PACIFIC CURRENT GROUP

Tacoma // Denver // Sydney // Melbourne

25 August 2023

Company Announcements
For Immediate Release
ASX Code: PAC

APPENDIX 4E AND FINANCIAL REPORT FOR PACIFIC CURRENT GROUP LIMITED

In accordance with the Listing Rules of the Australian Securities Exchange (“ASX”), Pacific Current Group Limited encloses for immediate release the following information:

1. Appendix 4E, the Preliminary Final Report for the Year ended 30 June 2023; and
2. The Audited Financial Report for the Year ended 30 June 2023

AUTHORISED FOR LODGEMENT BY:

The Board of Pacific Current Group Limited

-ENDS-

CONTACT

For Investor & Media Enquiries:

- Paul Greenwood – Managing Director & CEO and CIO
  E: pgreenwood@paccurrent.com T: (+1) 253 617 7815

ABOUT PACIFIC CURRENT GROUP LIMITED

Pacific Current Group Limited is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors, and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. At the date of this announcement, Pacific Current Group Limited has investments in 16 boutique asset managers.

The following information is presented in accordance with Listing Rule 4.3A of the Australian Securities Exchange ("ASX").

1. Details of the reporting period and the previous corresponding period

Current reporting period	- the year ended 30 June 2023
Previous corresponding period	- the year ended 30 June 2022

2. Results for announcement to the market

	Year ended	30 June 2023 $'000	30 June 2022 $'000	Increase /(Decrease) $'000	%
2.1	Revenue from ordinary activities	45,594	44,202	1,392	3.15
	Underlying earnings before interest, tax and depreciation and amortisation	35,445	35,761	(316)	(0.88)
	Net profit/(loss) before tax	(17,545)	(48,186)	30,641	(63.59)
	Underlying net profit before tax	31,692	35,385	(3,693)	(10.44)
	Underlying net profit after tax (before minority interest)	27,590	29,637	(2,047)	(6.91)
2.2	Net profit profit/(loss) from ordinary activities after tax attributable to members	(15,791)	(35,270)	19,479	55.23
	Underlying net profit (from ordinary activities after tax attributable to members	26,053	27,134	(1,081)	(3.98)
2.3	Net profit/(loss) for the period attributable to members	(17,980)	(35,270)	17,290	49.02
	Underlying net profit/(loss) for the period attributable to members	26,053	27,134	(1,081)	(3.98)

Underlying results are unaudited Non-IFRS measures. Refer to the attached Financial Report for details of these calculations.

	Dividends (distributions)	Amount per security (cents)	Franking amount per security	Conduit foreign income per security
2.4				
	2023 Final	23	67.3%	n/a

2.5 Record date for determining entitlements to the dividend

7 September 2023

2.6 Commentary on "Results for Announcement to the Market"

A brief explanation of any figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

3. A statement of comprehensive income

A statement of comprehensive income together with notes to the statement is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

4. A statement of financial position

A statement of financial position together with notes to the statement is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

5. A statement of cash flows

A statement of cash flows together with notes to the statement is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

6. A statement of changes in equity

A statement of changes in equity together with notes to the statement is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

7. Details of individual and total dividends or distributions and dividend or distribution payments.

Type	Record date	Payment date	Amount per Security (cents)	Total Dividend ($)	Franked amount per security	Conduit foreign income per security
2022 Final	8 September 2022	11 October 2022	23.0	11,764,436	100%	n/a
2023 Interim	9 March 2023	13 April 2023	15.0	7,700,620	100%	n/a

8. Details of any dividend or distribution reinvestment plans

On 27 August 2020, the Board approved a Dividend Reinvestment Plan ("DRP") for the Company. The Company's DRP will not apply to the FY23 Final dividend.

9. Net tangible assets per security

	30 June 2023	30 June 2022
Net tangible assets per security	$9.09	$9.24

10. Details of entities over which control has been gained or lost during the period

During the period, control was gained over the following entities:

Name of entity	Date control gained
Nil	Nil

During the period, control was lost over the following entities:

Name of entity	Date control lost
Nil	Nil

11. Details of associates and joint venture entities

	Ownership %	
	30 June 2023	**30 June 2022**
Associates		
Aether General Partners	25.00	25.00
ASOP Profit Share LP	39.06	39.03
Astarte Capital Partners, LLP	44.46	44.46
Banner Oak Capital Partners, LP	35.00	35.00
Blackcrane Capital, LLC[1]	-	25.00
Capital & Asset Management Group, LLP	40.00	40.00
IFP Group, LLC	24.90	24.90
Northern Lights Alternative Advisors LLP	23.00	23.00
Roc Group	30.01	30.01
Victory Park Capital Advisors, LLC	24.90	24.90
Victory Park Capital GP Holdco, LP	24.90	24.90
Joint ventures		
Copper Funding, LLC	50.00	50.00
Nereus Capital Investments (Singapore) Pte. Ltd[2]	74.19	8.72
Associate of the joint venture Copper Funding, LLC		
Pennybacker Capital Management, LLC	16.50	16.50

	30 June 2023 $'000	**30 June 2022 $'000**
PAC share of profits of associates/joint venture[3]	8,062	8,130

Notes:
[1] – During the year, the Group redeemed its 25% interest in Blackcrane.
[2] – During the year, as a result of the settlement agreement, the Group's effective interest in NCI increased from 8.72% to 74.19%. The Group reassessed its investment in NCI and determined that the investment is a joint venture since the Group jointly controls NCI.
[3] – Further information on the contribution of these entities to the financial performance and financial position of the entity is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

12. Any other significant information needed by an investor

Further significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

13. For foreign entities, which set of accounting standards is used in compiling the report

Not applicable

14. A commentary on the results for the period

A commentary, including any significant information needed by an investor to make an informed assessment of the entity's activities and results, is contained in the attached Audited Financial Report for the Year ended 30 June 2023.

15. Audit / Review of Accounts upon which this report is based and qualification of audit / review

This Financial Report is based on the attached Annual Financial Report for the Year ended 30 June 2023 which includes the Independent Auditors Report. The Annual Financial Report for the year ended 30 June 2023 is not subject to a modified opinion, emphasis or other matter paragraph.

Pacific Current Group Limited

ABN 39 006 708 792

Financial Report
For the year ended 30 June 2023

Your Directors submit their Report for the year ended 30 June 2023.

DIRECTORS AND OFFICERS

The Directors and officers of Pacific Current Group Limited (the "Company") at the date of this report or at any time during the financial year ended 30 June 2023 were:

Name	Role
Mr. Antony Robinson	Non-Executive Chairman[1]
Mr. Paul Greenwood	Executive Managing Director
Mr. Jeremiah Chafkin	Non-Executive Director
Ms. Melda Donnelly	Non-Executive Director
Mr. Gilles Guérin	Lead Independent Director[2]
Mr. Peter Kennedy	Non-Executive Director
Ms. Clare Craven	Company Secretary

Notes:
1 Mr. Robinson is not presently considered by the Board to be independent. Refer to the Company's Corporate Governance Statement available on its website at Corporate Governance - Pacific Current Group (paccurrent.com).
2 Mr. Guerin was appointed by the Board as Lead Independent Director on 24 August 2023.

NAMES, QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Mr. Antony Robinson, BCom, MBA, CPA (Non-Executive Chairman)

Mr. Robinson joined the Board on 28 August 2015, in the capacity of Non-Executive Director. He became an Executive Director on 20 April 2016 before returning to a Non-Executive Director on 1 September 2018. On 1 October 2018 he was appointed Chairman. He has significant expertise and experience across a number of industries, including banking, financial services, telecommunications, and transport. He is an experienced company director and Chief Executive Officer. His previous executive roles include Managing Director of IOOF Ltd and OAMPS Limited.

Mr. Robinson is the Managing Director of PSC Insurance Group Limited (since July 2015) and the Chairman of River Capital Pty Ltd. He was formerly a Director of Tasfoods Limited (May 2014 - March 2018), a Director of Bendigo and Adelaide Bank Limited (April 2016 - November 2021) and Non-Executive Chairman of Longtable Group Ltd (now Maggie Beer Holdings Limited) (from October 2015 - November 2019).

Mr. Robinson is a member of the Audit and Risk Committee and the Remuneration, Nomination and Governance Committee.

Mr. Paul Greenwood, BA, CFA (Executive Managing Director)

Mr. Greenwood joined the Board on 10 December 2014 as an Executive Director. He co-founded Northern Lights Capital Group, LLC ("Northern Lights") in 2006 which merged with Treasury Group Ltd in November 2014 to form Pacific Current Group Limited. Effective from 1 July 2018, Mr. Greenwood was appointed to the roles of Managing Director, Chief Executive Officer and Global Chief Investment Officer ("MD, CEO and CIO") in the Company.

Prior to Northern Lights, he created Greenwood Investment Consulting ("GIC"), a firm that worked directly with investment managers on investment process and organisational issues. Before GIC, Mr. Greenwood served as Director of US Equity for Russell Investment Group ("Russell"), where he managed all of Russell's US equity-oriented portfolio management and research activities. He also served as a Russell spokesperson and authored many articles and research commentaries related to investment manager evaluation.

Mr. Greenwood is a Non-Executive Director of GQG Partners Inc (since October 2021) and serves as the Company's representative on numerous committees and boards of portfolio companies that the Company has invested in. He is also a member of the Advisory Board of Simcoe Capital (doing business as Signia Capital Management).

Mr. Jeremiah Chafkin, BScEcon, MBA Fin (Non-Executive Director)

Mr. Chafkin joined the Board on 10 April 2019. He has over 30 years' experience in financial services leadership in the asset management sector, primarily in North America. He is currently the Chief Investment Officer of Retirement Income Advisors, LLC (dba Preservation Capital Management).

He was previously the Vice Chairman Investments of AssetMark Financial Holdings, Inc. (until April 2022). He was also previously CEO at AlphaSimplex Group, IXIS Asset Management US and spent nearly a decade at Charles Schwab in a range of leadership roles. He began his career at Bankers Trust Company where he spent almost 15 years in a variety of asset management roles working with institutional clients in the USA and abroad.

Mr. Chafkin is a member of the Audit and Risk Committee and the Remuneration, Nomination and Governance Committee.

Ms. Melda Donnelly, CA, OAM B.C. (Non-Executive Director)

Ms. Donnelly joined the Board on 28 March 2012. She is the founder and former chairperson of the Centre for Investor Education, a specialist education and consultancy firm for executives in Australian superannuation funds, institutional investment bodies and the financial services markets. Her previous work experience includes CEO of the Queensland Investment Corporation, Deputy Managing Director of ANZ Funds Management and Managing Director of ANZ Trustees.

Ms. Donnelly is a Non-Executive Director of GQG Partners Inc (since October 2021) and Chair of Coolabah Capital Investments Pty Limited.

Ms. Donnelly has held a range of directorships of both Australian and international companies including Non-Executive Director of Ashmore Group plc, trustee director of UniSuper, Deputy Chair of the Victorian Funds Management Corporation, Chair of Plum Financial Services Nominees Pty Ltd and a member of the Investment Committee of HESTA Super Fund.

Ms. Donnelly is the Chair of the Audit and Risk Committee and a member of the Remuneration, Nomination and Governance Committee.

Mr. Gilles Guérin, BA MSc, (Lead Independent Director)

Mr. Guérin joined the Board on 10 December 2014. He has over 20 years' experience in capital markets and investment management. This includes cross asset class experience spanning the equities, fixed income and commodities markets, with a specific focus on alternative strategies and hedge funds. During his career, Mr. Guérin has managed relationships with investors and distributors across the world, in particular Europe, the United States of America (the "USA"), Japan, the Middle East and Australia. He has operated distribution capabilities worldwide and developed new products and investment capabilities. Throughout his career, he liaised with regulators across various jurisdictions and worked with thought leaders of the investment industry including Dr Andrew Lo and Dan Fuss.

He is a Director of U-Access (Ireland) UCITS plc.

Mr. Guerin was the CEO of BNP Paribas Capital Partners (retired September 2021), where he worked developing the alternative investment capabilities of the BNP Paribas Group. He also served as CEO and President of Natixis Global Associates, Executive of Natixis AM North America and held Executive and senior leadership roles at HDF Finance, AlphaSimplex, IXIS AM and Commerz Financial Products. He was previously a Non-Executive Director of Ginjer AM and Chair of INNOCAP.

Mr. Guérin is a member of the Audit and Risk Committee and the Remuneration, Nomination and Governance Committee.

Mr. Peter Kennedy, B.Ec. L.L.M. (Tax) (Non-Executive Director)

Mr. Kennedy joined the Board on 4 June 2003. He is the founding partner of the commercial law firm, Madgwicks Lawyers, and has more than 40 years' experience in commercial law advising a broad range of clients across a variety of sectors. He is a member of the Madgwicks' Dispute Resolution practice and was formerly Madgwicks' Managing Partner for over 16 years, where he played an integral role in the governance and management of the firm.

Mr. Kennedy also sits on the boards of a number of companies in the manufacturing, property and retail industries and is Chair of Treasury Group Investment Services Pty Ltd, a wholly owned subsidiary of the Company.

Mr. Kennedy is the Chair of the Remuneration, Nomination and Governance Committee and a member of the Audit and Risk Committee.

Ms. Clare Craven, BLegS, FGIA, FCG, GAICD (Company Secretary)

Ms. Craven has over 20 years' legal, company secretarial and governance experience gained in various listed and private companies. She has a deep understanding of financial services, wealth management, corporate governance, risk management and compliance. She currently acts as Company Secretary for several of Company Matters Pty Limited's clients.

Ms. Craven previously held various senior leadership roles at Westpac Banking Corporation including Head of Westpac Secretariat, Head of Westpac Subsidiaries and Head of BT Secretariat. Ms. Craven's previous roles included Company Secretarial Consultant to various public and private companies in the financial services, construction, insurance and health services sector, legal and corporate advisory roles at NRMA Ltd and NRMA Insurance Limited (including Company Secretary), and as an Associate Solicitor in private practice.

Ms. Craven is admitted as a Solicitor of the Supreme Court of NSW, holds a Bachelor of Legal Studies and a Graduate Diploma in Applied Corporate Governance.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Company is a company limited by shares and is incorporated and domiciled in Australia. Its shares are listed for trading on the Australian Securities Exchange ("ASX") with the ticker code PAC. The Company and its controlled entities (the "Group") invest in asset managers, private advisory, placement and investment related firms on a global basis. The Group also provides, on an as agreed basis, distribution and management services to specific investee companies.

The primary criteria the Company looks for in these potential investments are high quality people, a robust investment process, competitive performance and strong growth potential. The strategy of the Company is to build shareholder value through identifying, investing, and managing investments in investment management firms that exhibit moderate to high sustainable growth while delivering exceptional results to their clients.

