newman commenced with the Group on 20 July 2021 on settlement of the Company's acquisition of Sentry Group Pty Ltd and entered into his current ESA and was designated as a KMP on that same date. In accordance with the terms of that acquisition Mr Newman (and all other Sentry Group employees) received continuity of service entitlements from his original start date with Sentry on 1 March 2015. Mr Newman's ESA provides for annual remuneration of $280,000 inclusive of the superannuation contributions and an annual review of not less than 3%. 6-month termination notice by either party, and non-solicitation and non-compete clauses.

Additional disclosures relating to key management personnel

Shareholdings

All shares held by key management personnel are at their discretion as there is no requirement in the Company's constitution, in executive services agreements or letters of engagement for key management personnel to hold shares.

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at start of year	Additions	Disposals	Balance at the end of year
Guy Hedley	612,691	387,309	-	**1,000,000**
Keith Cullen	35,389,007	44,533	-	**35,433,540**
Chris Kelesis	21,453,099	510,000	-	**21,963,099**
Michael Harrison	-	16,594,666	-	**16,594,666**
Frank Paul	4,347,715	-	-	**4,347,715**
David Newman	-	18,405,334	-	**18,405,334**
	61,577,663	36,166,691	**-**	**97,744,354**

No shares acquired by key management personnel were granted as remuneration during the year.

This concludes the remuneration report, which has been audited.

Lead Auditor's Declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2022 has been received and forms part of the Directors' Report. It can be found on page 14 of the financial report.

Signed in Sydney this 26th day of September 2022 in accordance with a resolution of the Board of Directors of WT Financial Group Limited.

Guy Hedley	Keith Cullen
Chairman	**Managing Director**

ROTHSAY
AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of WT Financial Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in relation to WT Financial Group Limited and the entities it controlled during the year.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla

Director

Sydney, 26 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Note	**2022** $	2021 $
Revenue	2	**101,722,351**	12,765,460
Other income	2	**1,907,186**	790,045
Total Revenue & Other Income		**103,629,537**	13,555,505
Less:			
Direct cost of sales expenses	3	**(92,558,156)**	(9,052,866)
Employee benefits expense	3	**(4,660,566)**	(2,331,612)
Advertising & marketing expenses	3	**(375,153)**	(68,324)
Consulting & professional fee expenses	3	**(451,463)**	(439,115)
Rental expenses	3	**(253,267)**	(397,589)
Other operating expenses	3	**(1,407,806)**	(1,229,787)
EBITDA		**3,923,126**	36,212
Less:			
Finance costs	3	**(597,742)**	(615,397)
Depreciation & amortisation expense	3	**(502,558)**	(419,640)
One off expense	3	**(472,156)**	(2,893,287)
Profit/(loss) before income tax		**2,350,670**	(3,892,112)
Income tax benefit/(expense)	5	**(477,143)**	604,615
Profit/(loss) after income tax expenses for the year		**1,873,527**	(3,287,497)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**1,873,527**	(3,287,497)

Earnings per share for profit/(loss) from continuing operations attributable to the owners of WT Financial Group Limited	**Note**	**2022 Cents**	2022 Cents
Basic earnings per share (cents)	14	**0.653**	(2.059)
Diluted earnings per share (cents)	14	**0.652**	(2.059)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	**2022** **$**	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**3,384,884**	1,246,269
Trade and other receivables	7	**7,341,219**	748,187
Other assets	10	**1,799,936**	182,094
TOTAL CURRENT ASSETS		**12,526,039**	2,176,550
NON-CURRENT ASSETS			
Property, plant and equipment	8	**2,099,844**	76,944
Deferred tax assets	18	**3,047,545**	3,654,102
Intangible assets	9	**31,096,472**	5,744,085
TOTAL NON-CURRENT ASSETS		**36,243,861**	9,475,131
TOTAL ASSETS		**48,769,900**	11,651,681
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**11,479,127**	2,000,241
Acquisition (vendor payment) accruals	11	**4,933,400**	-
Provisions	12	**926,924**	148,432
Borrowings secured	11	**-**	479,118
Borrowings unsecured	11	**-**	513,595
Lease liabilities		**549,629**	76,944
TOTAL CURRENT LIABILITIES		**17,889,080**	3,218,330
NON-CURRENT LIABILITIES			
Provisions	12	**4,315,755**	175,476
Borrowings secured	11	**4,700,000**	1,185,880
Deferred tax liabilities	18	**269,439**	1,116,356
Lease liabilities		**1,533,899**	-
TOTAL NON-CURRENT LIABILITIES		**10,819,093**	2,477,712
TOTAL LIABILITIES		**28,708,173**	5,696,042
NET ASSETS		**20,061,727**	5,955,639
EQUITY			
Issued capital	13	**32,375,273**	20,142,712
Reserves		**26,659**	26,659
Accumulated Dividends		**(6,827,069)**	(6,827,069)
Accumulated Profit/Loss		**(5,513,136)**	(7,386,663)
Retained earnings		**(12,340,205)**	(14,213,732)
TOTAL EQUITY		**20,061,727**	5,955,639

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

2022	**Ordinary Shares $**	**Accumulated profit/ (loss) $**	**Option Reserve $**	**Total $**
Balance at 1 July 2021	**20,142,712**	**(14,213,732)**	**26,659**	**5,955,639**
Profits attributable to members of the parent entity	-	**1,873,527**	**-**	**1,873,527**
Transactions with owners in their capacity as owners				
Shares issued during the year	**12,232,561**	**-**	**-**	**12,232,561**
Balance 30 June 2022	**32,375,273**	**(12,340,205)**	**26,659**	**20,061,727**

2021	Ordinary Shares $	Accumulated profit/ (loss) $	Option Reserve $	Total $
Balance at 1 July 2020	19,292,712	(10,926,235)	$26,659	8,393,136
Profits attributable to members of the parent entity	-	(3,287,497)	-	(3,287,497)
Transactions with owners in their capacity as owners				
Shares issued during the year	525,000	-	-	525,000
Shares application pending allotment	325,000	-	-	325,000
Balance 30 June 2021	**20,142,712**	**(14,213,732)**	**26,659**	**5,955,639**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	**2022** **$**	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**95,016,373**	12,078,057
Payments to suppliers and employees		**(94,512,238)**	(12,951,353)
Net interest paid		**(603,930)**	(622,445)
Payment for prior period restructuring and acquisition costs		**(2,750,833)**	-
Net cash provided by / (used in) operating activities	23	**(2,850,628)**	(1,495,741)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash payments for acquisitions		**(4,720,948)**	-
Proceeds from disposal of 50% of Spring FG Digital Pty Ltd		**-**	125,000
Acquisition related debt restructuring costs		**(472,156)**	-
Loans (to) / from related parties - payments made		**-**	(92,952)
Net cash provided by / (used in) investing activities		**(5,193,104)**	32,048
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		**4,700,000**	446,403
Repayment of borrowings		**(2,178,593)**	-
Issue of ordinary shares		**7,660,940**	850,000
Net cash provided by financing activities		**10,182,347**	1,296,403
Net increase/(decrease) in cash and cash equivalents held		**2,138,615**	(167,290)
Cash and cash equivalents at beginning of year		**1,246,269**	1,413,559
Cash and cash equivalents at end of financial year		**3,384,884**	1,246,269

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

The financial report of WT Financial Group Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 26 September 2022. The principal accounting policies adopted in the preparation of the financial statements are set out in this Note 1, below. These policies have been consistently applied to all the years presented.