The Company is agnostic in respect to geography so long as an investment meets the Group's investment criteria. The Group invests across the life cycle continuum, from start-up opportunities to established but growing businesses. The portfolio is targeted to have a mix of businesses from those with solid earnings to those with dramatic earnings acceleration, albeit from a smaller investment base.

OPERATING AND FINANCIAL REVIEW

REVIEW OF OPERATIONS

Investment activities during the year

Restructuring of investments

On 31 August 2022, the Group through Aurora Investment Management Pty Ltd (as the Trustee of The Aurora Trust), Hareon Solar Singapore Private Limited ("Hareon"), Nereus Capital Investments (Singapore) Pte. Ltd ("NCI") and Nereus Holdings Inc executed a Settlement and Release Deed (the "Deed") whereby the parties have agreed to the full satisfaction of the obligations of the Group to Hareon in the amount of USD11,869,000 ($17,638,000). The Group paid Hareon USD7,000,000 ($10,403,000) on 16 September 2022 and the remaining balance of USD4,869,000 ($7,235,000) on 31 October 2022. With the full settlement of the liability to Hareon, the Group's obligations to Hareon were terminated in its entirety pursuant to the Deed.

The Group now classifies its investment in NCI as a joint venture and continues to look for opportunities to exit the investment in an orderly fashion by actively offering the underlying investments for sale.

Acquisition of a new investment

On 6 April 2023, the Group acquired an interest in Cordillera Investment Partners, LP ("Cordillera") and special limited partnership interests in limited partnership vehicles managed by Cordillera for USD29,880,000 ($44,405,000). The Group is entitled to 16.38% gross revenues, funds, carried interest and proceeds received by Cordillera less certain costs and expenses and 24.90% liquidation proceeds in the event of sale. The investment has been accounted for as a financial asset at fair value through profit or loss.

Cordillera is based in San Francisco, California, USA and has three strategies that focus on investing in niche, non-correlated private investments with the objective of diversifying and attractive risk-adjusted returns. It targets unique asset classes that are not yet heavily trafficked by other institutional investors.

Sale of investments

On 31 December 2022, with the effect from 1 July 2022, Blackcrane Capital, LLC ("Blackcrane") purchased and redeemed the 25% equity ownership of the Group in Blackcrane with a potential value of up to USD250,000 ($372,000) to be paid as an earn-out. Blackcrane shall pay the Group in one or more installments in an amount equal to, for each financial year, 50% of all Blackcrane's revenues in excess of USD1,500,000 ($2,229,000) until such time as the full amount of purchase price has been paid in full to the Group. At 30 June 2023, Blackcrane is in the process of winding down its operations therefore the Group did not recognise any value on the potential earn-out.

On 14 June 2023, Proterra Investment Partners, LP ("Proterra") and the Group agreed to sell Proterra's line of business held by its subsidiary Proterra Investment Partners Asia PTE. Ltd. ("Proterra Asia"), to Challenger Funds Management Holdings Pty Limited, a subsidiary of Challenger Limited (ASX: CGF). On 17 June 2023, the Group received its share of the proceeds of USD8,320,000 ($12,364,000) less USD508,000 ($755,000) of transaction costs. The sale of Proterra Asia did not change the Group's equity interest in Proterra.

Other investment activities

On 2 December 2022, the Group extended a Secured Credit Facility Promissory Note ("Credit Facility") to Astarte Capital Partners, LLP ("Astarte") of up to USD600,000 ($892,000). The Credit Facility has a term of five years and bears a 10% interest per annum. A full draw down was made by Astarte during the year. The transaction is classified as a financial asset at amortised cost.

On 14 December 2022, the Group extended a Credit Facility to Capital & Asset Management Group ("CAMG") of up to GBP200,000 ($358,000). The Credit Facility has a term of two years and bears a 10% interest per annum. A full draw down was made by CAMG during the year. At the date of the transaction, this was classified as a financial asset at amortised cost.

On 21 December 2022, the Group partially settled its earn-out obligation to Pennybacker Capital Management, LLC ("Pennybacker") of USD1,591,000 ($2,364,000) as a result of reaching certain revenue thresholds for Pennybacker's income platforms.

On 27 January 2023, the Group extended a short-term Credit Facility Promissory Note to IFP Group, LLC of USD250,000 ($372,000). The Credit Facility bears a 10% to 15% interest per annum. The transaction is classified as a financial asset at amortised cost.

Financing activities during the year

The fully franked final dividend declared on 26 August 2022 in respect of the 2022 financial year was paid on 11 October 2022 totalling to $11,764,000 of which $10,500,000 was paid in cash and $1,264,000 was through the Dividend Reinvestment Plan ("DRP").

The fully franked interim dividend declared on 24 February 2023 in respect of the 2023 financial year was paid on 13 April 2023 totalling to $7,701,000 of which $6,080,000 was paid in cash and $1,621,000 was through the DRP.

Refer to Dividend section in this report for further details.

On 24 October 2022, the Company secured a USD50,000,000 ($74,306,000) Senior Secured Debt Facility ("Debt Facility") from Washington H. Soul Pattinson and Company Limited ("WHSP"). The Debt Facility has a term of five years from the first draw down (subject to extension option) and bears an interest per annum of the aggregate of a term secured overnight financing rate (subject to a floor of 1%) and 4.8% margin. In addition, the Group is required to maintain a loan to net assets ratio of less than 0.5 times. The Debt Facility is secured by the assets of the Group.

On 26 October 2022, the initial amount of USD30,000,000 ($44,583,000), excluding the 2.5% discount on the proceeds of USD750,000 ($1,115,000), was drawn down. The remaining USD20,000,000 ($29,723,000) will be drawn down in two equal amounts as requested by the Company. The Debt Facility is classified as a financial liability at amortised cost.

Funds under management ("FUM")

As at 30 June 2023, the FUM of the Group's asset managers was $204,349,907,000 (2022: $169,288,461,000).

	Open-end Boutiques		Closed-end Boutiques		Total	Total
	FUM as at 30 June 2022	FUM as at 30 June 2023	FUM as at 30 June 2022	FUM as at 30 June 2023	FUM as at 30 June 2022	FUM as at 30 June 2023
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Tier 1 - Boutiques reporting in USD						
Aether Investment Partners, LLC	—	—	1,588,770	1,545,245	1,588,770	1,545,245
Banner Oak Capital Partners, LP[1]	—	—	6,237,400	7,388,800	6,237,400	7,388,800
Carlisle Management Company, S.C.A.	1,124,708	987,619	1,032,198	1,002,931	2,156,906	1,990,550
Cordillera Investment Partners, LP[2]	—	158,234	—	1,253,512	—	1,411,746
GQG Partners Inc.	86,700,000	104,100,000	—	—	86,700,000	104,100,000
Proterra Investment Partners, LP[1]	—	—	4,020,836	3,711,960	4,020,836	3,711,960
Victory Park Capital Advisors, LLC[3]	—	—	5,435,855	5,712,846	5,435,855	5,712,846
	87,824,708	105,245,853	18,315,059	20,615,294	106,139,767	125,861,147
Tier 2 - Boutiques reporting in USD						
Astarte Capital Partners, LLP[4]	—	—	529,050	642,226	529,050	642,226
Blackcrane Capital, LLC	14,552	—	—	—	14,552	—
EAM Global Investors, LLC	1,415,067	1,477,911	—	—	1,415,067	1,477,911
Pennybacker Capital Management, LLC[5]	—	273,567	2,370,644	2,690,504	2,370,644	2,964,071
	1,429,619	1,751,478	2,899,694	3,332,730	4,329,313	5,084,208
Total Boutiques reporting in USD	89,254,327	106,997,331	21,214,753	23,948,024	110,469,080	130,945,355
	$'000	$'000	$'000	$'000	$'000	$'000
Total Boutiques reporting in USD (converted in Australian dollar)	129,275,409	160,621,682	30,727,316	35,950,167	160,002,725	196,571,849
Tier 2 - Boutiques reporting in Australian dollar						
Roc Partners Capital Pty Ltd	—	—	9,285,736	7,778,058	9,285,736	7,778,058
Total	**129,275,409**	**160,621,682**	**40,013,052**	**43,728,225**	**169,288,461**	**204,349,907**

Boutique	Total FUM as at 30 June 2022	Inflows from Boutique Acquisitions	Net Flows[6]	Other[7]	Foreign Exchange Movement[8]	Total FUM as at 30 June 2023
	$'000	$'000	$'000	$'000	$'000	$'000
Tier 1 (excluding GQG Partners Inc.)[9]	28,156,437	2,004,743	813,439	636,711	1,055,952	32,667,282
Tier 2	15,556,287	—	(758,714)	370,735	242,034	15,410,342
Subtotal	43,712,724	2,004,743	54,725	1,007,446	1,297,986	48,077,624
GQG Partners Inc.[9]	125,575,737	—	11,647,688	14,655,559	4,393,299	156,272,283
Total Boutiques	**169,288,461**	**2,004,743**	**11,702,413**	**15,663,005**	**5,691,285**	**204,349,907**

Notes:
1 Banner Oak Capital Partners LP ("Banner Oak") and Proterra represent regulatory FUM from one quarter in arrears. Although Pennybacker and Carlisle Management Company, S.C.A. ("Carlisle") previously reported FUM one quarter in arrears as well, those two boutiques are now reporting current quarter FUM so the information above is through 30 June 2023.
2 The Group invested in Cordillera on 6 April 2023.
3 Victory Park Capital Advisors, LLC ("VPC") has sponsored multiple Special Purpose Acquisition Companies ("SPACs"). SPACs do not represent funds under management and are not reported in the numbers above. Rather, these amounts may economically benefit VPC through enhanced performance fees generated from the vehicles/funds managed by VPC that provide risk capital to the SPACs. VPC FUM includes its regulatory capital for 30 June 2023, as well as other client FUM where VPC is paid a one-time, upfront fee.
4 Represents aggregate FUM of funds managed by investment managers in which Astarte has an interest as well as the unallocated committed capital from funds managed by Astarte.
5 Pennybacker recently launched a hybrid strategy where investors commit funds for a period of two years, then it becomes an Open-end fund. Above table is adjusted to classify it as Open-end despite the remaining committed period.
6 For Closed-end funds, Net Flows includes additional capital commitments. Distributions to limited partners of Closed-end funds will be reflected as reduction in Net Asset Value, which is included in the 'Other' category.

[7] Other includes investment performance, market movement and distributions.
[8] The Australian dollar ("AUD") has declined in value against the USA dollar ("USD") during the year resulting to a favourable foreign exchange movement of USD denominated FUM when converted to AUD. The AUD/USD was 0.6661 as at 30 June 2023 compared to 0.6904 as at 30 June 2022. The Net Flows and Other items are calculated using the average rates.
[9] GQG Partners Inc. ("GQG Inc)" being a listed entity is shown separately. GQG Inc continues to be a Tier-1 boutique in the Group portfolio.

The relationship between the boutiques' FUM and the economic benefits received by the Group can vary dramatically based on factors such as:

- the fee structures of each boutique including whether revenue is generated off committed or invested capital;
- the Group's ownership interest in the boutique; and
- the specific economic features of each relationship between the Group and the boutique.

Accordingly, the Company cautions against simple extrapolation based on FUM trends.

Tier 1 Boutique is a term used to describe an asset manager that the Group expects to produce at least an average of $4,000,000 of annual earnings for the Group over the next three years, while a Tier 2 Boutique is one that the Group expects will contribute less than this. Although there is no guarantee any Tier 1 Boutique will meet this threshold, this categorisation is intended to provide insight into which boutiques are expected to be the most economically impactful to the Group.

Open-end is a term used by the Group to indicate FUM that are not committed for an agreed period and therefore can be redeemed by an investor on relatively short notice. Closed-end is a term used by the Group to denote FUM where the investor has committed capital for a fixed period and redemption of these funds can only eventuate after an agreed time and in some cases at the end of the life of the fund.

Ownership Adjusted FUM by Pacific Current Group boutique manager in USD

	Private Market / Public Market Strategy	Total FUM as at 30 June 2022	Total FUM as at 30 June 2023	Group Interest	Ownership Adjusted FUM as at 30 June 2022	Ownership Adjusted FUM as at 30 June 2023
		USD'000	USD'000		USD'000	USD'000
Tier 1						
Aether Investment Partners, LLC	Private	1,588,770	1,545,245	100.00%	1,588,770	1,545,245
Banner Oak Capital Partners, LP	Private	6,237,400	7,388,800	35.00%	2,183,090	2,586,080
Carlisle Management Company, S.C.A.	Private	2,156,906	1,990,550	40.00%	862,762	796,220
Cordillera Investment Partners, LP	Private	—	1,411,746	24.90%	—	351,525
GQG Partners Inc.	Public	86,700,000	104,100,000	4.03%	3,494,010	4,195,230
Proterra Investment Partners, LP	Private	4,020,836	3,711,960	16.00%	643,334	593,914
Victory Park Capital Advisors, LLC	Private	5,435,855	5,712,846	24.90%	1,353,528	1,422,499
Tier 2						
Astarte Capital Partners, LLP	Private	529,050	642,226	44.46%	235,216	285,534
Blackcrane Capital, LLC	Private	14,552	—	25.00%	3,638	—
EAM Global Investors, LLC	Public	1,415,067	1,477,911	18.75%	265,325	277,108
Pennybacker Capital Management, LLC	Private	2,370,644	2,964,071	16.50%	391,156	489,072
Roc Partners Capital Pty Ltd	Private	6,411,057	5,181,313	30.01%	1,923,958	1,554,912
Total		**116,880,137**	**136,126,668**		**12,944,787**	**14,097,339**

The Group interest used in the calculation of Ownership Adjusted FUM ("OAF") reflects the proportion of proceeds that the Group, absent any distribution preferences, would receive in the event of the sale or liquidation of the business. The portfolio above does not include boutiques that do not manage FUM.

People

The Company employed 20 full time equivalent employees at 30 June 2023 (2022: 20) working in its Australian office located in Melbourne and USA offices located in Tacoma and Denver. This headcount excluded the employees of portfolio companies that are consolidated into the Group.

FINANCIAL REVIEW

Operating results for the year

The Group's net loss after tax ("Statutory Results") and loss per share are prepared in accordance with Australian Accounting Standards. The Group also reports non-International Financial Reporting Standards ("non-IFRS") financial measures such as "underlying net profit before tax", "underlying net profit after tax", "underlying earnings per share", and "normalised cash flows" which are shown in the subsequent pages of this Report.

Underlying net profit after tax ("NPAT") attributable to members of the Company

The Group generated a net loss before tax ("NLBT") of $17,545,000 for the year ended 30 June 2023 (2022: $48,186,000 was NLBT); a decrease in loss of 63.59%. This result, however, has been significantly impacted by non-cash, non-recurring and/or infrequent items. Normalising this result for the impact of these non-cash and other normalising adjustments/items results in underlying NPAT to members of the Company of $26,053,000 (2022: $27,134,000), a decrease of 3.98%.

	2023 $'000	2022 $'000
Reported NLBT	(17,545)	(48,186)
Non-cash items		
- Amortisation of identifiable intangible assets[1]	8,977	7,218
- Fair value adjustments of financial assets at fair value through profit or loss ("FVTPL")	17,904	66,327
- Fair value adjustments of financial liabilities at FVTPL	(3,223)	414
- Impairment of investments and boutique receivables[2]	14,022	4,182
- Share-based payment expenses	2,055	1,206
- Other	130	–
	39,865	79,347
Other normalising adjustments/items		
- Deal, establishment and litigation costs[3]	3,788	2,117
- Net foreign exchange loss	657	1,124
- Hareon liability settlement expense	4,927	983
	9,372	4,224
Unaudited underlying NPBT	31,692	35,385
Income tax expense[4]	(4,102)	(5,748)
Unaudited underlying NPAT	27,590	29,637
Less: non-controlling interests	(1,537)	(2,503)
Unaudited underlying NPAT attributable to the members of the Company	**26,053**	**27,134**

Notes:
1. The amortisation of identifiable intangible assets included the amortisation of intangible assets of the associates and joint venture amounting to $5,953,000.(2022: $4,457,000). The amortisation is recorded as an offset to the share in net profit of the associates.
2. The impairment relates to the impairment of investment in Aether Investment Partners, LLC ("Aether") and CAMG, and loan receivable from CAMG (2022: Blackcrane and CAMG, and receivable from Blackcrane).
3. These were costs incurred in relation to the derivative action against several of the Group's current and former directors, together with deal costs on the acquisitions of investments.
4. The net income tax expense is the reported income tax expense adjusted for the tax effect of the normalisation adjustments.

Non-IFRS Financial Measures

Non-IFRS financial measures are measures that are not defined or specified under IFRS. The Directors believe that non-IFRS measures assist in providing meaningful information about the Group's performance and periodic comparability. The non-IFRS measures should not be viewed as substitute for the Group's Statutory Results.

The underlying NPAT, normalised cash flow from operations and unaudited underlying earnings per share are forms of non-IFRS financial information per ASIC Regulatory Guide (RG) 230: Disclosing non-IFRS financial information. Non-IFRS financial measures are not subject to review or audit.

The criteria for calculating the underlying NPAT attributable to members of the Company are based on the following:

- Non-cash items relate to income and expenses that are accounting entries rather than movements in cash; and
- Non-recurring items relate to income and expenses from events that are infrequent in nature including their related costs and foreign exchange impact.

Loss per share

Set out below is a summary of the loss per share.

	2023	2022
Reported net loss after tax ("NLAT") attributable to the members of the Company ($'000)	(15,791)	(35,270)
Unaudited underlying NPAT attributable to the members of the Company ($'000)	26,053	27,134
Weighted average number of ordinary shares on issue (Number)	51,334,916	51,004,607
Basic loss per share (cents)	(30.76)	(69.15)
Diluted loss per share (cents)	(30.76)	(69.15)
Unaudited underlying earnings per share (cents)	50.75	53.20

The options outstanding at end of financial year is anti-dilutive and were not included in determining the weighted average number of ordinary shares for diluted loss per share.

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year:

	Cents per Share	Total Amount $'000	Franked at 30%	Date of Payment
Declared and paid during the financial year:				
- Final for 2022 on ordinary shares	23.00	11,764	100%	11 October 2022
- Interim for 2023 on ordinary shares	15.00	7,701	100%	13 April 2023
		19,465		
Declared after the end of the financial year:				
- Final for 2023 on ordinary shares	23.00	11,862	67.3%	12 October 2023

Total dividends relating to financial year 2023 amounted to 38.00 cents per share which is comparable to 38.00 cents per share in the financial year 2022.

On 26 August 2022, the Company declared a fully franked final dividend of 23.00 cents per share (30 August 2021: 26.00 cents per share) in respect of the 2022 financial year. The total amount of the dividend was $11,764,000. The final dividend for the 2022 financial year was eligible for the DRP. Shares issued under the DRP were priced at average daily Volume Weighted Average Price ("VWAP") calculated over a 10-day period commencing on the third trading day following the record date, being 8 September 2022.

On 11 October 2022, the Company issued 176,562 new fully paid ordinary shares at an issue price of $7.16 each to shareholders who reinvested their dividend entitlement in accordance with the DRP. Total dividends reinvested amounted to $1,264,000.

On 24 February 2023, the Company declared a fully franked interim dividend of 15.00 cents per share (25 February 2022: 15.00 cents per share) in respect of the 2023 financial year. The total amount of the dividend was $7,701,000. The interim dividend for the 2023 financial year was eligible for the DRP. Shares issued under the DRP were priced at the average daily VWAP calculated over a 10-day period commencing on the third trading day following the record date, being 9 March 2023.

On 13 April 2023, the Company issued 236,267 new fully paid ordinary shares at an issue price of $6.86 each to shareholders who reinvested their dividend entitlement in accordance with the DRP. Total dividends reinvested amounted to $1,621,000.

On 25 August 2023, the Directors of the Company declared a final 67.3% franked dividend of 23.00 cents per share (26 August 2022: 23.00 cents per share). The dividend has not been provided for in the 30 June 2023 consolidated financial statements.

Cash flows

Set out below is a summary of the cash flows for the year ended 30 June 2023.

	2023 $'000	2022 $'000
Cash provided by operating activities	21,822	23,468
Cash (used in)/provided by investing activities	(55,115)	1,465
Cash provided by/(used in) financing activities	22,099	(19,881)
Net (decrease)/increase in cash and cash equivalents	(11,194)	5,052

Operating activities

Cash flows from operations have decreased from a net inflow of $23,468,000 for the year ended 30 June 2022 to net inflow of $21,822,000 for the year ended 30 June 2023. This was mainly attributable to the increase in income tax paid of $15,032,000 for this year from of $8,803,000 in the prior year due to tax paid in the UK and increase in tax payments in the USA. In addition, payment of interest also increased from $47,000 in the prior period to $2,970,000 mainly from the interest on the Debt Facility.

Investing activities

Cash flows from investing activities have decreased from a net inflow of $1,465,000 for the year ended 30 June 2022 to net outflow of $55,115,000 for the year ended 30 June 2023. This was primarily attributable to the acquisition of equity interest in Cordillera ($44,405,000), repayment of Hareon liability ($17,638,000), and offset by the proceeds from sale of equity interest in Proterra Asia ($12,364,000). In the prior year, this was primarily attributable proceeds from the disposal of 1% equity interest in GQG Partners LLC ($58,089,000), offset by acquisition of equity interest in Banner Oak ($48,257,000) and additional contributions to associates ($6,973,000).

Financing activities

Cash flows from financing activities increased from a net outflow of $19,881,000 for the year ended 30 June 2022 to net inflow of $22,099,000 for the year ended 30 June 2023. This was mainly attributed to the proceeds from the Debt Facility of $44,583,000 and offset by the payment of dividends of $16,580,000 excluding dividends reinvested of $2,885,000 (30 June 2022: payment of dividends of $18,599,000 excluding dividends reinvested of $2,272,000).

Normalised cash flow from operations

The normalised cash flow from operations is presented to reconcile the unaudited underlying NPBT with the cash provided by operating activities.

	2023 $'000	2022 $'000
Unaudited underlying NPBT	**31,692**	**35,385**
Cash items[1]		
- Dividends and distributions received	46,014	33,762
- Net interest (paid)/received	(2,766)	102
	43,248	33,864
Non-cash items[2]		
- Dividends and distributions income	(27,293)	(22,418)
- Share of profits of associates and joint venture[3]	(14,015)	(12,587)
- Net interest expense/(income)	3,110	(79)
- Depreciation of plant and equipment and amortisation of right-of-use assets	693	508
	(37,505)	(34,576)
Increase/decrease in assets and liabilities[4]	1,470	73
Unaudited underlying pre-tax cash from operations	**38,905**	**34,746**
Non-recurring/infrequent items[5]		
- Deal, establishment and litigation costs	(3,788)	(2,117)
- Net foreign exchange loss/(gain)	1,737	(358)
	(2,051)	(2,475)
Pre-tax cash from operations	**36,854**	**32,271**
Income tax paid	(15,032)	(8,803)
Cash provided by operating activities	**21,822**	**23,468**

The main drivers for the decrease in the cash provided by operating activities during the year is primarily the increase in income tax paid due to the taxable gain on the disposal of 1% interest in GQG LLC.

Notes:
[1] Cash items are added to reflect the actual receipts.
[2] Share of profits of associates and joint venture exclude the related amortisation of associates and joint venture intangible assets of $5,953,000 (2022: $4,457,000).
[3] Non-cash items are either deducted if income or added if expense to remove the non-cash components in the unaudited underlying NPBT.
[4] Increase/decrease in assets and liabilities relate to the differences in the beginning and closing balances of operating assets and liabilities.
[5] Non-recurring/infrequent items are included as deductions since these items were excluded in the determination of unaudited underlying NPBT.

Financial position

Set out below is a summary of the financial position at end of financial year.

	2023 $'000	2022 $'000
Cash and cash equivalents	23,201	34,886
Other current assets	20,854	12,116
Current liabilities	(9,204)	(22,773)
	34,851	24,229
Non-current assets	562,255	557,715
Non-current liabilities	(86,876)	(55,218)
	510,230	526,726
Non-controlling interest	(708)	(1,916)
Net assets attributable to the members of the Company	**509,522**	**524,810**
	$	$
Net assets per share at end of financial year	9.88	10.26

Included in the cash balances are amounts held by operating subsidiaries. The remainder of the cash and cash equivalents at 30 June 2023 amounted to $16,096,000 (2022: $23,480,000) which was held by Central Administration that can be used to provide the Group with liquidity and flexibility to fund future acquisition of new businesses.

The decrease in net assets is attributed mainly to the impairment of investments, reduction in the value of fair value investments, increase in financial liabilities as a result of the Debt Facility obtained during the year and offset by acquisition of interest in Cordillera.

Set out below is a summary of the contribution to the net assets of the Group from the Boutique Investments:

	2023 $'000	2022 $'000
Aether and Aether General Partners	41,254	55,001
Astarte and ASOP Profit Share LP ("ASOP PSP")	8,224	7,638
Banner Oak	50,247	51,308
Carlisle	65,067	75,179
Cordillera	44,855	–
EAM Global Investors, LLC ("EAM Global")	9,331	14,381
GQG Inc	164,983	173,917
IFP	7,537	9,568
Pennybacker	28,724	24,642
Proterra	39,612	40,404
Roc Group	10,011	9,547
VPC and Victory Park Capital GP Holdco, L.P. ("VPC-Holdco")	80,423	81,605
Other	1,934	7,052
Book value of Boutique Investments	**552,202**	**550,242**

MATERIAL BUSINESS RISKS

Set out below are the material business risks faced by the Group that are likely to have an impact on the financial prospects of the Group and how the Group manages these risks.

Global market risks

With a diversified global portfolio, the Group is exposed to a variety of risks related to global capital markets. Specifically, social, political, geographical, and economic factors impact the performance of different capital markets in ways that are difficult to predict. Equity market decline represents a significant risk to the Group because several of its affiliates' revenues are directly tied to the performance of public equities.

Fund manager performance

The aggregate FUM of many of the Group's affiliates are highly sensitive to the relative performance (results compared to a market benchmark) of each investment manager as well as the changing demand for specific types of investment strategies. In addition to performance related risks, many boutique partners have high levels of key man risk, making them vulnerable to the sudden departure of critically important investment professionals. Because many investments are made in new or young firms, there is often the risk of firms failing to reach critical mass and become self-sustaining, which can lead them to seek additional capital infusions from the Company or other parties.

Regulatory environment

The business of the Group operates in a highly regulated environment that is frequently subject to review and regular change of law, regulations and policies. The Group is also exposed to changes in the regulatory conditions under which it and its boutique fund managers operate in Australia, the USA, the United Kingdom (the "UK"), Continental Europe, and India. Each member boutique has in-house risk and regulatory experts actively managing and monitoring each member boutique's regulatory compliance activities. Regulatory risk is also mitigated by the use of industry experts when the need arises.

Loss of key personnel

The Group operates in an industry that requires talent, wide range of skills and expertise of its people and asset managers. Loss of these key people and asset managers would be detrimental to the continued success of the Group.

REMUNERATION REPORT (AUDITED)

Table of Contents

1. About this Remuneration Report

The Remuneration Report has been prepared and audited against the disclosure requirements of the Corporations Act 2001 (the "Act") and its regulations. The Remuneration Report forms part of the Directors' Report and outlines the Company's remuneration framework and remuneration outcomes for the year ended 30 June 2023 for the Company's Key Management Personnel ("KMP").

2. Defined terms used in the Remuneration Report

Term	Meaning
EPS	**Earnings per share**, which is used for the purpose of determining performance against agreed at risk remuneration performance targets. When measuring the growth in EPS to determine the vesting of the at-risk remuneration, EPS is defined as using the statutory net profit after tax attributable to members of the Company or the unaudited underlying net profit after tax attributable to members of the Company, divided by the weighted average number of shares on issue during the year.
Fixed Remuneration	Generally, **fixed remuneration** comprises cash salary, superannuation contribution benefits (in Australia - superannuation guarantee contribution and in the USA - partial matching of employee 401k defined contribution), and the remainder as nominated benefits. Fixed remuneration is determined based on the role of the individual employee, including responsibility and job complexity, performance and local market conditions. It is reviewed annually based on individual performance and market data.
KMP	**Key Management Personnel**. Those people who have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.
LTI	**Long Term Incentive**. It is awarded in the form of share performance rights or options to senior executives and employees for the purpose of retention and to align the interests of employees with shareholders.
Option	**Option.** Means an option to acquire a Share
Security	**Security.** Means a Share or Option, an interest in a Share or Option, whether legal or equitable, or a right to acquire or which may convert to a Share or Option.
Share	**Share.** Means an ordinary share in the Company.
STI	**Short Term Incentive**. The purpose of the STI is to provide financial rewards to senior executives in recognition of performance aligned with business and personal objectives. The STI is a cash-based incentive paid on an annual basis and at the discretion of the Board with reference to agreed outcomes and goals and company performance. Refer to the respective key employment terms of each KMP set out in Section 7 of this Remuneration Report for the eligibility of STI's by assessing their performance against a set of pre-determined key performance indicators.

3. Remuneration philosophy and structure

Remuneration philosophy

The performance of the Group depends significantly upon the quality of its Directors and senior executives. The Group therefore aims to provide market competitive remuneration and rewards to successfully attract, motivate and retain the highest quality individuals. The Group's remuneration and benefits are structured to reward people for their individual and collective contribution to the Company and wider Group's success, for demonstrating its values and for creating and enhancing value for the Group's stakeholders.