The Group has adopted all of the new, revised or amending Accounting Standards issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards did not have any significant impact on the financial performance or position of the Group.

No new, revised or amending Accounting Standards that are not yet mandatory have been adopted early.

(a) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards as issued by the Australian Accounting Standards Board and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a 'for profit company'.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

Notwithstanding the deficiency in net current assets of $5.36M as at 30 June 2022 as disclosed in the financial statements, the Directors are satisfied that there are reasonable grounds to believe that the Group will continue as a going concern noting:

- Current Liabilities included $4.93M of accruals that represent the maximum amounts that may be payable for upside, retention and deferred acquisition-related payments associated with its acquisition of both Sentry and Synchron.
- The Company has the unilateral contractual right to satisfy up to $3.16M of any such payments by way of the issue of ordinary shares (for which shareholder approval and/or relevant ASX waivers have already been granted).
- Further, the Company has a secured corporate debt facility for up to $6.7M of which $2M remains available and may be drawn to satisfy any deferred consideration attributed to the acquisitions - or for working capital.
- Following the acquisitions of Sentry and Synchron the Group is trading profitably and generated a profit after tax of $1.87M for FY2022;
- Management have implemented strategies to continue to improve the profitability of the business. Results subsequent to year end show that the Group has traded profitably; and
- The Group is also able to raise capital through the issue of shares.

(b) Current and Non-Current Classification

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

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve 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 twelve months after the reporting period). All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle; held primarily for the purpose of trading; is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer 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.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Leases

At the lease commencement, the Company recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right of use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right of use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right of use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short term leases (i.e., leases with a term of less than or equal to 12 months) and leases of low value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(e) Adoption of New and Revised Accounting Standards

The Group has adopted all standards which became effective for the first time at 30 June 2022.

(f) Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

(g) Revenue

The Group recognises revenue in accordance with AASB15. Estimates and judgements are used when considering each party's rights related to the services to be provided under contracts; the timing for delivery of same (if applicable); and the contract price and payment terms. In circumstances where the Group acts as an agent, judgement is involved in determining when the Group is entitled to revenue based on the nature and form of the contract. In circumstances where the group acts as a principal, judgment is involved when determining when the performance obligations are fulfilled.

(h) Intangible assets

Intangible assets, other than goodwill generally have finite useful lives. Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost, with finite life intangible assets subsequently measured at cost less amortisation and any impairment.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Similarly, goodwill has an indefinite life and is not amortised. Instead, goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

Estimates, assumptions and judgements are used when considering amortisation charges for intangible assets, the method and useful lives of finite life intangible assets and impairment losses on goodwill.

The method and useful lives of finite life intangible assets are reviewed annually with changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Further details of estimates, judgements and assumptions related to intangible assets are included in Note 9, below.

(i) Plant & equipment

Estimates and judgements are used when considering the depreciation method, useful life and residual value of each asset at the end of each annual reporting period. Further details are provided at Note 8.

2. Revenue and other income

Over the past three financial years the Company's revenue (and therefore segment) composition has evolved considerably as the Company has transitioned from primarily direct to consumer to more business-to-business revenue. Accordingly, the Company provides the following detailed disclosure with respect to its segment reporting, revenue composition and revenue recognition including a summary of its main revenue streams and the segments they occur in/through.

Upfront financial advice fees

Upfront advice fees occur in the Company's B2C and B2B channels. They include such services as writing a financial strategy (plan) for a consumer. And may extend to implementing that financial plan. Upfront advice fees are crystalised (and recognised as revenue) once the service is finalised. This is therefore generally at a point in time, rather than over time.

Ongoing financial advice fees

Ongoing financial advice fees occur in the Company's B2C and B2B channels. The exact construct of the ongoing services varies but is generally constructed as a form of monthly retainer payable by a consumer to an adviser for assistance with their financial affairs. Notwithstanding that the consumer may enter a long-term contract, ongoing financial advice fees are charged to clients on a cyclical basis (generally monthly in arrears) and crystalised (and recognised as revenue) on payment of the monthly retainer by client. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Insurance Upfront Commission

Insurance Upfront Commission occurs in the Company's B2B channel. In the case of Insurance Upfront Commission, the Company is acting as a form of agent of the insurance company and revenue is recognised accordingly (i.e., the agency commission, rather than the policy premium value is recognised). Insurance Upfront Commission is crystalised (and recognised as revenue) when paid by the underlying insurer which is when a new policy is bound as being in force. This is therefore recognised at a point in time.

Insurance Renewal Commission

Insurance Renewal Commission occurs in the Company's B2B channel. The Insurance Renewal Commission is crystalised (and recognised as revenue) on renewal of the relevant insurance policy (generally annually but sometimes monthly) once paid by the underlying insurer. This is therefore recognised at a point in time.

Licensing base fees and other fees and charges

Licensing base fees occur in the Company's B2B channel. Licensing base fees are charged to the Company's authorised representatives on a monthly basis for the provision of a variety of services including education & training, marketing support, compliance and advice and practice peer review services.

Notwithstanding that the Company's adviser may enter a long-term contract, licensing base fees are charged to advisers on a cyclical basis (generally monthly in arrears) and crystalised (and recognised as revenue) on payment of the monthly fee by the adviser. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Other fees such as professional indemnity insurance, research report and advice technology fees are charged and recognised as revenue. Notwithstanding that the Company's adviser may enter a long-term contract, these fees are charged to advisers on a cyclical basis (generally monthly in arrears) and crystalised (and recognised as revenue) on payment of the monthly fee by the adviser. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Upfront and recurring mortgage brokerage commission

Mortgage brokerage commission occurs in the Company's B2C channel and is paid by mortgage providers on an initial upfront and then ongoing monthly basis. Upfront mortgage brokerage commission is crystalised (and recognised as revenue) on settlement of new loans once paid by the underlying mortgage provider or an associated aggregator. Ongoing (or trail) mortgage brokerage commission is crystalised (and recognised as revenue) on a monthly basis for the duration of the loan once paid by the underlying mortgage provider or an associated aggregator. In each case this is therefore recognised at a point in time.

Timing of revenue recognition

Financial services revenue is recognised when the right to revenue is crystalised.

Note regarding cost of goods sold

Under its contracts with its authorised representatives the Company pays a large percentage (or split) of its gross revenue to the adviser. This generally varies from 80-95% (and in some cases 100%) depending on a number of factors.

Salaried advisers are not entitled to any percentage of gross revenue.

Superannuation fund administration and accounting

Superannuation fund administration and accounting fees occur in the Company's B2C channel. These fees are charged to clients on a cyclical basis (generally monthly in arrears) and crystalised on payment by client. In accordance with the Company's agreements with its clients, the services are provided on a monthly basis and fees need to be paid on a monthly basis and are not refundable.

A handful of these fees are charged on an annual in arears basis. In which case they are recognised when invoiced.

Notwithstanding that clients may enter a long-term contract; superannuation fund administration and accounting revenue is crystalised on payment of the monthly fee by the client. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Finance income

Finance income includes all interest-related income, other than that arising from financial assets at fair value through profit or loss.

Government grants

The Company received various government grants during the period related to state and federal COVID-19 relief programs.

Other income

Other income includes a gain on contract associated with the sale of the Company's investment & asset management rights with the Specialist Residential Property Impact Fund; and gain on revaluation of financial liability associated with its acquisition of Sentry Group Pty Ltd. Other income (in the prior period) also includes income related to a sub-lease arrangement at the Group's Sydney offices.

	2022	2021
	$	$
Revenue - provision of services	**101,722,351**	12,765,460
Other Income		
- finance income (interest received)	**19,951**	12,883
- Government grants	**137,173**	469,980
- other income	**1,750,062**	307,182
Total Other Income	**1,907,186**	790,045
Total Revenue & Other Income	**103,629,537**	13,555,505

See Segment Reporting at Note 4 for details of disaggregated revenue.

3. Expenses

Details of total expenses	2022 $	2021 $
Direct costs to generate revenue		
Direct Financial Planning costs	**92,150,636**	8,710,708
Direct Accounting Services costs	**316,107**	266,196
Direct Real Property costs	**5,337**	57,312
Direct Finance costs	**86,076**	18,650
	92,558,156	9,052,866
Employee benefits expense		
Amounts paid to staff	**3,690,655**	2,005,767
Superannuation	**470,508**	163,642
Consultants, contractors & directors' fees	**167,658**	20,366
Other employment expenses	**331,745**	141,837
	4,660,566	2,331,612
Advertising & marketing expenses	**375,153**	68,324
Consulting & professional fees		
Audit & taxation fees	**323,973**	139,996
Legal fees	**107,590**	104,434
Other professional fees	**19,900**	194,685
	451,463	439,115
Rental expenses	**253,267**	397,589
Other operating expenses		
Travel & accommodation	**66,863**	80,739
IT and telephone expenses	**335,709**	235,905
Insurance	**147,585**	395,717
Licences, memberships & subscriptions	**363,064**	115,419
Bad debts written-off	**134,761**	(39,752)
Printing, stationery, postage and couriers	**112,334**	84,369
Other expenses	**247,490**	357,390
	1,407,806	1,229,787
Depreciation & amortisation expense		
Fixed assets	**471,215**	327,043
Intangible assets	**31,343**	92,597
	502,558	419,640
Finance costs		
Interest paid	**597,742**	615,397
	597,742	615,397

3. Expenses - continued

Details of total expenses	2022 $	2021 $
Intangibles written off	**-**	813,892
Debt forgiven	**-**	962,482
Lease written off	**-**	444,610
Redundancy costs	**-**	225,000
Sentry acquisition costs	**-**	147,303
AFCA matters settlement	**-**	300,000
Synchron restructuring expenses	**472,156**	-
	472,156	2,893,287
Total Expenses	**101,278,867**	17,447,617

4. Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The consolidated entity is organised into two separate operating segments:

Business to business (B2B). This segment includes financial planning, investment advice and product sales and licensing services and product offerings delivered through (and to) independently-owned financial advice practices whose advisers operate as authorised representatives of Wealth Today, Sentry, and Synchron.. These authorised representatives act (in effect) as agents of the Company (rather than it being the other way around).

That is, despite the authorised representatives having the primary responsibility of interfacing with consumers, at all times as the AFSL holder, responsible for the provision of financial services (at law and in accordance with its license conditions) the Company is acting as the principal when financial services are provided to consumers.

Direct to consumer (B2C). In what it refers to as its B2C division the Company has salaried financial advisers who operate under the Company's corporate structure/brand. Again, at all times the Company is acting as the principal in the provision of financial services to these consumers.

This B2C division includes an accounting practice, with salaried employees offering accounting, tax and SMSF administration services to consumers under the Company's corporate structure/brand. Again, the Company acts as principal at all times in providing these services.

This B2C division also includes a mortgage brokerage business, with salaried employees assisting consumers with mortgages; and historically included a real estate license with salaried employees offering real estate services as a buyer's agent or seller agent. In each of these cases the Company acts (or acted) as an agent (of either a mortgage aggregator and/or a bank in the case of mortgages; or the property vendor or buyer in the case of real estate services).

This segment operates under the Spring Financial Group brand.

All other transactions are recorded as All Other Segments. Included in EBITDA of All Other Segments are Group overhead expenses.

These operating segments are based on the internal reports on at least a monthly basis that are reviewed and used by the Managing Director and Board. The Managing Director has been identified as the CODM in assessing performance and determining allocation of resources. There is no aggregation of operating segments.

The CODM reviews segment profits (Segment EBITDA). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements of the consolidated entity.

All sales were made in Australia and all assets are within in Australia. No single customer represents more than 10% of Group revenue.

The table below sets out the performance of each operating segment.