To this end, the Group embodies the following principles in its remuneration framework:

Competitive:	Provide competitive rewards to attract high calibre executives.
Alignment:	Link executive remuneration to Group performance and enhancing shareholder value year on year.
At risk:	A significant portion of executive remuneration is 'at risk' and is dependent upon meeting pre-determined and agreed performance benchmarks.

Remuneration committee

The Remuneration, Nomination and Governance Committee is a committee of the Board. The objective of this committee is to assist the Board in the establishment of remuneration and incentive policies and practices for, and in discharging the Board's responsibilities relative to the remuneration setting and review of, the Company's Non-Executive Directors, Executive Director and other senior executives. The list of responsibilities of the Remuneration, Nomination and Governance Committee is set out in its charter, which is available on the Group's website at http://paccurrent.com/shareholders/corporate-governance.

Remuneration structure

The Group rewards its Executive KMP with a level and mix of remuneration that is relevant to their position, responsibilities and performance during the year, which is aligned with the Company's strategy, performance and returns to shareholders.

Executive KMP total remuneration comprises both fixed remuneration and variable remuneration, which includes short-term and long-term incentive opportunities. On recommendation from the Remuneration, Nomination and Governance Committee, the Board establishes the proportion of fixed remuneration and variable remuneration, reviews Executive KMP total remuneration annually, and considers performance, relevant comparative remuneration in the market and advice on policies and practices.

Setting a target remuneration mix for Executive KMP is complicated due to the Company operating in different jurisdictions, which have their own target remuneration mix models. Accordingly, the Group has adopted the target remuneration mix that is appropriate for each jurisdiction, including giving consideration of the fact that in Australia, variable remuneration is considered at risk until granted. This is because these amounts are only paid if the KMP is still in the employment of the Group at the date of payment. In the USA; however, variable remuneration is a contractual right subject to performance conditions being met, i.e. once the KMP met the performance conditions to qualify for the variable remuneration, the Group is obligated to pay the amounts regardless of whether the KMP is still in the employment of the Group at the date of payment. As a result, the risks associated with the different jurisdictions are different and the remuneration mix models differ to accommodate this situation.

Elements of Executive KMP remuneration

Fixed remuneration

Fixed remuneration consists of base salary, superannuation contribution benefits (in Australia - superannuation guarantee contribution and in the USA – partial matching of employee 401k defined contribution), and the remainder as nominated benefits. The level of fixed remuneration is set to provide a base level of remuneration that is both appropriate to the position and is competitive in the market.

Variable remuneration

STI Plan

Under the Group's STI Plan, Executive KMP have the opportunity to earn an annual incentive award, which is paid in cash. The STI Plan links the achievement of the Company's operational targets with the remuneration received by the Executive KMP charged with meeting those targets. The awarding of an STI cash award is fully at the discretion of the Board on recommendation from the Remuneration, Nomination and Governance Committee.

Feature	Terms of the Plan
How is the STI paid?	Any STI award is paid after the assessment of annual performance for the financial year ended 30 June. For any bonus up to $200,000, 100% will be paid within three months of year-end and for any bonus above $200,000, 50% will be paid within three months of year-end and the remaining 50% deferred and paid at the start of the next financial year. In Australia, the deferred component requires the KMP to complete the service period. In the USA, the deferred component is a contractual obligation and the KMP is not required to complete the service period. This arrangement can be varied at the discretion of the Board.
How much can each Executive KMP earn?	For FY2023, Executive KMP have a target STI opportunity generally of up to 100% of base salary. Each year, on recommendation from the Remuneration, Nomination and Governance Committee, the Board determines the total amount available for the payment of STIs (bonus pool), based on the underlying profit performance of the Group for the year. For FY2023, the total amount available for the payment of STIs to Executive KMP was $751,112 (2022: $701,508).
Outcomes and goals	The Board, on recommendation from the Remuneration, Nomination and Governance Committee, establishes outcomes and goals which it expects the Executive KMP to achieve, and against which performance is measured. The outcomes and goals are based on Group and business unit financial targets (such as statutory and underlying profit performance), growth and business development targets as well as operational management. The Board creates these goals and outcome expectations in a manner that is designed to increase returns to shareholders in the short and long-term. Refer to Section 7 of this Remuneration Report for details of these goals. The focus of the outcomes and goals is to drive decision making in a manner that increases returns to shareholders in the short and long-term. The Board also considers the general value add to the business and the Company's stakeholders through areas such as investor relations, deal origination and strategy.
How is performance measured?	The Board, on recommendation from the Remuneration, Nomination and Governance Committee, assesses the individual performance of each Executive KMP. The Board base their assessment of the Executive KMP's performance against the outcomes and goals set out above and other goals and Group and business unit underlying profit performance.
What happens if an Executive KMP leaves?	If an Executive KMP resigns or is terminated for cause before the end of the financial year, no STI is awarded for that financial year except for the Accrued Bonus Obligation. If the Executive KMP ceases employment during the financial year by reason of redundancy, ill health, death or other circumstances approved by the Board, the Executive KMP will be entitled to a pro-rata cash payment based on the Board's assessment of the Executive KMP's performance during the financial year up to the date of ceasing employment.
What happens if there is a change of control?	In the event of a change of control, a pro-rata cash payment will be made, based on the Remuneration, Nomination and Governance Committee's recommended assessment of performance during the financial year up to the date of the change of control and approval by the Board.

Employee LTI Plan

At the 2021 Annual General Meeting ("AGM") held on 19 November 2021, shareholders re-approved the Employee Share Ownership Plan (the "Employee LTI Plan") and the issue of securities under the Employee LTI Plan. The Company previously received shareholder approval of the Employee LTI Plan at its AGM held on 30 November 2018.

A summary of the Employee LTI Plan is set out below:

Feature	Terms of the Employee LTI Plan
Employee Share Ownership Plan	Under the terms of the Employee LTI Plan: (a) employees (including a director of the Company or its subsidiaries, who holds a salaried employment or office in the Company or its subsidiaries, such as the Managing Director, Chief Executive Officer and Chief Investment Officer, and any person who has been made an offer to become such an employee) are eligible to participate; (b) eligible participants may acquire Shares in the Company, Options over Shares and rights to, or interests in, such Shares (including directly or by a nominee, or as a beneficiary of a trust established by the Company for participants); and (c) the Directors have broad discretion as to the terms on which eligible participants may acquire securities under the Plan, including as to the number and type of Securities that may be offered, the price payable for the Securities (which may be nil) and how payment for Securities may be made (e.g. by loans from the Company, whether interest-free or limited recourse or otherwise, or by salary sacrifice or sacrifice of cash bonuses).
What is the objective of the Employee LTI Plan?	The objectives of the Employee LTI Plan are: (a) to motivate and retain the Group's personnel; (b) to attract quality personnel to the Group; (c) to create commonality of purpose between the Group's personnel and the Group; and (d) to add wealth for all shareholders of the Company through the motivation of the Group's personnel; by allowing the Group's personnel to share the rewards of the success of the Group through the acquisition of, or entitlements to, Securities (as defined in Section 2 of the Remuneration Report). The awarding of an LTI grant is fully discretionary and grants are determined by the Board, based on a recommendation from the Remuneration, Nomination and Governance Committee.
How are offers made?	The Company may from time to time invite any person to participate in this Employee LTI Plan who is, or has been made an offer to become, an Eligible Person, by offering to the person any Securities for acquisition on such terms as the Board may determine in accordance with this Employee LTI Plan.
How are Securities acquired?	Securities may be acquired under the Employee LTI Plan by or for the benefit of a person by way of issue of new Shares or Options, purchase of existing Shares or Options (whether on or off market), creation of rights to or interests in Shares or Options, transfer of Securities or otherwise, and on such terms, as the Board may determine.

Feature	Terms of the Employee LTI Plan
What consideration is paid for the Securities?	Securities may be offered for acquisition and acquired by or for the benefit of a person under this Employee LTI Plan for no consideration or at such price or for such other consideration to be paid or otherwise provided at such times and on such terms as the Board may determine at or before the time of acquisition of the Securities. For example, the Board may allow any consideration to be provided by way of salary sacrifice or sacrifice of cash bonuses or other equivalent entitlements or in return for a reduction in salary or wages or as part of the person's remuneration package.
Terms of Options	The Directors of the Company may also determine the terms of Options which may be acquired under the Employee LTI Plan such as the exercise price, any restrictions as to exercise (e.g. vesting conditions), any restrictions as to the disposal or encumbrance of any Options or underlying shares once acquired, and the expiry date of options. Other terms of Options are as follows: (a) An option holder will be entitled to have the number of Options, the exercise of the Options and/or the number of shares underlying the options varied in the event of a bonus issue, rights offer or reconstruction of the share capital of the Company, in accordance with the ASX Listing Rules. (b) The Company is not required to issue any shares following an exercise of Options unless the Company can be satisfied that an offer of those shares for sale within 12 months after their issue will not need disclosure to investors under part 6D.2 of the *Corporations Act 2001*. (c) Subject to the *Corporations Act 2001* and the ASX Listing Rules, no options may be disposed of (e.g. by sale or transfer) until any vesting conditions have been satisfied, and no Options may be transferred except in circumstances (if any) permitted by the Company.

4. Relationship between the remuneration philosophy and Company performance

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years to 30 June 2023. The STI and/or LTI awards are paid based on individual and underlying Company performance. The Board, based on a recommendation from the Remuneration, Nomination and Governance Committee, has ultimate discretion in determining the amount of the bonus pool.

	2023	2022	2021	2020	2019
Revenue and other income ($)	45,594,048	44,202,495	47,045,429	62,727,233	62,854,332
Statutory net profit/(loss) before tax ($)	(17,545,221)	(48,185,737)	23,464,856	(27,316,939)	53,968,253
Statutory net profit/(loss) after tax ($)	(14,254,525)	(32,766,534)	17,687,455	(16,289,332)	38,890,182
Underlying net profit after tax ($)	26,053,845	27,134,348	26,264,820	25,033,552	20,765,287
Share price at start of year ($)	6.92	5.81	5.48	4.55	6.56
Share price at end of year ($)	7.41	6.92	5.81	5.48	4.55
Interim dividend (cps)[1]	15.00	15.00	10.00	10.00	10.00
Final dividend (cps)[1]	23.00	23.00	26.00	25.00	15.00
Earnings/(loss) per share (cps)	(30.76)	(69.15)	34.50	(35.88)	78.95
Diluted earnings/(loss) per share (cps)	(30.76)	(69.15)	34.50	(35.88)	78.14
Underlying earnings per share (cps)	50.75	53.20	52.04	51.30	43.59
KMP bonuses ($)	401,780 [2]	1,845,417 [2]	333,067 [2]	298,479 [3]	391,556 [3]

The Group's FY2023 business performance is reflected in the outcome of the variable component of Executive KMP's total remuneration. Details of the remuneration of Executive KMP in FY2023 is set out in Section 8 of this Remuneration Report.

Notes:
[1] Fully franked at 30% corporate income tax.
[2] Awarded to Mr. Greenwood and Mr. Killick. This was determined by the Board on the recommendation of the Remuneration, Nomination and Governance Committee based on the Company's performance and the individual's performance against a set of pre-determined key performance indicators set out by the Board. Refer to Section 8 of this Remuneration Report for details of these amounts.
[3] Awarded to Mr. Greenwood. This was determined by the Board on the recommendation of the Remuneration, Nomination and Governance Committee based on the Company's performance and Mr. Greenwood's individual performance against a set of pre-determined key performance indicators set out by the Board.

5. Key management personnel

The following were KMP of the Group at any time during the financial year and until the date of this Remuneration Report and unless otherwise indicated they were KMP for the entire financial year.

Name	Position
Non-Executive Directors	
Mr. A. Robinson	Non-Executive Chairman[1]
Mr. J. Chafkin	Non-Executive Director
Ms. M. Donnelly	Non-Executive Director
Mr. G. Guérin	Lead Independent Director[2]
Mr. P. Kennedy	Non-Executive Director
Executive KMP	
Mr. P. Greenwood	MD, CEO and CIO
Mr. A. Killick	Chief Financial Officer ("CFO")

Notes:
[1] Mr. Robinson is not presently considered by the Board to be independent. Refer to the Company's Corporate Governance Statement available on its website at Corporate Governance - Pacific Current Group (paccurrent.com).
[2] Mr. Guerin was appointed by the Board as Lead Independent Director on 24 August 2023.

6. Remuneration of Non-Executive Directors

Objective

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre at a cost acceptable to shareholders.

Structure

In accordance with the ASX Listing Rules, the aggregate remuneration of Non-Executive Directors is determined from time to time by a general meeting of shareholders. An amount not exceeding the amount approved by shareholders is apportioned amongst Directors, as agreed by the Directors, and the manner in which it is apportioned amongst Directors is reviewed annually.

The last determination by shareholders of the aggregate remuneration of Non-Executive Directors as Directors of the Company and its subsidiaries was at the AGM held on 20 November 2020, when shareholders approved an increase in the aggregate remuneration pool of $100,000 from $650,000 to $750,000, with effect from 1 July 2021. The Directors may seek an increase in the Non-Executive Director fee pool at the 2023 AGM.

Non-Executive Directors do not receive performance-based bonuses from the Company, nor do they receive fees that are contingent on performance, shares in return for their services, retirement benefits, other than statutory superannuation or termination benefits.

The following is a schedule of Non-Executive Directors' fees:

	2023 $	2022 $	2021 $	2020 $	2019 $
Chairman	200,000	200,000	175,000	175,000	140,000
Non-Executive Director (per Director)	130,000	130,000	110,000	110,000	70,000
Audit and Risk Committee chairman	N/A	N/A	N/A	N/A	30,000
Audit and Risk Committee member	N/A	N/A	N/A	N/A	20,000
Remuneration Committee chairman	N/A	N/A	N/A	N/A	20,000
Remuneration Committee member	N/A	N/A	N/A	N/A	15,000
Governance Committee chairman	N/A	N/A	N/A	N/A	15,000
Governance Committee member	N/A	N/A	N/A	N/A	10,000

The fees above are inclusive of superannuation contributions, except for the Directors' fees paid to Mr. Chafkin, Mr. Guérin and Mr. Kennedy. In addition, Mr. Kennedy receives a fee of $30,000 for acting as Chairman of a related entity, Treasury Group Investment Services Pty Ltd. Total fees paid to Non-Executive Directors in FY2023 were $750,000 (FY2022: $750,000). Refer to Section 8 of this Remuneration Report for details of remuneration paid to Non-Executive Directors.

7. Remuneration of Executive KMP

Key terms of employment contract of Paul Greenwood

Title	MD, CEO and CIO
Term of Contract	A term of three years from 24 November 2014 and automatic renewal for successive one-year periods thereafter until notice is given by either party. A First Addendum was signed and effective from 1 July 2016 on his appointment as President, North America, and Global CIO. A Second Addendum was signed and effective from 1 July 2018 on his appointment as MD, CEO and CIO.
Base Salary	USD750,000
STI	Mr. Greenwood is eligible for Annual cash bonuses of up to USD400,000 each year subject to satisfying the key performance indicators for the relevant year. The following are the CEO's KPIs for 2023: • Achievement of EPS growth targets; • Completion of targeted deal opportunities; and • Achievement of strategic plan milestones.
LTI	As detailed in Section 3 of this Remuneration Report, Mr. Greenwood's long-term incentive is provided through the grant of the Company share entitlements conditional on certain performance criteria being met.
Other employee benefit plans	Mr. Greenwood is also entitled to participate in any and all other employee benefit plans which are made available to the senior executives of the Group from time to time. At present, Mr. Greenwood participates in the Group's North American qualified retirement plan whereby matching contributions are paid towards Mr. Greenwood's retirement benefits up to approximately USD13,000 each year. He also participates in the Group's health plans whereby the Group pays for coverage for health-related services for Mr. Greenwood and his dependents at a current net annual cost of approximately USD19,500.
Termination upon death or permanent disability	If Mr. Greenwood suffers a permanent disability or dies during the term of the Contract, Mr. Greenwood (or his estate, as applicable) will be entitled to receive (i) any amount of base salary not paid and any accrued but untaken annual leave ("Accrued Obligations"), (ii) any vested but unpaid amounts owed to Mr. Greenwood under the Company's retirement, non-qualified deferred compensation or incentive compensation plans ("Accrued Plan Obligations"), (iii) any other applicable bonus/ incentive payments as per the terms of the contract and grant or plan documents ("Accrued Bonus Obligations"), and (iv) 12 months-continuation coverage under the Company's health plans under which Mr. Greenwood and his dependents participated immediately prior to Mr. Greenwood's date of death or permanent disability.
Termination by the Company for cause	The Company may terminate Mr. Greenwood's employment at any time for Cause by issuing a Cause Notice and allowing Mr. Greenwood at least 15 days to discuss the reasons for the Cause Notice and at least 30 days to cure the reasons for the Cause Notice. If after that period Mr. Greenwood has not cured the Cause Event, the Company may terminate his employment with immediate effect. In this circumstance, Mr. Greenwood will be entitled to receive (i) his Accrued Obligations, (ii) his Accrued Plan Benefits and (iii) his Accrued Bonus Obligations.
Termination by the Company without cause	The Company may terminate Mr. Greenwood's employment without cause by giving six months' prior written notice. In this circumstance, Mr. Greenwood will be entitled to (i) his Accrued Obligations, (ii) his Accrued Plan Benefits and (iii) his accrued bonus obligations (iv) a lump sum severance payment equal to his then current 12 months' base salary, and (v) 12 months-continuation coverage under the Company's health plans under which Mr. Greenwood and his dependents participated immediately prior to his date of termination.
Resignation for Other than Good Reason	Mr. Greenwood may voluntarily terminate his employment for any reason upon at least six months' prior written notice. On the date of termination, Mr. Greenwood will be entitled to receive (i) his Accrued Obligations, (ii) his Accrued Plan Benefits and (iii) his Accrued Bonus Obligations.

Title	MD, CEO and CIO
Resignation for Good Reason	Mr. Greenwood may terminate his employment at any time for Good Reason by giving the Company written notice, which specifies the date of termination and the reason therefor. On the date of termination, Mr. Greenwood will be entitled to receive (i) his Accrued Obligations, (ii) his Accrued Plan Benefits and (iii) his accrued bonus obligations; (iv) a lump sum payment equal to the Severance Amount payable by the Company, and (v) for a period equal to the Severance Period, continuation coverage payable by the Company under the Company's group health plans for which Mr. Greenwood and his dependents participated immediately prior to his date of termination.
Non-compete	Upon termination of his employment, Mr. Greenwood will be subject to non-competition restrictions for 6 months (where termination is without cause or by Mr. Greenwood for good reason) or 12 months (where termination is for any other reason).
Dispute resolution	The terms of the LTI are governed by the laws of the Commonwealth of Australia and the state of Victoria and all other provisions of the employment agreement are governed by the laws of the state of Washington, USA. Any controversy or claim is required to be resolved by arbitration in Seattle Washington USA. The Company is required to pay all costs and fees of the arbitration.

Key terms of employment agreement of Mr. Ashley Killick

Title	CFO
Term of Contract	Ongoing, with effect from 31 October 2020
Base Salary	$470,000
STI	Mr. Killick is eligible to participate in the Company's STI Plan for annual cash bonuses of up to one third of the base salary each year subject to satisfying the key performance indicators for the relevant year. The following are the CFO's KPIs for 2023: • Achievement of EPS growth targets; • Effectively manage certain corporate costs; and • Improve financial reporting processes, content and timing.
LTI	Mr. Killick is eligible to participate in the Company's LTI Plan.
Termination of Employment	Under the terms of the contract, the Company may terminate the contract by giving 12 weeks' notice with no termination benefits. Under the terms of the contract, Mr. Killick may terminate the contract by giving 6 weeks' notice.

8. Nature and amount of each element of KMP Remuneration in FY2023

Details of the nature and amount of each element of the remuneration of each Director of the Company and each of the KMP of the Company for the financial year are set out below:

	Short term				Share based payments			
	Salary and fees	Cash bonus	Other	Super/ 401k benefits	Shares	Options/ Performance rights	Total	Performance related[1]
	$	$	$	$	$	$	$	%
Non-Executive Directors								
A. Robinson	200,000	—	—	—	—	—	200,000	—
J. Chafkin	130,000	—	—	—	—	—	130,000	—
M. Donnelly	117,647	—	—	12,353	—	—	130,000	—
G. Guérin	130,000	—	—	—	—	—	130,000	—
P. Kennedy[2]	160,000	—	—	—	—	—	160,000	—
Executive KMP								
P. Greenwood[3]	1,114,585	297,223	29,011	19,314	—	832,083	2,292,216	49
A. Killick	449,708	104,557	—	25,292	—	268,968	848,525	44
Total 2023	2,301,940	401,780	29,011	56,959	—	1,101,051	3,890,741	39
Non-Executive Directors								
A. Robinson	200,000	—	—	—	—	—	200,000	—
J. Chafkin	130,000	—	—	—	—	—	130,000	—
M. Donnelly	118,182	—	—	11,818	—	—	130,000	—
G. Guérin	130,000	—	—	—	—	—	130,000	—
P. Kennedy[2]	160,000	—	—	—	—	—	160,000	—
Executive KMP								
P. Greenwood[3]	999,646	1,725,417	35,159	16,821	—	1,000,171	3,777,214	72
A. Killick	439,932	120,000	—	23,568	—	89,655	673,155	31
Total 2022	2,177,760	1,845,417	35,159	52,207	—	1,089,826	5,200,369	56

There were no non-monetary benefits paid to KMP during the current and prior year.

Notes:
1 This is calculated based on the short-term cash bonus and share based payments as a percentage of total remuneration.
2 Mr. Kennedy receives additional fee of $30,000 for acting as Chairman of Treasury Group Investment Services Pty Ltd.
3 Mr. Greenwood and his dependents are entitled to a health-related cover paid for by the Group. In consideration of Mr. Greenwood's performance that has led to the growth and success of the Company's investments, in particular GQG Partners, culminating in the successful listing of GQG Inc and the liquidity which has flowed to the Company the Board approved in FY2022 a special short term cash bonus.

The relative proportions of the elements of remuneration of KMP that are linked to performance:

	Maximum potential of short-term incentive based on fixed remuneration		Actual short-term incentive based on fixed remuneration linked to performance		Maximum potential of long-term incentive based on fixed remuneration[1]		Actual long-term incentive based on fixed remuneration linked to performance[1]	
	2023	2022	2023	2022	2023	2022	2023	2022
P. Greenwood[2]	51%	51%	26%	164%	100%	100%	72%	95%
A. Killick	33%	32%	22%	26%	100%	100%	57%	19%

Notes:
1. Valuation based on fair value at grant date using a Black Scholes pricing model. In prior years, valuation was based on fair-value at grant date using Black Scholes pricing model.
2. In consideration of Mr. Greenwood's performance that has led to the growth and success of the Company's investments, in particular GQG LP, culminating in the successful listing of GQG Inc and the liquidity which has flowed to the Company the Board approved in FY2022 a special short term cash bonus payment to Mr. Greenwood in the amount of $1,614,720 (USD1,151,418). This payment is to be made in two equal installments of $807,360 (USD575,709).

9. Share based remuneration

As detailed above in this Remuneration Report, the Group operates an Employee LTI Plan for eligible employees and the MD & CEO LTI Plan for Mr. Greenwood. The number of options and performance rights granted under these Plans are detailed in the table below.

	Numbers granted	Numbers vested	% of grant vested	% of grant forfeited	% of compensation consisting of Share based remuneration
2023					
P. Greenwood[1]	—	—	0%	0%	36%
A. Killick[2]	—	—	0%	0%	32%
Other employees[3]	—	—	0%	0%	0%
2022					
P. Greenwood[1,4]	1,740,000	14,336	1%	99%	26%
A. Killick[2]	285,000	—	0%	0%	13%
Other employees[3,5]	835,500	4,300	1%	99%	0%

Notes:
[1] On 19 November 2021, Mr. Greenwood was issued with options as approved by shareholders at the AGM held on 19 November 2021.
[2] On 24 February 2022, Mr. Killick was issued with 210,000 options and 75,000 performance rights.
[3] On 24 February 2022, other employees were issued with 480,000 options and 355,500 performance rights.
[4] Based on a report provided by an external actuarial services expert, the Board determined that 14,336 of the 1,250,000 performance rights vested as at 30 June 2022.
[5] Based on a report provided by an external actuarial services expert, the Board determined that 4,300 of the 375,000 performance rights vested as at 30 June 2022.

10. KMP shareholdings

Details of KMP equity holdings for the financial year and at the date of the Directors' Report are set out below

	Opening balance	Granted as remuneration	Received on vesting of performance rights	Net change other	Balance held nominally
2023					
Non-Executive Directors					
A. Robinson	70,795	—	—	—	70,795
J. Chafkin	100,816	—	—	—	100,816
M. Donnelly	20,000	—	—	—	20,000
G. Guérin	—	—	—	—	—
P. Kennedy	272,628	—	—	—	272,628
Executive KMP					
P. Greenwood[1]	654,781	—	8,602	—	663,383
A. Killick	11,059	—	—	605	11,664
2022					
Non-Executive Directors					
A. Robinson	55,795	—	—	15,000	70,795
J. Chafkin	64,816	—	—	36,000	100,816
M. Donnelly	20,000	—	—	—	20,000
G. Guérin	—	—	—	—	—
P. Kennedy	272,628	—	—	—	272,628
Executive KMP					
P. Greenwood	654,781	—	—	—	654,781
A. Killick	10,446	—	—	613	11,059

Directors are not required under the constitution or any other Board policy to hold any shares in the Company.

Notes:
[1] Of the 14,336 performance rights which vested on 30 June 2022, 8,602 ordinary shares were issued on 13 October 2022 and the cash equivalent to 5,734 performance rights was paid to the USA tax authorities (on Mr. Greenwood's behalf) in accordance with the terms of the Performance Rights Plan.

11. Shares under option

Total number of options outstanding as at 30 June 2023 were 2,430,000 (2022: 2,430,000) with a value of $3,802,582 (2022: $3,802,582).

Details of options on issue are as follows:

	Opening balance	Granted as compensation	Received on vesting	Net change other	Closing balance
	Number	Number	Number	Number	Number
2023					
P. Greenwood	1,740,000	—	—	—	1,740,000
A. Killick	210,000	—	—	—	210,000
Other employees	480,000	—	—	—	480,000
Total	2,430,000	—	—	—	2,430,000
2022					
P. Greenwood	—	1,740,000	—	—	1,740,000
A. Killick	—	210,000	—	—	210,000
Other employees	—	480,000	—	—	480,000
Total	—	2,430,000	—	—	2,430,000

Where the vesting conditions applicable to any options (as varied) have been satisfied or waived, the Company may, with the agreement of the holder of the options, elect to cancel any of those options on terms that the market value of the options as determined by the Board is payable to the holder in consideration for their cancellation and:

- the Option Cancellation Consideration is paid in money to the holder;
- the Option Cancellation Consideration is applied to acquire for the holder a number of shares the market value of which as determined by the Board is equivalent to the Option Cancellation Consideration, and the Company issues or otherwise procures the provision of those shares to the holder; or
- a combination of the above

The amount of options amortisation expense for FY2023 was $1,213,161 (2022: $647,078).

Grant and vesting dates and the valuation of options outstanding as at the date of this Remuneration Report are as follows:

Issued to	Number issued	Grant Date	Share price on Grant Date	Exercise Price	Vesting Date	Exercise/ Expiry Date	Valuation[4]
2022							
P. Greenwood	580,000	19 November 2021[1]	$7.31	$7.28	1 July 2024	1 July 2026	$1.49
	1,160,000	19 November 2021[1]	$7.31	$7.28	1 July 2025	1 July 2026	$1.57
A. Killick	70,000	24 February 2022[2]	$7.40	$7.28	1 July 2024	1 July 2026	$1.57
	140,000	24 February 2022[2]	$7.40	$7.28	1 July 2025	1 July 2026	$1.64
Other employees	160,000	24 February 2022[3]	$7.40	$7.28	1 July 2024	1 July 2026	$1.57
	320,000	24 February 2022[3]	$7.40	$7.28	1 July 2025	1 July 2026	$1.64
Total	**2,430,000**						

Notes:

[1] The options issued to Mr. Greenwood on 19 November 2021, was approved by shareholders at the AGM held on 19 November 2021. The options will vest in two tranches, one third being 580,000 (Tranche 1) will vest on 1 July 2024 and the two thirds being 1,160,000 (Tranche 2) will vest on 1 July 2025. Both tranches require Mr. Greenwood's continued employment. The average value of each option was $1.54. The total value at grant date of these options was $2,687,113 for an equivalent number of shares of 1,740,000. The options on issue were valued on 19 November 2021 by an independent adviser using a Black Scholes pricing model.

[2] On 24 February 2022, Mr. Killick was issued 210,000 options. The options will vest in two tranches, one third being 70,000 (Tranche 1) will vest on 1 July 2024 and the two thirds being 140,000 (Tranche 2) will vest on 1 July 2025. Both tranches require Mr. Killick's continued employment. The average value of each option was $1.62. The total value at grant date of these options was $339,500 for an equivalent number of shares of 210,000. The options on issue were valued on 11 July 2022 by an independent adviser using a Black Scholes pricing model.