(a) Segment performance

2022	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
REVENUE				
Sales	**99,622,021**	**1,994,697**	**105,633**	**101,722,351**
Other income	**6,880**	**-**	**1,880,327**	**1,887,207**
Interest revenue	**352**	**8,061**	**11,566**	**19,979**
Total segment revenue	**99,629,253**	**2,002,758**	**1,997,526**	**103,629,537**
EBITDA	**3,721,265**	**820,938**	**(619,077)**	**3,923,126**
Interest expenses	**(127,108)**	**(185,600)**	**(285,034)**	**(597,742)**
Depreciation & amortisation	**(258,983)**	**-**	**(243,575)**	**(502,558)**
One off expense	**-**	**(294,462)**	**(177,694)**	**(472,156)**
Net profit before tax	**3,335,174**	**340,876**	**(1,325,380)**	**2,350,670**

2021	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
REVENUE				
Sales	10,451,185	2,290,951	23,324	12,765,460
Other income	53,600	221,394	502,168	777,162
Interest revenue	3	8,061	4,819	12,883
Total segment revenue	**10,504,788**	**2,520,406**	**530,311**	**13,555,505**
EBITDA	961,229	122,510	(1,047,527)	36,212
Interest expenses	(10)	(378,906)	(236,481)	(615,397)
Depreciation & amortisation	(19,290)	(25,423)	(374,927)	(419,640)
One off expense	(14,846)	(143,473)	(2,734,968)	(2,893,287)
Net profit before tax	**927,083**	**(425,292)**	**(4,393,903)**	**(3,892,112)**

2022	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
Segment assets	**27,420,985**	**3,593,052**	**17,755,863**	**48,769,900**
Segment liabilities	**(19,989,242)**	**(843,825)**	**(7,875,106)**	**(28,708,173)**
Net assets	**7,431,743**	**2,749,227**	**9,880,757**	**20,061,727**

2021	B2B services	B2C services	All other segments	Total
	$	$	$	$
Segment assets	2,599,373	6,925,801	2,126,506	11,651,680
Segment liabilities	(790,033)	(4,217,450)	(688,558)	(5,696,041)
Net assets	1,809,340	2,708,351	1,437,948	5,995,539

5. Income Tax Expense

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 changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities 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.
- When the taxable temporary difference is associated with interests in subsidiaries, 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 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 entity's which intend to settle simultaneously.

WT Financial Group Limited (the 'parent entity' and 'head entity') and its wholly-owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts.

The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. 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 each subsidiary in the tax consolidated group.

(a) The major components of tax expense (income) comprise

	2022	2021
	$	$
Current tax payable	-	-
(Increase)/decrease in movement in deferred tax asset	**606,557**	35,959
Increase/(decrease) in movement in deferred tax liability	**(846,917)**	103,378
Overprovision of tax in prior years due to change in tax rates	**717,503**	(743,952)
Income tax expense for continuing operations	**477,143**	(604,615)

(b) Reconciliation of income tax to accounting profit

	2022	**2021**
	$	**$**
Profit/ (Loss)	**2,350,670**	(3,892,112)
Tax	**30%**	26%
	705,201	(1,011,949)
Add:		
Tax effect of:		
- other non-assessable income or deductible expense	**-**	407,334
	705,201	(604,615)
Less:		
Tax effect of:		
- Other non-assessable items or deductible expense	**(228,058)**	-
Income tax (benefit)/expense	**477,143**	(604,615)

6. Cash & cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Short-term deposits are for set periods of no more than 3 months. The Group's approach to managing risk exposure associated with cash and cash equivalents is set out in Note 16 below.

Cash & Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2022	2021
	$	$
Cash at hand and in bank	**2,979,378**	800,705
Short-term deposits	**405,506**	445,564
Balance as per statement of cash flows	**3,384,884**	1,246,269

7. 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 impairment.

Trade receivables for professional service fees and accounting & tax services are generally received within 30 to 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for impairment.

Trade Receivables	**2022** **$**	2021 $
CURRENT		
Trade receivables	**7,322,228**	333,597
Allowance for impairment	**(105,514)**	(42,414)
	7,216,714	291,183
Other receivables	**124,505**	457,004
Total current trade and other receivables	**7,341,219**	748,187

(a) Credit Risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Group.

The table in 7 (c) below details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counter party to the transaction.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

(b) Impairment of trade & other receivables

An allowance for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly.

2022	Gross amount $	Past due & impaired $	Within initial trade terms $
Trade & other receivables	**7,322,228**	**(105,514)**	**7,216,714**
Other receivables	**124,505**	**-**	**124,505**
Total	**7,446,733**	**(105,514)**	**7,341,219**

2021	Gross amount $	Past due & impaired $	Within initial trade terms $
Trade & other receivables	333,597	(42,414)	291,183
Other receivables	457,004	-	457,004
Total	790,601	(42,414)	748,187

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired. The Group does not hold any collateral over any receivable balances. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8. Plant & equipment

Classes of plant & equipment is measured using the cost model as specified below. Assets are carried at its cost less any accumulated depreciation and any impairment.

(a) Depreciation

Plant & equipment is depreciated on a reducing balance basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Plant and Equipment	10% - 20%
Leasehold improvements	16.66%
Low Value Asset Pool	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Plant & Equipment	2022 $	2021 $
Furniture, fixtures and fittings		
At cost	**150,551**	442,551
Accumulated depreciation	**(68,492)**	(442,551)
Total furniture, fixtures and fittings	**82,059**	-
Office equipment		
At cost	**518,183**	78,660
Accumulated depreciation	**(397,863)**	(78,660)
Total office equipment	**120,320**	-
Leasehold improvements		
At cost	**49,045**	372,377
Accumulated depreciation	**(4,783)**	(372,377)
Total improvements	**44,262**	-
Assets under lease		
At cost	**2,987,402**	201,870
Accumulated depreciation	**(1,134,199)**	(124,926)
Total assets under lease	**1,853,203**	76,944
Total plant and equipment	**2,099,844**	76,944
At cost	**3,095,383**	1,095,458
Accumulated depreciation	**(995,539)**	(1,018,514)
Total plant and equipment	**2,099,844**	76,944

(b) Movements in carrying amounts of plant & equipment

Movement in the carrying amounts for each class of plant & equipment between the beginning and the end of the current financial year:

	Furniture, fixtures and fittings	Office equipment	Leasehold improvements	Assets under lease	Total
Year ended 30 June 2022					
Balance beginning of year	**-**	**-**	**-**	**76,944**	**76,944**
Additions	**82,059**	**151,663**	**44,262**	**2,247,474**	**2,525,458**
Disposals/written off	**-**	**-**	**-**	**-**	**-**
Depreciation expenses	**-**	**(31,343)**	**-**	**(471,215)**	**(502,558)**
Balance at the end of year	**82,059**	**120,320**	**44,262**	**1,853,203**	**2,099,844**
Year ended 30 June 2021					
Balance beginning of year	48,672	15,193	192,366	624,261	880,492
Additions	-	-	-	-	-
Disposals/written off	(36,161)	(12,990)	(150,070)	(486,315)	(685,536)
Depreciation expenses	(12,511)	(2,203)	(42,296)	(61,002)	(118,012)
Balance at the end of year	-	-	-	76,944	76,944

9. Intangible assets

Intangible assets, other than goodwill, generally have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in profit or loss.

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are 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 finite life 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.

Goodwill has an indefinite life and is not amortised. Instead, goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Goodwill impairment disclosure

For the purpose of impairment testing, goodwill and indefinite life intangibles are allocated to cash-generating units which form part of or are based on the Group's operating divisions. The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill. The aggregate carrying amount of goodwill allocated to each CGU is:

Description of the cash-generating unit (CGU)	2022 $	2021 $
Financial advice business - at cost (B2B and B2C combined)	**29,616,472**	4,264,086
Accounting & tax business - at cost (B2C)	**1,480,000**	1,480,000
Total Goodwill	**31,096,472**	5,744,086

The recoverable amount of each cash-generating unit above is determined based on fair value less cost of disposal. There is sufficient information available in the market to determine fair value of each CGU.

(a) Intangible assets

	2022 $	2021 $
Goodwill		
Financial advice business - at cost (B2B and B2C combined)	**29,616,472**	4,264,085
Accounting & tax business - at cost (B2C)	**1,480,000**	1,480,000
Total Goodwill	**31,096,472**	5,744,085
Website development – at cost	**-**	298,756
Accumulated amortisation	**-**	(298,756)
Net carrying value	**-**	-
Finance Income book – at cost	**-**	177,487
Accumulated amortisation	**-**	(177,487)
Net carrying value	**-**	-
Financial literacy library – at cost	**-**	134,149
Accumulated amortisation	**-**	(134,149)
Net carrying value	**-**	-
B2C lead database - cost	**-**	46,663
Accumulated amortisation	**-**	(46,663)
Net carrying value	**-**	-
B2C insurance income book – at cost	**-**	47,252
Accumulated amortisation	**-**	(47,252)
Net carrying value	**-**	-
Other intangible assets – at cost	**-**	146,556
Accumulated amortisation	**-**	(146,556)
Net carrying value	**-**	-
Total Intangibles net carrying value	**31,096,472**	5,744,085

Summary of Intangible Assets		
Cost	**31,096,472**	6,594,948
Accumulated amortisation	**-**	(850,863)
Net carrying value	**31,096,472**	5,744,085

(b) Movements in carrying amounts of intangible assets

Year ended 30 June 2022	**Website development** $	**B2C insurance income book** $	**Finance income book** $	**B2C lead database** $
Balance beginning of year	-	-	-	-
Additions	-	-	-	-
Disposals/ written off	-	-	-	-
Depreciation and impairment	-	-	-	-
Balance at the end of year	-	-	-	-

Year ended 30 June 2022	**Financial literacy library** $	**Other intangibles** $	**Goodwill** $	**Total** $
Balance beginning of year	-	-	**5,744,085**	**5,744,085**
Additions	-	-	**25,352,387**	**25,352,387**
Disposals/ written off	-	-	-	-
Depreciation and impairment	-	-	-	-
Balance at the end of year	-	-	**31,096,472**	**31,096,472**

Year ended 30 June 2021	Website development $	B2C insurance income book $	Finance income book $	B2C lead database $
Balance beginning of year	202,444	75,147	42,513	42,348
Additions	-	-	-	-
Disposals	(175,407)	(70,061)	(20,513)	(38,109)
Depreciation and impairment	(27,037)	(5,086)	(22,000)	(4,239)
Balance at the end of year	-	-	-	-

Year ended 30 June 2021	Financial literacy library $	Other intangibles $	Goodwill $	Total $
Balance beginning of year	179,358	163,445	5,694,087	6,399,342
Additions	-	-	49,998	49,998
Disposals	(164,477)	(144,091)	-	(612,658)
Depreciation and impairment	(14,881)	(19,354)	-	(92,597)
Balance at the end of year	-	-	5,744,085	5,744,085

10. Other Assets

	2022	2021
	$	$
CURRENT		
Prepaid expenses and deposits	**1,755,475**	125,580
Accrued income	**-**	20,106
Other assets & receivables	**44,461**	36,408
	1,799,936	182,094

11. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. All amounts in trade and other payables due to be paid in the short term are classified as current liabilities. These amounts are unsecured and are usually paid within 30 days of recognition. Those amounts due to be paid after 12 months are classified as non-current liabilities. Carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

	2022	2021
	$	$
CURRENT		
Unsecured liabilities		
Trade payables	**9,861,701**	833,596
GST payable	**222,512**	299,374
Superannuation payable	**82,963**	23,162
Payroll tax payable	**58,457**	45,000
Accrued wages and sales commissions	**91,848**	91,203
Accrued professional services	**46,941**	73,000
Income tax provision	**(90,099)**	-
Other accruals	**1,204,804**	634,906
	11,479,127	2,000,241
Acquisition (vendor payment) accruals		
Sentry Group	**1,455,900**	-
Synchron Group	**3,477,500**	-
	4,933,400	-
Secured liabilities		
Borrowings - Receivables facility	**-**	479,118
Unsecured liabilities		
Convertible note	**-**	513,595
NON-CURRENT		
Secured liabilities		
Borrowings	**4,700,000**	1,185,880

(a) Borrowings

The Group has a loan facility guaranteed by the Group.

Under the facility, as at 30 June 2022 the Group had a balance of $4.7M outstanding and an undrawn facility of 2M. Principal and interest payments are made in accordance with an agreed schedule. The facility agreement has an average interest rate of 9.50% p.a.

12. Other Liabilities

The nature of providing financial advice and dealing in financial products is such that from time-to-time advice given by the Group (either directly by salaried employees in its B2C division or by its authorised representatives in its B2B division) generates claims from clients for compensation or refunds.

The Group operates a comprehensive risk management framework and maintains professional indemnity insurance to help mitigate these risks. It further manages these risks through claw back provisions under its authorised representative agreements with the advice practices whose advisers operate under its Wealth Today, Sentry and Synchron licenses.

However, insurance claim excesses (deductibles); annual buffer excesses; and unclaimable events (such as refunds - or actions or events that fall outside PI policy terms), are all potentially material and recovery action against authorised representatives is not always possible – most notably with respect to historical claims related to departed advisers - or related to advisers that were directly employed by the Group. Given the scale of the Group's operations these can be potentially material both individually and in the aggregate.

As part of its overall risk management and professional indemnity insurance regime the Company has a total of $1.91M provisioned against known and unknown matters (these accruals have historically been included in trade & other payables).

Under the Synchron share purchase agreement the Company and the Synchron Sellers agreed to an accrual of $2M as a warranty reserve (**Warranty Lockup**) which has been fully provided for in the Company's financial statements. To the extent that any component of the Warranty Lockup remains undrawn/unused after 2-years, 50% of the unused/undrawn portion will be released to the Synchron Sellers up to a maximum of $1M.

	2022	2021
	$	$
CURRENT		
Professional indemnity claims provision	**441,386**	300,000
NON-CURRENT		
Professional indemnity claims provision	**1,991,839**	-
Synchron Warranty Lockup Provision	**2,000,000**	-
	3,991,839	-

Employee Entitlements

Employee entitlements are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable the Group 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 liability 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, the liability is discounted using a current pre-tax rate specific to the liability.