[3] On 24 February 2022, other employees were issued 480,000 options. The options will vest in two tranches, one third being 160,000 (Tranche 1) will vest on 1 July 2024 and the two thirds being 320,000 (Tranche 2) will vest on 1 July 2025. Both tranches require the continued employment of the other employees. The average value of each option was $1.62. The total value at grant date of these options was $776,000 for an equivalent number of shares of 480,000. The options on issue were valued on 11 July 2022 by an independent adviser using a Black Scholes pricing model.

[4] The valuation of options issued are based on average valuations of each tranche issued and the following inputs:

Date of issue of options	Volatility of the underlying share price	Expected dividend yield per annum	Risk free rates per annum
P. Greenwood - 19 November 2021	40%	5.10%	0.95% and 1.40%
A. Killick - 24 February 2022	40%	4.9%	1.60% and 1.70%
Other employees - 24 February 2022	40%	4.9%	1.60% and 1.70%

12. Performance rights

Total performance rights outstanding as at 30 June 2023 were 412,500 (2022: 412,500) with a value of $2,605,624 (2022: $2,605,624).

Details of performance rights on issue are as follows:

	Opening balance	Granted as compensation	Received on vesting	Net change other	Closing balance
	Number	Number	Number	Number	Number
2023					
P. Greenwood	—	—	—	—	—
A. Killick	75,000	—	—	—	75,000
Other employees	337,500	—	—	—	337,500
Total	412,500	—	—	—	412,500
2022					
P. Greenwood[1]	1,250,000	—	(14,336)	(1,235,664)	—
A. Killick	—	75,000	—	—	75,000
Other employees[2]	450,000	355,500	(4,300)	(463,700)	337,500
Total	1,700,000	430,500	(18,636)	(1,699,364)	412,500

[1] Based on a report provided by an external actuarial services expert, the Board determined that 14,336 of the 1,250,000 performance rights vested as at 30 June 2022. The remaining 1,235,664 performance rights were forfeited.
[2] Based on a report provided by an external actuarial services expert, the Board determined that 4,300 of the 450,000 performance rights vested as at 30 June 2022. The remaining 445,700 performance rights were forfeited plus the 18,000 performance rights of a resigned employee were cancelled.

	Balance Vested	Vested but not exercisable	Vested and exercisable	Rights vested
	Number	Number	Number	Number
2023				
P. Greenwood	—	—	—	—
A. Killick	—	—	—	—
Other employees	—	—	—	—
Total	—	—	—	—
2022				
P. Greenwood	14,336	—	14,336	14,336
A. Killick	—	—	—	—
Other employees	4,300	—	4,300	4,300
Total	18,636	—	18,636	18,636

Any securities to be allocated on vesting of the performance rights under the MD & CEO LTI Plan and Employee LTI Plan may be purchased on market, and therefore shareholder approval is not required or at the Board's discretion, shareholder approval may be sought.

The amount of performance rights amortisation expense for FY2023 was $841,414 (2022: $559,667).

Grant and vesting dates and the valuation of performance rights outstanding as at the date of this Remuneration Report are as follows:

Issued to	Number issued	Grant Date	Share price on Grant Date	Vesting Date	Valuation[1]
2022					
A. Killick	25,000	24 February 2022	$7.40	30 June 2024	$6.62
	25,000	24 February 2022	$7.40	30 June 2025	$6.31
	25,000	24 February 2022	$7.40	30 June 2026	$6.02
Other employees	118,500	24 February 2022	$7.40	30 June 2024	$6.62
	118,500	24 February 2022	$7.40	30 June 2025	$6.31
	118,500	24 February 2022	$7.40	30 June 2026	$6.02
Total	**430,500**				

Refer to Section 3 of this Remuneration Report for applicable performance criteria and further details.

The performance rights are subject to the following vesting conditions:

a. continuous employment; and,
b. adjusted net assets per share threshold.

Notes:
[1] The valuation of performance rights issued are based on average valuations of each tranche issued and the following inputs:

Date of issue of performance rights	Volatility of the underlying share price	Expected dividend yield per annum	Risk free rates per annum
A. Killick			
- 24 February 2022	40%	4.90%	1.30%, 1.70% and 1.80%
Other employees			
- 24 February 2022	40%	4.90%	1.30%, 1.70% and 1.80%

13. Loans to Directors and executives

No loans were made to Directors and executives of the Company including their close family and entities related to them during FY2023.

DIRECTORS' MEETINGS

This table shows membership of standing Committees of the Board that operated during the year ended 30 June 2023. All Directors may attend standing Board Committee meetings even if they are not a member of the relevant Committee. From time to time the Board may form other committees or request Directors to undertake specific extra duties. The number of meetings of Directors (including meetings of standing committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

			Meetings of Committees			
	Directors' Meetings		Audit and Risk Committee		Remuneration, Nomination and Governance Committee	
Total number of meetings held	15		4		4	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
A. Robinson	15	15	4	4	4	4
P. Greenwood	15	14	—	4	—	4
J. Chafkin	15	14	4	4	4	3
M. Donnelly	15	14	4	4	4	4
G. Guérin	15	15	4	4	4	4
P. Kennedy	15	15	4	4	4	4

Committee membership

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

Members acting on the committees of the Board during the year were:

Audit and Risk Committee	Remuneration, Nomination and Governance Committee
M. Donnelly (Chairperson)	P. Kennedy (Chairman)
J. Chafkin	J. Chafkin
G. Guérin	G. Guérin
P. Kennedy	M. Donnelly
A. Robinson	A. Robinson

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has entered into an agreement for the purpose of indemnifying Directors and officers of the Company in certain circumstances against losses and liabilities incurred by the Directors or officers on behalf of the Company.

The following liabilities, except for a liability for legal costs, are excluded from the above indemnity:

- A liability owed to the Company or related body corporate or another group entity (except, in the case of another group entity, where the indemnified party acted in the best interests of the Company and did not receive a financial benefit);
- A liability for pecuniary penalty order under section 1317G or a compensation order under sections 961M, 1317H, 1317 HA, 1317HB, 1317HC or 1317HE of the Corporations Act 2001;
- A liability that did not arise out of conduct in good faith; and,
- Any other liability against which the Company is precluded by law from indemnifying the Director.

The insurance contract prohibits the disclosure of the insurance premium for insuring officers of the Company against a liability which may be incurred in that person's capacity as an officer of the Company.

During or since the end of the financial year the Company has not indemnified or made a relevant agreement to indemnify an auditor of the Company or of any related body corporate against a liability incurred as such an auditor. In addition, the Company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an auditor.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support the principles of corporate governance. The Company's Corporate Governance Statement is available on the Company's website at www.paccurrent.com/shareholders/corporate-governance.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not presently subject to significant environmental regulation under the law of the Commonwealth and State.

AUDITOR INDEPENDENCE

The Directors received an independence declaration from the auditors of the Group. A copy of the declaration is set out on page 37.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 26 to the consolidated financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 26 to the consolidated financial statements do not compromise the external auditor's independence, based on advice received from the Audit & Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

OTHER MATTERS

On 17 September 2019, the Company received an originating application in the Federal Court of Australia in Melbourne by Michael Brendan Patrick de Tocqueville and ASI Mutual Pty Limited (collectively "ASI") seeking leave of the court to commence a derivative action on behalf of the Company against individuals serving as Directors at the time of the 2014 merger between the Company and the Northern Lights Capital Group, LLC (including two current Directors) for matters arising out of the merger. On 20 February 2020, the Federal Court of Australia granted ASI leave to bring the proceedings. Omni Bridgeway (Fund 5) Australian Invt. Pty Ltd ("Litigation Funder") has given an undertaking to cover the Company's costs and any liabilities or adverse cost orders made against the Company in favour of the defendants. As a result, the claims are not expected to have a material adverse financial effect on the Company. If the proceedings are successful or are settled on terms that the defendants pay an agreed amount, the Company will be entitled to the net proceeds after deducting specified legal costs and the Litigation Funder's share. The proceedings are currently part heard. It is anticipated that closing submissions will be made by the parties in October 2023 with judgment to follow.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' report. Amounts in this report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

LIKELY DEVELOPMENTS

The Group will continue to operate in accordance with its investment objectives and strategy as defined in the Nature of Operations and Principal Activities.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

On 26 July 2023, the Company received an unsolicited, non-binding, indicative proposal from Regal Partners Limited (ASX: RPL) ("Regal") in co-operation with River Capital Pty Ltd, both major shareholders of the Company, to acquire 100% of the shares in the Company by way of a scheme of arrangement. Under Regal's proposal, the Company's shareholders will receive an implied total value of $11.12 per share, with the consideration comprising $7.50 in cash per Company share plus $3.62 being 2.2 x GQG Inc shares based on the closing price of GQG Inc shares on 25 July 2023 of $1.655. Regal's proposal also states that the Company shareholders may elect to substitute either or both elements of the consideration for Regal shares. A due diligence process is currently underway including the evaluation of Regal's proposal by the Independent Board Committee of the Company.

On 27 July 2023, the Company was notified by GQG Inc that the latter intends to submit a non-binding indicative proposal to acquire 100% of the shares in the Company.

On 25 August 2023, the Directors of the Company declared a final dividend on ordinary shares in respect of the 2023 financial year. The total amount of the dividend is $11,862,000 which represents a 67.3% franked dividend of 23.00 cents per share. The dividend has not been provided for in the 30 June 2023 consolidated financial statements.

Other than the matters detailed above, there has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect either the operations or the state of affairs of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

A. Robinson
Chairman
25 August 2023

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the Directors of Pacific Current Group Limited

As lead auditor for the audit of the financial report of Pacific Current Group Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) No contraventions of any applicable code of professional conduct in relation to the audit; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Pacific Current Group Limited and the entities it controlled during the financial year.

Ernst & Young

Rita Da Silva
Partner
25 August 2023

	Note	2023 $'000	2022 $'000
Revenue	1	**18,097**	**21,646**
Other income and net gains/(losses) on investments and financial instruments			
Distributions and dividend income	2	27,293	22,418
Sundry income	2	204	138
Net change in fair values of financial assets and liabilities	2	(14,681)	(66,741)
		12,816	**(44,185)**
Expenses			
Salaries and employee benefits	3	(15,832)	(14,381)
Impairment expense	3	(14,022)	(4,182)
Administration and general expenses	3	(19,635)	(11,885)
Depreciation and amortisation expense	3	(3,717)	(3,269)
Interest expense	3	(3,314)	(60)
		(56,520)	**(33,777)**
Share of net profits of associates and joint venture accounted for using the equity method	22	8,062	8,130
Loss before income tax expense		**(17,545)**	**(48,186)**
Income tax benefit	4	3,291	15,419
Loss for the year		**(14,254)**	**(32,767)**
Attributable to:			
The members of the Company		(15,791)	(35,270)
Non-controlling interests		1,537	2,503
		(14,254)	**(32,767)**
Loss per share attributable to the members of the Company (cents per share):			
- Basic	6	(30.76)	(69.15)
- Diluted	6	(30.76)	(69.15)
Franked dividends paid per share (cents per share) for the year	17	38.00	41.00

The accompanying notes form part of these consolidated financial statements.

	Note	2023 $'000	2022 $'000
Loss for the year		**(14,254)**	**(32,767)**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Change in fair value of financial assets, net of income tax	16a(i)	(4,071)	138,507
Foreign currency movement of investment revaluation reserve	16a(i)	(1)	2,978
		(4,072)	141,485
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	16a(ii)	19,242	33,476
Share in foreign currency reserve of an associate, net of income tax	16a(ii)	(15)	51
		19,227	33,527
Other comprehensive income for the year		**15,155**	**175,012**
Total comprehensive income		**901**	**142,245**
Attributable to:			
The members of the Company		(711)	139,825
Non-controlling interests		1,612	2,420
		901	**142,245**

The accompanying notes form part of these consolidated financial statements.

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	8	23,201	34,886
Trade and other receivables	9	7,295	9,017
Other financial assets	10	808	1,190
Current tax assets	4	11,521	753
Other assets		1,230	1,156
Total current assets		**44,055**	**47,002**
Non-current assets			
Trade and other receivables	9	646	1,796
Other financial assets	10	324,893	304,785
Plant and equipment		3,396	781
Right-of-use assets	11a(i)	2,140	834
Intangible assets	21	41,388	54,315
Investments in associates and joint venture	22	189,715	195,117
Other assets		77	87
Total non-current assets		**562,255**	**557,715**
Total assets		**606,310**	**604,717**
Current liabilities			
Trade and other payables	12	7,756	8,800
Provisions	13	409	12,822
Financial liabilities	14	—	133
Lease liabilities	11a(ii)	359	281
Current tax liabilities	4	680	737
Total current liabilities		**9,204**	**22,773**
Non-current liabilities			
Provisions	13	38	34
Financial liabilities	14	48,655	11,064
Lease liabilities	11a(ii)	2,467	771
Deferred tax liabilities	4	35,716	43,349
Total non-current liabilities		**86,876**	**55,218**
Total liabilities		**96,080**	**77,991**
Net assets		**510,230**	**526,726**
Equity			
Share capital	15	189,897	186,927
Reserves	16	90,413	73,415
Retained earnings		229,212	264,468
Total equity attributable to the members of the Company		509,522	524,810
Non-controlling interests		708	1,916
Total equity		**510,230**	**526,726**

The accompanying notes form part of these consolidated financial statements.

PACIFIC CURRENT GROUP LIMITED
(ABN 39 006 708 792)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Reserves	Retained earnings	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2022	**186,927**	**73,415**	**264,468**	**1,916**	**526,726**
(Loss)/profit for the year	—	—	**(15,791)**	**1,537**	**(14,254)**
Other comprehensive income:					
(i) Net movement in investment revaluation reserve net of income tax (Note 16)	—	(4,072)	—	—	(4,072)
(ii) Net movement in foreign currency translation reserve (Note 16)	—	19,167	—	75	19,242
(iii) Share in foreign currency reserve of an associate, net of income tax (Note 16)	—	(15)	—	—	(15)
Total comprehensive income for the year	**—**	**15,080**	**(15,791)**	**1,612**	**901**
Transactions with members in their capacity as members:					
(i) Issuance of shares, net of share issue costs and income tax (Note 15)	2,970	—	—	—	2,970
(ii) Dividends paid (Note 17)	—	—	(19,465)	(2,820)	(22,285)
(iii) Share-based payments (Note 16a(iii))	—	2,055	—	—	2,055
(iv) Settlement of vested performance rights (Note 16a(iii))	—	(137)	—	—	(137)
Total transactions with members in their capacity as members	**2,970**	**1,918**	**(19,465)**	**(2,820)**	**(17,397)**
Balance as at 30 June 2023	**189,897**	**90,413**	**229,212**	**708**	**510,230**
Balance as at 1 July 2021	**184,655**	**120,847**	**96,876**	**432**	**402,810**
(Loss)/profit for the year	—	—	**(35,270)**	**2,503**	**(32,767)**
Other comprehensive income:					
(i) Net movement in investment revaluation reserve net of income tax (Note 16)	—	141,485	—	—	141,485
(ii) Net movement in foreign currency translation reserve (Note 16)	—	33,559	—	(83)	33,476
(iii) Share in foreign currency reserve of an associate, net of income tax (Note 16)	—	51	—	—	51
Total comprehensive income for the year	**—**	**175,095**	**(35,270)**	**2,420**	**142,245**
Transfers between reserves	**—**	**(223,733)**	**223,733**	**—**	**—**
Transactions with members in their capacity as members:					
(i) Issuance of shares, net of share issue costs and income tax (Note 15)	2,272	—	—	—	2,272
(ii) Dividends paid (Note 17)	—	—	(20,871)	(936)	(21,807)
(iii) Share-based payments (Note 16a(iii))	—	1,206	—	—	1,206
Total transactions with members in their capacity as members	**2,272**	**1,206**	**(20,871)**	**(936)**	**(18,329)**
Balance as at 30 June 2022	**186,927**	**73,415**	**264,468**	**1,916**	**526,726**

The accompanying notes form part of these consolidated financial statements.