The increase in the liability resulting from the passage of time is recognised as a finance cost.

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements are expected to be settled within 12 months of the reporting date and recognised in current liabilities in respect of employees' services up to the reporting date; measured at the amounts expected to be paid when the liabilities are settled.

	2022	2021
	$	$
CURRENT		
Leave liabilities		
Present value obligations	**485,538**	148,432
	485,538	148,432
NON-CURRENT		
Leave liabilities		
Present value obligations	**323,916**	175,476
	323,916	175,476

13. Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividends payable to shareholders are recognised when declared during the financial year and no longer at the discretion of the Company.

	2022	2021
Shares on issue	**No.**	No.
At the beginning of the reporting period	**167,171,900**	150,542,868
Shares issued during the year		
Issued 31 August 2020 – share purchase plan	**-**	16,129,032
Issued 8 February 2021 – options exercised	**-**	500,000
Issued 19 July 2021 – acquisition of Sentry Group	**113,333,332**	-
Issued 16 March 2022 – acquisition of Synchron Group	**40,575,610**	-
At the end of the reporting period	**321,080,842**	167,171,900

Movements in issued capital

(a) Ordinary shares

	2022	2021
	$	$
At the beginning of the reporting period	**20,142,712**	19,292,712
Shares issued during the year		
Issued 31 August 2020 – share purchase plan	**-**	500,000
Issued 8 February 2021 – options exercised	**-**	25,000
Share application pending allotment	**-**	325,000
Issued 19 July 2021 – acquisition of Sentry Group	**8,175,000**	-
Issued 16 March 2022 – acquisition of Synchron Group	**4,057,561**	-
At the end of the reporting period	**32,375,273**	20,142,712

(c) Voting rights

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Group does not have authorised capital or par value in respect of its shares.

There are 1,500,000 options to acquire ordinary shares on issue. There are no rights outstanding.

(d) Capital Management

Capital of the Group is managed in order to maintain a good debt-to-equity ratio; provide the shareholders with adequate returns; and to ensure that the Group can fund its operations and continue as a going concern.

The Group's capital comprises share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements, except base level financial requirements prescribed in the Australian Financial Services Licences held by the Company's subsidiaries that are so licensed.

The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the consolidated statement of financial position plus net debt.

14. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

(b) Diluted earnings per share

Diluted earnings per share adjusts the basic earnings per share to take into account the after-income tax effect of financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

	2022 **$**	2021 $
Profit (loss) after income tax	**1,873,527**	(3,287,497)

	2022 **No.**	2021 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**286,810,961**	159,650,233
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**287,250,687**	159,650,233

Earnings per share for profit from continuing operations attributable to the owners of WT Financial Group Limited	**2022**	2021
Basic earnings per share (cents)	**0.653**	(2.059)
Diluted earnings per share (cents)	**0.652**	(2.059)

15. Dividends

The Company has not paid any dividends during the year and to the date of this report.

(a) Dividend Re-investment Plan (DRP)

The Company operates a Dividend Reinvestment Plan (DRP) that offers shareholders the opportunity to purchase additional shares in the Company by reinvesting part or all of their periodic dividends.

Under the terms of the DRP the Directors have the ability to limit the amount of dividend which may be invested in subscription for shares under the DRP; determine the issue price for each issue of shares under the DRP and (for so long as the Company is listed on the ASX) determine the discount to the weighted average market price that will be used to calculate the issue price for each issue of shares under the DRP; and suspend, amend or terminate the DRP.

(b) Franking credits

	2022 **$**	2021 $
Opening balance	**(1,116,356)**	(1,663,479)
Company tax paid/(refund)	**-**	-
Franking credits transferred	**2,607,620**	547,123
	1,491,264	(1,116,356)

16. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Directors. The Audit & Risk Committee has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Group. These policies and procedures are then approved by the Directors.

Reports are presented to the Directors regarding the implementation and management of these policies by the Audit and Risk Committee under the delegated power from the Board. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

At the reporting date, these reports indicate that the Group is expected to have sufficient liquid resources including undrawn credit facilities to meet its obligations under all reasonably expected circumstances.

The Group's liabilities have contractual maturities which are summarised below:

	Less than 12 months		1 year – 5 years	
	2022	2021	**2022**	2021
	$	$	**$**	$
Trade & other payables	**11,920,512**	1,958,892	**-**	-
Borrowings	**-**	992,713	**4,700,000**	1,116,356
Total	**11,920,512**	2,951,605	**4,700,000**	1,116,356

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Managing Director receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The allowance for impairment of receivables assessment requires a degree of estimation and judgement. The level of allowance is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Interest rate risk

Interest Rate Risk is not a material risk to the Group, as there is minimal exposure to variable interest rates. The secured financing facility set out in Note 11 (a) has a fixed interest rate and is recorded at fair value.

17. Leases

The amounts recognised in the statements of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2022	2021
	$	$
Interest expenses on lease liabilities	**145,509**	50,803
Depreciation of right-of-use assets	**471,215**	264,747
Lease – early termination	**-**	317,465
Occupancy costs	**253,267**	397,589
	869,991	1,030,604

(a) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

Year ended 30 June 2022	**<1 year**	**1-5 years**	**Total undiscounted lease liabilities**	**As in Statement of Financial Position**
	$	**$**	**$**	**$**
Lease liabilities	**674,141**	**1,595,848**	**2,269,989**	**2,083,528**

18. Tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

	2022	2021
	$	$
Deferred tax assets	**3,047,545**	3,654,102
Deferred tax liabilities	**269,439**	1,116,356

(b) Movement in recognised deferred tax assets and liabilities

Deferred tax assets	**Opening Balance $**	**Charged to Income $**	**Closing Balance $**
Provisions	**21,781**	**4,598**	**26,379**
Tax losses	**2,401,503**	**398,108**	**2,799,611**
Employee entitlements	**81,227**	**121,136**	**202,363**
Accruals	**33,235**	**(14,043)**	**19,192**
Unused tax credits	**1,116,356**	**(1,116,356)**	**-**
Balance at 30 June 2022	**3,654,102**	**(606,557)**	**3,047,545**

Deferred tax assets	Opening Balance $	Charged to Income $	Closing Balance $
Provisions	16,374	5,407	21,781
Tax losses	1,890,859	510,644	2,401,503
Employee entitlements	100,232	(19,005)	81,227
Accruals	35,122	(1,887)	33,235
Unused tax credits	1,647,474	(531,118)	1,116,356
Balance at 30 June 2021	3,690,061	(35,959)	3,654,102

Deferred tax liabilities	**Opening Balance $**	**Charged to Income $**	**Closing Balance $**
Amortisation - intangible assets	**-**	**-**	**-**
Unused tax credits	**1,116,356**	**(1,116,356)**	**-**
Prepayments	**-**	**269,439**	**269,439**
Balance at 30 June 2022	**1,116,356**	**(846,917)**	**269,439**

Deferred tax liabilities	Opening Balance $	Charged to Income $	Closing Balance $
Amortisation - intangible assets	-	-	-
Unused tax credits	1,383,891	(267,535)	1,116,356
Prepayments	81,285	(81,285)	-
Balance at 30 June 2021	1,465,176	(348,820)	1,116,356

19. Auditors' remuneration

Audit services

The table below shows the amounts paid to Rothsay Audit & Assurance Pty Ltd (the current auditor of the parent entity).

	2022	2021
	$	$
Auditing or reviewing the financial reports:		
- Remuneration to Rothsay	**118,205**	71,017
Total	**118,205**	71,017

20. Interest in subsidiaries

(a) Principles of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a 30 June financial year end.

Parent entity

The Company was incorporated on 10 April 2014 as the interposed head entity of the Group (which itself was established on 10 October 20210) and is listed on the Australian Stock Exchange (ASX: WTL).

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Composition of the Group

Name of subsidiary entity	**2022** %-owned	2021 %-owned
Wealth Today Pty Ltd	**100**	100
WT Finance Pty Ltd	**100**	100
WT Financial Group Services Pty Ltd	**100**	100
Spring FG Accounting Pty Ltd	**100**	100
SFG Private Wealth Pty Ltd	**100**	100
Spring FG Funds Management Pty Ltd	**100**	100
Spring FG Realty Pty Ltd	**100**	100
SRPT Holdings Pty Ltd	**-**	100
MySuper247 Pty Ltd	**100**	100
MyTax247 Pty Ltd	**100**	100
SFGW Pty Ltd	**100**	100
WT FG Services Pty Ltd	**100**	100
Sentry Group Pty Ltd (ABN 40 125 343 384)	**100**	-
Sentry Advice Pty Limited (ABN 77 103 642 888)	**100**	-
Wealthsure Financial Services Pty Ltd (ABN 59 130 288 578)	**100**	-
Sentry Credit Services Pty Limited (ABN 26 116 569 423)	**100**	-
Sentry Financial Planning Pty Ltd (ABN 79 099 029 526)	**100**	-
Sentry Planning Services Pty Limited (ABN 53 155 558 900)	**100**	-
Sentry Group Services Pty Ltd (ABN 88 161 297 070)	**100**	-
Sentry Financial Services Pty Limited (ABN 30 113 531 034)	**100**	-
Sentry Wealth Pty Limited (ABN 17 151 866 385)	**100**	-
ACN 633 357 481 (ABN 13 633 357 481)	**100**	-
Synchronised Business Services Pty Ltd (ABN 33 007 207 650)	**100**	-
Synchron Pty Ltd (ACN 141 962 307)	**100**	-
Synchron Medical Pty Ltd (ACN 154 497 079)	**50**	-

The principal place of business for all entities listed is Australia.

21. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

22. Transactions with related parties

(a) Summary of related parties

i. Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

ii. Other related parties:

Other related parties include Director related entities and close family members of key management personnel and entities that are controlled or significantly influenced by those personnel or their close family members.

During the year, there were no transactions undertaken with any other related parties other than with respect to professional services rendered by Peloton Partners, a practice management advisory business of which Non-Executive Director Michael Harrison is a principal. Peloton Partners provided certain services to and on behalf of the Company on an arms-length basis and as set out in 22 (b), below.

(b) Remuneration of key management personnel

	2022	2021
	$	$
Short-term employee benefits	**978,758**	584,715
Long-term employee benefits	**160,301**	85,233
Post-employment benefits	**249,898**	46,415
Total	**1,388,957**	716,363

(c) Related party transactions

	2022	2021
	$	$
Professional services rendered by Peloton Partners	**101,250**	-
Total	**101,250**	-

23. Cash flow information

(a) Reconciliation of net income to net cash provided by operating activities

	2022	2021
	$	$
Net profit (loss)	**1,873,527**	(3,287,497)
Income items excluded from operating activities cash flows		
Non-cash flows in profit or loss		
Depreciation and amortisation	**502,558**	419,640
Amortisation of intangibles	**-**	392,653
Debt forgiveness	**-**	962,482
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**(7,824,672)**	546,762
- (increase)/decrease in other assets	**12,053**	(26,751)
- increase/(decrease) in trade and other payables	**2,694,022**	(369,586)
- increase/(decrease) in income taxes payable	**(330,460)**	(604,616)
- increase/(decrease) in employee entitlements	**222,344**	(42,423)
Cashflow from operations	**(2,850,628)**	(2,009,336)

24. Parent entity information

Set out below is the supplementary financial information about the parent entity of the Group (WT Financial Group Limited) presented on a stand-alone basis - that is, excluding the consolidation of the financial statements of its subsidiaries and controlled entities.

The parent entity is a non-operating entity.

	2022	2021
	$	$
ASSETS		
Current assets	**1,073,847**	202,285
Non-current assets	**29,943,673**	15,805,624
TOTAL ASSETS	**31,017,520**	16,007,909
LIABILITIES		
Current liabilities	**221,650**	794,533
Non-current liabilities	**8,913,225**	4,969,092
TOTAL LIABILITIES	**9,134,875**	5,763,625
NET ASSETS	**21,882,645**	10,244,284
EQUITY		
Issued capital	**32,375,273**	20,142,712
Options Reserve	**26,659**	26,659
Retained earnings	**(10,519,287)**	(9,925,087)
TOTAL EQUITY	**21,882,645**	10,244,284
Current year earnings	**(594,200)**	(1,439,569)

25. Business Combinations

(a) Sentry Group Pty Ltd

On 19 July 2022 the Company acquired all of the issued capital of national financial advisory dealer group, Sentry Group Pty Limited (**Sentry**) for an initial purchase price of $7M to be provided to the Sentry selling shareholders (**Sentry Sellers**) as to 50% in cash and 50% in the form of WTL shares (**Shares**).

The cash consideration was funded through the placement of new Shares to institutional and professional investors at an issue price of $0.075 per Share. The Company issued the Sentry Sellers 46,666,667 Shares at an issue price of $0.075 to satisfy the Shares component of the initial purchase price. The Shares issued to the Sentry Sellers were subject to 24 months escrow from the date of issue.

Under the acquisition terms the Sentry Sellers were entitled to a maximum of a further $3M (**Upside Consideration**) to be satisfied by a combination of cash and Shares, subject to exceeding a base fee revenue performance hurdle for FY2022 of $3.55M (as certified by the Company's auditor). The Upside Consideration was agreed as payable at a rate of $1.97 for every $1.00 that base fee revenue.