	Note	2023 $'000	2022 $'000
Cash flow from operating activities			
Receipts from customers		21,110	18,340
Payments to suppliers and employees		(27,504)	(19,933)
Dividends and distributions received		46,014	33,762
Interest received		204	149
Interest paid		(2,970)	(47)
Income tax paid		(15,032)	(8,803)
Net cash provided by operating activities	7	**21,822**	**23,468**
Cash flow from investing activities			
Collections of receivable from EAM Global		557	517
Collections of sublease receivable		—	122
Collections of receivable from Raven Capital Management, LLC ("Raven")		653	1,332
Collections of loans from an associate		67	620
Loans provided to associates		(1,608)	(345)
Proceeds from partial disposal of investment in Proterra		12,364	—
Proceeds from disposal of GQG LLC net of transaction costs		—	58,089
Payments for the purchase of interest in Cordillera (2022: other)		(44,405)	(69)
Repayment of earn-out obligations		(2,459)	(3,020)
Repayment of Hareon liability		(17,638)	(276)
Payments for the purchase of associates (2022: Banner Oak)		—	(48,257)
Additional contributions to associates		(28)	(6,973)
Payment for the purchase of plant and equipment		(2,641)	(275)
Proceeds from disposal of plant and equipment		23	—
Net cash (used in)/provided by investing activities		**(55,115)**	**1,465**
Cash flow from financing activities			
Proceeds from the Debt Facility		44,583	—
Transaction costs paid and discount from the Debt Facility		(2,714)	—
Repayments of principal portion of lease liabilities		(318)	(346)
Dividends paid		(16,580)	(18,599)
Dividends paid to non-controlling interest in a subsidiary		(2,820)	(936)
Payments to settle share based payments		(52)	—
Net cash provided by/(used in) financing activities		**22,099**	**(19,881)**
Net (decrease)/increase in cash and cash equivalents held		**(11,194)**	**5,052**
Cash at beginning of the financial year		34,886	28,298
Foreign exchange difference in cash		(491)	1,536
Cash at end of financial year	8	**23,201**	**34,886**
Non-cash investing and financing activities			
Investing activities	7	1,937	632
Financing activities	7	4,822	2,905

The accompanying notes form part of these consolidated financial statements.

Index to the Notes to the Financial Statements

A. BASIS OF PREPARATION

This general-purpose financial report for the Company and the consolidated entities (“Group”) for the year ended 30 June 2023, was authorised for issue in accordance with a resolution of the Directors on 25 August 2023 and the Directors have the power to amend and reissue this financial report.

It has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (”IFRS”) as issued by the International Accounting Standards Board (“IASB”). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

All amounts are presented in Australian dollars, unless otherwise stated.

The Company is a company limited by shares incorporated and domiciled in Australia. Its shares are listed for trading on the ASX with a ticker code PAC. It is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

The nature of operations, principal activities, and operating and financial review of the Company are disclosed in the Directors’ report.

a. Historical cost convention

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share based payment transactions that are within the scope of AASB 2 ‘Share Based Payments’ (“AASB 2”), leasing transactions that are within the scope of AASB 16 ‘Leases’ (“AASB 16”) and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 ‘Impairment of Assets’ (“AASB136”) (Refer to Notes 21 and 22).

b. Significant accounting policies

The accounting policies adopted in the preparation of this financial report are contained within the notes to which they relate. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

c. Going concern

This general-purpose financial report has been prepared on a going concern basis, which assumes that the Group will be able to meet its debts as and when they become due and payable. The Group prepared cash flow forecast analysis using various scenarios including a base-case and a worse-case scenario. Under these scenarios, the Group can continue as a going concern.

d. Comparatives

The accounting policies adopted by the Group in the preparation and presentation of the financial statements have been consistently applied. Where necessary, comparative information has been reclassified, repositioned, and restated for consistency with current year disclosures.

e. Critical accounting estimates, judgments, and assumptions

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its estimates and judgments in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its estimates and judgments on historical information and other factors, including expectations of future events that may have an impact on the Group. All estimates, judgments, and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates, judgments, and assumptions.

Significant estimates, judgments and assumptions made by management in the preparation of these consolidated financial statements are outlined below:

- Revenue recognition of performance fees– refer to Note 1c;
- Income tax, tax basis for USA investments and recovery of deferred tax assets – refer to Note 4c;
- Impairment of trade and other receivables – refer to Note 9c;
- Valuation of financial assets at fair value and impairment of financial assets at amortised cost – refer to Note 10c and Note 18f;
- Valuation of financial liabilities at fair value – refer to Note 14c and Note 18f;
- Impairment of goodwill and other identifiable intangible assets – refer to Note 21c;
- Impairment of investments in associates and a joint venture – refer to Note 22d; and
- Share-based payment transactions – refer to Note 25c.

f. Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

B. GROUP RESULTS FOR THE FINANCIAL YEAR

This section provides information regarding the results and performance of the Group during the year, including further details on revenue, other income, and net gains/(losses) on investments and financial instruments, expenses, income tax, segment information, earnings per share and reconciliation of cashflows.

1. Revenue

a. Analysis of balances

The Group derives its revenue from the transfer of services over time and at a point in time as below:

	2023 $'000	2022 $'000
Timing of revenue recognition		
Over time		
- Fund management fees	12,599	12,181
- Performance fees	4,322	5,603
- Commission revenue	—	118
- Retainer revenue	520	708
- Sundry revenue	74	37
	17,515	18,647
At a point in time		
- Commission revenue	582	2,962
- Sundry revenue	—	37
	582	2,999
Total revenue	**18,097**	**21,646**

b. Accounting policies

(i) Fund management fees

The revenue is recognised over time in the accounting period in which the asset management services are rendered, and the performance obligation is met. The transaction price for fund management fees for each performance obligation is the defined contractual rate of the average assets under management or committed capital for the relevant accounting period.

The relevant Investment Management Agreement contains a series of performance obligations relating to the provision of asset management services to the underlying funds and mandates. A performance obligation within the series is identified as the performance of asset management and associated record management for monthly reporting. This performance obligation is repeated monthly for the term of the contract and as such the contract meets the definition of a series of obligations. The performance obligation is satisfied over the month when services have been provided to the client.

(ii) Performance fees

Performance fees arise when the performance of the asset under management exceeds a threshold. As the services provided under the Investment Management Agreement constitute a series of performance obligations performed on a monthly basis, subject to performance of the asset under management, the Group may meet those obligations throughout the term of the contract. However, as the performance fee is contingent on the performance of the funds under management for the full period of the contract, the revenue cannot be recognised, as it is not highly probable that this revenue will not be reversed. The performance fee is calculated in accordance with the calculation methodology of the underlying funds as defined in the relevant agreements.

(iii) Commission revenue

Commission revenue arises when the Group provides sales services to its clients. Commissions are recognised as follows:

Variable commission (recognised over time)

The Group is generally entitled to a trail commission over a multi-year period in accordance with the Sales and Marketing Services Agreement when the client has invested in the funds or mandates of the asset managers and performance obligations have been met. The transaction price is the gross revenue generated from the mandate multiplied by the contractual rates.

The relevant Sales and Marketing Services Agreement contains a series of performance obligations relating to sales and marketing support services. A performance obligation within the series is identified as the performance of sales and marketing support. This performance obligation is repeated monthly for the term of the contract and as such the contract meets the definition of a series of obligations. The performance obligation is satisfied over the month when services have been provided to the client.

As the commission revenue correlates to the gross revenues of the mandates, the revenue cannot be recognised on a straight-line basis. The revenue is only recognised in the period where the gross management fees generated from the mandates, and it is not highly probable that this revenue will not be significantly reversed.

If the mandate with the asset manager is lost before the end of the trail commission period, the commission revenue will cease from the time the mandate is lost.

Fixed commission (recognised at a point in time)

The Group is entitled to a commission in accordance with the Sales and Marketing Services Agreement when the client has committed a capital to the asset manager’s closed end vehicles where the client cannot redeem. Once the client invested its committed capital to a closed end vehicle, it is deemed that the performance obligation has been met. The transaction price is the committed capital multiplied by the contractual rates.

As the commission revenue correlates to the committed capital, the revenue is recognised upon closing of the transaction, and it is not highly probable that this revenue will not be significantly reversed.

c. Key estimates, judgments, and assumptions

Revenue recognition of performance fees

Performance fees are only recognised every end of the financial year of the controlled entity when the performance fees are realised, and it is highly probable that no significant reversal will occur. The performance fee is variable and contingent upon performance of the funds under management for the full period.

2. Other income and net gains/(losses) on investments and financial instruments

a. Analysis of balances

	2023 $'000	2022 $'000
Distributions and dividend income:		
- Financial assets at FVTPL	25,535	15,183
- Financial assets at fair value through other comprehensive income ("FVTOCI")	1,758	7,235
	27,293	**22,418**
Sundry income:		
Interest income:		
- Other persons/corporations	129	123
- Related party	75	15
Total other income	**204**	**138**
Changes in fair values of financial assets and liabilities:		
Financial assets through profit or loss:		
- Investment in Carlisle	(12,722)	10,761
- Investment in GQG Inc	(15,119)	(81,274)
- Investment in Proterra	10,123	3,938
- Receivable from Raven	13	93
- Other	(199)	155
	(17,904)	(66,327)
Financial liabilities through profit or loss:		
- Earn-out obligations and deferred considerations	3,223	(414)
Total changes in fair values of financial assets and liabilities through profit or loss	**(14,681)**	**(66,741)**

b. Accounting policies

(i) Distributions and dividend income

Distribution and dividend income from investments is recognised when the Group's right to receive payment has been established and the amount can be reliably measured.

3. Expenses

Analysis of balances

	2023 $'000	2022 $'000
Salaries and employee benefits:		
- Salaries and employee benefits	13,777	13,175
- Share-based payment expense	2,055	1,206
Total salaries and employee benefits	**15,832**	**14,381**
Impairment expenses:		
- Impairment in goodwill in subsidiaries (refer to Note 21):		
- Aether	11,731	—
- Impairment of investment in associates (refer to Note 22):		
- Blackcrane	(9)	1,693
- CAMG	1,934	2,103
	1,925	3,796
- Impairment of financial assets at amortised cost:		
- Expected credit losses of loans receivable and trade and other receivables (refer to Notes 9 and 10)	366	386
Total impairment expenses	**14,022**	**4,182**
Administration and general expenses		
- Accounting and audit fees	2,030	1,486
- Commission and marketing expenses	705	380
- Computer and software maintenance expenses	626	495
- Deal, establishment and litigation costs	3,788	2,117
- Directors' fees	749	752
- Hareon liability settlement expense (refer to Note 13)	4,927	983
- Insurance expense	856	757
- Lease expenses	118	148
- Net foreign exchange loss	1,087	646
- Professional and consulting fees	1,825	2,063
- Share registry and regulatory fees	167	188
- Taxes and license fees	799	686
- Travel and accommodation costs	815	484
- Other general expenses	1,143	700
Total administration and general expenses	**19,635**	**11,885**
Depreciation and amortisation expense:		
- Depreciation of plant and equipment	367	263
- Amortisation of management rights (refer to Note 21)	3,024	2,761
- Amortisation of right-of-use assets (refer to Note 11a(i))	326	245
Total depreciation and amortisation expense	**3,717**	**3,269**
Interest expense:		
- Lease liabilities (refer to Note 11a(ii))	125	60
- Debt facility	3,189	—
Total interest expenses	**3,314**	**60**
Total expenses	**56,520**	**33,777**

4. Income tax

a. Analysis of balances

	2023 $'000	2022 $'000
Income tax benefit		
Components of income tax benefit:		
- Current tax	3,715	18,320
- Deferred tax	(6,405)	(34,517)
- (Over)/under provision in prior years	(601)	778
Total income tax benefit recognised in profit or loss	**(3,291)**	**(15,419)**
Reconciliation of income tax benefit recognised in profit or loss to prima facie income tax:		
Loss before income tax	(17,545)	(48,186)
Prima facie income tax benefit at 30% (2022: 30%)	(5,264)	(14,456)
Add/(deduct) the tax effect of:		
- Hareon settlement	(3,928)	—
- Franking credits received	(420)	(257)
- Non-assessable income	(285)	(464)
- USA state income tax benefit	(140)	(3,112)
- Tax losses not carried forward	6,006	411
- Share-based payments	616	362
- Impact of difference in tax rates in other countries	573	283
- Non-deductible foreign expenses	123	744
- Other	29	292
- (Over)/under provision in prior years	(601)	778
Income tax benefit attributable to profit or loss	(3,291)	(15,419)
Net deferred income tax liabilities recognised in income tax benefit:		
- Investments	(4,414)	(35,382)
- (Reversal of tax losses)/tax losses carried forward	(2,065)	362
- Deductible capital expenditures	(480)	(290)
- Dividend receivable	(349)	356
- Impact of leases	(10)	(13)
- Earn-out liability	677	912
- Accruals and provisions	223	(469)
- Others	13	7
	(6,405)	(34,517)
Deferred income tax related to items charged or credited directly to equity:		
- Movement of the Group's investment revaluation reserve	(1,589)	46,976
- Movement of the Group's foreign currency revaluation reserve of an associate	(7)	22
	(1,596)	46,998

	2023 $'000	2022 $'000
Tax losses not recognised		
- Unused tax losses for which no deferred tax asset has been recognised	25,102	5,131
- Potential tax benefit at relevant tax rate	**7,436**	**1,324**

The unused tax losses pertained to the parent entity in Australia (consisted of $5,179,000 incurred revenue and capital losses and $18,020,000 capital losses not yet incurred) and the UK (consisted of $908,000 incurred capital losses and $995,000 not yet incurred) [2022: parent entity in Australia (consisted of $3,178,000 incurred revenue and capital losses) and the UK (consisted of $932,000 incurred capital losses and $1,021,000 capital losses not yet incurred)].