WTL assumed net liabilities of $1.71M bringing the anticipated total value of the acquisition to $11.7M.

Purchase Consideration	
Cash consideration at settlement	3,500,000
Shares consideration at settlement	3,500,000
Deferred cash/shares consideration	3,000,000
	10,000,000

The assets and liabilities recognised as a result of the acquisition are as follows

Assets	
Bank	611,626
Other Current Assets	4,718,073
Total Current Assets	**5,329,699**
Fixed Assets	1,448,766
Total Non-Current Assets	**1,448,766**
Total Assets	**6,778,465**
Liabilities	
Total Current Liabilities	**6,932,506**
Total Non-Current Liabilities	**1,553,779**
Total Liabilities	**8,486,285**
Net Assets	**(1,707,820)**
Goodwill	**11,707,820**

(b) Synchronised Business Services Pty Ltd

On 17 March 2022 the Company acquired 100% of the issued capital financial adviser group, Synchronised Business Services Pty Ltd (**Synchron**). The total consideration to the Synchron sellers (**Synchron Sellers**) for the acquisition was agreed as up to $7.96M, payable over two-years in a combination of cash and shares.

On Completion the Synchron Sellers received $3.48M comprised of $2.46M cash and $1.02M by way of the issue of 10,176,210 WTL ordinary shares at an issue price of $0.10 per share (**Synchron Seller Shares**). The Synchron Seller Shares were subject to 24 months escrow from the date of issue. A deferred cash consideration of $1.05M is payable to the Synchron Sellers 12 months after settlement.

A retention payment (**Synchron Retention**) of up to $2.43M is payable if base fee revenue contributed by Synchron in respect of the 12 months to 31 March 2023 exceeds an agreed milestone as certified by the Company's auditor. At its election WTL is entitled (but not obligated) to satisfy part or all of any Synchron Retention by way of the issue of WTL shares (**Synchron Retention Shares**) at the VWAP of WTL Shares at that time.

The Company and the Synchron Sellers also agreed to an accrual of $2M as a warranty reserve (**Warranty Lockup**). The Warranty Lockup is fully provided for in the Company's financial statements. To the extent that any component of the Warranty Lockup remains undrawn/unused after 2-years, 50% of the unused/undrawn portion will be released to the Synchron Sellers up to a maximum of $1M, bringing the maximum total consideration payable to the Synchron Sellers to $7.96M (assuming payment of the full Synchron Retention and release of the maximum amount of Warranty Lockup).

WTL assumed further historical and contingent liabilities of $3.1M and incurred transaction and integration costs of $1.5M bringing the anticipated total value of the acquisition to $13.6M.

Purchase Consideration	
Cash consideration at settlement	2,459,879
Shares consideration at settlement	1,017,621
Deferred cash consideration	1,043,250
Contingent shares consideration	2,434,250
	6,955,000

The assets and liabilities recognised as a result of the acquisition are as follows

Assets	
Bank	683,955
Other Current Assets	805,227
Total Current Assets	**1,489,182**
Fixed Assets	821,730
Total Non-Current Assets	**821,730**
Total Assets	**2,310,912**
Liabilities	
Total Current Liabilities	**4,993,729**
Total Non-Current Liabilities	**3,991,839**
Total Liabilities	**8,985,568**
Net Assets	**(6,674,656)**
Goodwill	**13,629,656**

27. Events Occurring After the Reporting Date

Subsequent to the reporting date the Company's auditor issued a certificate confirming that base fee revenue for the purposes of calculation of the Sentry Upside Consideration was $4.29M, thereby exceeding the minimum revenue benchmark of $3.55M by $740k. This calculates to an Upside Consideration of $1.46M which may be satisfied as to 50% cash and 50% shares (Upside Shares). This amount is fully provisioned as a liability in the FY2022 financial statements.

Under the terms of the share purchase agreement with the Sentry Sellers the issue price for any Upside Shares will be calculated as 85% of the volume weighted average price at which WTL Shares traded on ASX over the 30 days up to the date of determination of the Upside Consideration and the Upside Shares will be subject to escrow restrictions for a period of 12 months.

DIRECTORS' DECLARATION

The financial report was authorised for issue on 26 September 2022 by the board of directors.

This declaration is made in accordance with a resolution of the board of directors.

(1) In the opinion of the Directors:

  (a) The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the consolidated entity are in accordance with the Corporations Act 2001 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, including:

    (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of their performance for the year ended on that date; and

    (ii) complying with Accounting Standards and Corporations Regulations 2001; and

  (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ending 30 June 2022.

Signed in accordance with a resolution of the Directors.

Guy Hedley	Keith Cullen
Chairman	**Managing Director**

WT FINANCIAL GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

To the members of WT Financial Group Limited

Opinion

We have audited the financial report of WT Financial Group Limited ("the Company") and controlled entities ("the Group"), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion the 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 2022 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

Business Combinations

As disclosed in note 25, the Group made two business combinations.

Given the significance of the transactions and the complexity of accounting for business combinations we consider this to be a key audit matter.

How our Audit Addressed the Key Audit Matter

Our procedures included:

- Reviewing the share purchase agreements, assessing the key terms and considered whether the acquisition constituted a business combination;
- Assessing the fair value of consideration paid for the acquisition;
- Reviewing the appropriateness of the purchase price accounting; and
- Assessing the appropriateness of the related disclosures in the financial report.

Going Concern

We considered the financial performance and financial position of the Group along with the matters disclosed in Note 1(a) to the financial statements.

Going concern was therefore considered a key audit matter.

How our Audit Addressed the Key Audit Matter

Our procedures included:

- Review of management's assessment of going concern noting that current liabilities included $4.93M of accruals that represent the maximum amounts that may be payable for upside, retention and deferred payments associated with its acquisitions of both Sentry and Synchron. We also note that the Company has the unilateral contractual right to satisfy up to $3.16M of any such payments by way of the issue of ordinary shares and that the Company has a secured corporate debt facility of which $2 million remains available and may be drawn to satisfy any deferred consideration attributed to the acquisitions;
- Review of budgets and results subsequent to year end; and
- Assessing the appropriateness of the related disclosures in the financial report.

Impairment Assessment of Intangible Assets	How our Audit Addressed the Key Audit Matter
Note 9 to the financial statements shows that at 30 June 2022 the Group has recorded intangible assets of $31,096,472. This was considered a key audit matter given the significant judgement involved in assessing the recoverable amount of these assets.	Our procedures included: • Reviewing the calculations and performing an assessment of the reasonableness of inputs used in the management's analysis; and • Assessing the appropriateness of the related disclosures in the financial report.

Other Information

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 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 Company 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 Australian Auditing Standards will always detect a material misstatement when it exists.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of WT Financial Group Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla

Director

Sydney, 26 September 2022