	2023 $'000	2022 $'000
Current tax assets		
Income tax receivable[1]	**11,521**	**753**
Current tax liabilities		
Provision for income tax[2]	**680**	**737**

Notes:
[1] This is the estimated income receivable in the USA (2022: Australia).
[2] This is the estimated income tax liability in the UK (2022: $174,000 in the USA and $563,000 in the UK).

Non-current liabilities – net deferred tax liabilities
Components of net deferred tax liabilities:

	2023 $'000	2022 $'000
Liabilities:		
- Investments	41,754	47,220
- Dividend receivable	35	383
	41,789	47,603
Assets:		
- Reversal of carried forward tax losses	(2,065)	—
- Adjustment on financial liabilities at FVTPL	(1,733)	(2,351)
- Deductible capital expenditures	(1,764)	(1,258)
- Accruals and provisions	(514)	(633)
- Impact of leases	(24)	(16)
- Others	27	4
	(6,073)	(4,254)
Net deferred tax liabilities	**35,716**	**43,349**

b. Accounting policies

The income tax (benefit)/expense for the year comprises current income tax (benefit)/expense and deferred tax (benefit)/expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax (benefit)/expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Key estimates, judgments, and assumptions

(i) Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are a number of transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may differ from the taxation authorities' view. The Group recognises the impact of the anticipated tax liabilities based on the Group's current understanding of the tax laws. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(ii) Tax basis for USA investments

The Group determines its tax obligation in the event of liquidation and/or disposal of its USA investments. This is calculated by determining the tax basis and tax basis adjustments as permitted under the USA Internal Revenue Code. The tax basis adjustments involved an estimation of the additional tax basis specific to the USA investments.

The tax calculated at the Group level is also dependent on the notification of allocated taxable income by the USA investments that are deemed as partnerships in the USA. The amount of taxable income allocated from such partnerships to the Group may be subject to judgement and hence be amended in future periods.

(iii) Recovery of deferred tax assets

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

(iv) Tax losses not recognised

A deferred tax asset in relation to tax losses is regarded as recoverable and therefore recognised only when, on the basis of available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover the losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax assets in relation to tax losses in Australia have not been recognised on the basis that there remains uncertainty regarding the timing and quantum of the generation of taxable profits.

d. Tax consolidation and status in other jurisdictions

(i) Tax status of the Company in Australia

The Company and its wholly-owned Australian subsidiaries formed a tax consolidated group for income tax purposes. The Company is the head entity of the tax consolidated group. Members of the tax consolidated group have entered a tax sharing arrangement in order to allocate income tax expense to the wholly-owned entities on a pro-rata basis. Under a tax funding agreement, each member of the tax consolidated group is responsible for funding their share of any tax liability. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

(ii) Tax status of the Company in the USA

The Group's investments in the USA are generally pass-through vehicles for tax purposes. The tax on earnings will be paid for by the Company as the ultimate entity liable for the tax obligations in the USA.

e. Uncertainty over income tax treatments

The Group operates in multiple geographic regions and is therefore subject to various taxation jurisdictions. Furthermore, the nature of the Group's business model and its bespoke approach to tailoring investment structures can often lead to complex and unique tax treatments. The Group continually assesses these tax treatments and as part of this process it obtains advice from its tax advisors to ensure that it is properly complying with the specific jurisdiction's regulations.

These assessments often involve judgement and maybe based on a specific set of assumptions. For example, the Group provides for deferred tax liability on the unrealised appreciation in the value of its Boutique Investments relating to uncertain tax positions when such liabilities [are probable and] can be reasonably estimated. Generally, for this tax to become due and payable, the appreciation in value would need to be realised. The nature by which this realisation occurs can often impact on the specific tax outcome. In determining a deferred tax liability, at a specific point in time, the most likely circumstances surrounding the realisation need to be assumed. These circumstances, combined with changes to enforcing tax regulations as of realisation date, may change through time or not occur as previously assumed therefore adding uncertainty to the taxable outcome.

The Group assesses whether a tax position is probable to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In determining this, the Group assesses whether there is a greater than 50% likelihood of the tax authority accepting this tax position. If this is less than 50%, the Group records as a tax liability its best estimate of the amount that would be realised upon ultimate settlement of the tax position.

The Group has analysed the positions held during the period ended 30 June 2023 In its major jurisdictions to determine whether or not there are uncertain tax positions that require financial statement recognition. Based on this review, the Group has determined deferred tax liabilities of $41,789,000 has been recorded in the accompanying consolidated financial statements.

The tax calculated at the Group level is dependent on the notification of allocated taxable income by investments in the USA deemed as pass-through vehicles for tax purposes. The amount of taxable income allocated from such partnerships to the Group may be subject to judgement and hence be amended in future periods.

Other than the above, the Group's income taxes provision does not currently include any tax treatments for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under current taxation laws.

5. Segment information

a. Reportable segments

Information reported to the Company's Board of Directors (the "Board") as chief operating decision maker ("CODM") for the purposes of resource allocation and assessment of performance is focused on the profit/(loss) for the year earned by each segment.

The Group's segment reporting is categorised on the following criteria:

- Tier 1 boutiques – investments where the Group expects at least $4,000,000 of annual earnings; and
- Tier 2 boutiques – investments where the Group expects less than $4,000,000 of annual earnings.

For subsequent segment reporting purposes, transfer from/to Tier 1 boutiques to/from Tier 2 boutiques will be based on either of the following:

- their annual earnings contribution for either of two consecutive immediately prior reporting periods. For example, an investment with an earnings contribution of $4,000,000 in the first reporting period and $3,000,000 in the second reporting period will still be classified as a Tier 1 boutique since one of its two reporting periods has an earnings contribution of $4,000,000; or
- assessment of the Board that the category of a particular investment be amended because of a substantial loss of funds under management ("FUM") and significant decline in the contribution to the Group.

The Group's categorisation of its reportable segments under AASB 8: 'Operating Segments' are as follows:

	2023 Segment Category	2022 Segment Category
Aether Investment Partners, LLC	Tier 1	Tier 1
Aether General Partners	Tier 1	Tier 1
Banner Oak Capital Partners, LP	Tier 1	Tier 1
Carlisle Management Company S.C.A.	Tier 1	Tier 1
Cordillera Investment Partners, LP[1]	Tier 1	–
GQG Partners, Inc[2]	Tier 1	Tier 1
Proterra Investment Partners, LP	Tier 1	Tier 1
Victory Park Capital Advisors, LLC	Tier 1	Tier 1
Victory Park Capital GP Holdco, L.P.	Tier 1	Tier 1
Astarte Capital Partners, LLP	Tier 2	Tier 2
ASOP Profit Share LP	Tier 2	Tier 2
Blackcrane Capital, LLC[2]	–	Tier 2
Capital & Asset Management Group, LLP	Tier 2	Tier 2
EAM Global Investors, LLC	Tier 2	Tier 2
IFP Group, LLC	Tier 2	Tier 2
Nereus Capital Investments (Singapore) Pte Ltd ("NCI")	Tier 2	Tier 2
Nereus Holdings, L.P.	Tier 2	Tier 2
Northern Lights Alternative Advisors, LLP ("NLAA")	Tier 2	Tier 2
Pennybacker Capital Management, LLC	Tier 2	Tier 2
Roc Group	Tier 2	Tier 2
Strategic Capital Investments, LLP	Tier 2	Tier 2

Notes:
[1] Cordillera was acquired on 6 April 2023 (refer to Note 10 footnote 7 for details).
[2] Blackcrane ceased to be an associate effective 1 July 2022 after Blackcrane purchase and redeemed the 25% equity ownership of the Group (refer to Note 22a(iii) for details).

b. Analysis of balances

(i) Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments. The results reflect the elimination of intragroup transactions including those between the Group and its boutiques.

	Segment revenue		Share of net profits of associates and joint venture		Segment profit/(loss) for the year	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Tier 1 boutiques	13,039	15,090	8,057	6,915	6,596	(33,741)
Tier 2 boutiques	5,052	6,556	5	1,215	1,016	3,246
	18,091	21,646	8,062	8,130	7,612	(30,495)
Central administration	6	—	—	—	(21,866)	(2,272)
Total per consolidated statement of profit or loss	**18,097**	**21,646**	**8,062**	**8,130**	**(14,254)**	**(32,767)**

The following details of segment revenue:

	Tier 1 boutiques	Tier 2 boutiques	Central administra-tion	Total
	$'000	**$'000**	**$'000**	**$'000**
2023				
Over time				
- Fund management fees	12,420	179	—	12,599
- Performance fees	—	4,322	—	4,322
- Commission revenue	—	—	—	—
- Retainer revenue	—	520	—	520
- Sundry revenue	37	31	6	74
	12,457	5,052	6	17,515
At a point in time				
- Commission revenue	582	—	—	582
	13,039	**5,052**	**6**	**18,097**

	Tier 1 boutiques $'000	Tier 2 boutiques $'000	Central administration $'000	Total $'000
2022				
Over time				
- Fund management fees	12,093	88	—	12,181
- Performance fees	—	5,603	—	5,603
- Commission revenue	(2)	120	—	118
- Retainer revenue	—	708	—	708
- Sundry revenue	37	—	—	37
	12,128	6,519	—	18,647
At a point in time				
- Commission revenue	2,962	—	—	2,962
- Sundry revenue	—	37	—	37
	2,962	37	—	2,999
	15,090	**6,556**	**—**	**21,646**

The following details segment profit after tax for central administration:

	2023 $'000	2022 $'000
Revenue	6	—
Sundry income	64	14
Changes in fair values of financial assets and liabilities	13	93
	83	107
Salaries and employee benefits	(10,540)	(9,198)
Administration and general expenses	(10,884)	(8,211)
Depreciation and amortisation expense	(524)	(349)
Interest expense	(3,292)	(40)
	(25,240)	(17,798)
Income tax benefit	3,291	15,419
	(21,866)	**(2,272)**

(ii) Segment assets and liabilities

	Segment assets		Segment liabilities		Segment net assets	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Tier 1 boutiques	451,371	489,688	43,553	48,260	407,818	441,428
Tier 2 boutiques	75,966	87,746	8,479	27,495	67,487	60,251
	527,337	577,434	52,032	75,755	475,305	501,679
Central administration[1]	78,972	27,283	44,047	2,236	34,925	25,047
Total per consolidated statement of financial position	**606,309**	**604,717**	**96,079**	**77,991**	**510,230**	**526,726**

Notes:
[1] The total assets and liabilities under central administration consisted of the following:

	Segment assets			Segment liabilities	
	2023	2022		2023	2022
	$'000	$'000		$'000	$'000
Cash and cash equivalents	16,095	23,480	Trade and other payables	3,543	4,050
Trade and other receivables	1	(5)	Provisions	447	499
Income tax receivable	11,521	753	Lease liabilities	2,627	823
Other financial assets	44,924	689	Financial liabilities	42,789	—
Plant and equipment	3,320	699	Provision for income tax	680	737
Right-of-use assets	1,966	636	Net deferred tax (assets)	(6,039)	(3,873)
Other assets	1,145	1,031			
Total	**78,972**	**27,283**	Total	**44,047**	**2,236**

(iii) Other segment information

	2023	2022
	$'000	$'000
Impairment expense of segments		
- Tier 1 boutiques	11,731	—
- Tier 2 boutiques	2,292	4,182
- Central administration	—	—
Total	14,023	4,182
Depreciation and amortisation of segments		
- Tier 1 boutiques	3,193	2,920
- Tier 2 boutiques	—	—
- Central administration	524	349
Total	3,717	3,269

(iv) Geographical information

Revenues and results:

	30 June 2023				30 June 2022			
	Tier 1 boutiques	Tier 2 boutiques	Central adminis-tration	Total	Tier 1 boutiques	Tier 2 boutiques	Central adminis-tration	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenues								
- Australia	—	—	—	—	1,530	—	—	1,530
- USA	13,002	551	6	13,559	13,523	864	—	14,387
- UK	—	4,501	—	4,501	—	5,692	—	5,692
- Luxembourg	37	—	—	37	37	—	—	37
	13,039	5,052	6	18,097	15,090	6,556	—	21,646
Share of net profits/(losses) of associates and joint venture								
- Australia	—	1,787	—	1,787	—	1,943	—	1,943
- USA	8,057	(2,129)	—	5,928	6,915	(552)	—	6,363
- UK	—	347	—	347	—	(176)	—	(176)
	8,057	5	—	8,062	6,915	1,215	—	8,130
Profit/(loss) after tax								
- Australia	—	1,787	(10,991)	(9,204)	1,530	1,943	(6,805)	(3,332)
- USA	12,580	3,275	(9,670)	6,185	(53,397)	20	4,688	(48,689)
- UK	—	1,676	(1,205)	471	—	3,217	(155)	3,062
- Luxembourg	(5,984)	—	—	(5,984)	18,126	—	—	18,126
- India	—	(5,722)	—	(5,722)	—	(1,934)	—	(1,934)
	6,596	1,016	(21,866)	(14,254)	(33,741)	3,246	(2,272)	(32,767)

Other than the USA and UK, no other country represents more than 10% of revenue for the Group (2022: USA and UK). Other than Goodhart Partners Longitude Fund SICAV-SIF - Strategic Capital Fund, Aether Real Assets IV, L.P. and Aether Real Assets V, L.P. (2022: Goodhart Partners Longitude Fund SICAV-SIF - Strategic Capital Fund, Aether Real Assets IV, L.P., Aether Real Assets V, L.P. and VPC), no individual funds and clients represent more than 10% revenue for the Group.

Non-current assets excluding financial assets:

	30 June 2023				30 June 2022			
	Tier 1 boutiques $'000	Tier 2 boutiques $'000	Central adminis-tration $'000	Total $'000	Tier 1 boutiques $'000	Tier 2 boutiques $'000	Central adminis-tration $'000	Total $'000
Investment in associates and joint venture								
- Australia	—	10,011	—	10,011	—	9,547	—	9,547
- USA	132,210	38,514	—	170,724	134,579	40,635	—	175,214
- UK	—	8,980	—	8,980	—	10,356	—	10,356
	132,210	57,505	—	189,715	134,579	60,538	—	195,117
Plant and equipment								
- Australia	—	—	112	112	—	—	9	9
- USA	76	—	3,208	3,284	82	—	690	772
	76	—	3,320	3,396	82	—	699	781
Right-of-use assets								
- USA	175	—	1,965	2,140	175	—	659	834
Intangible assets								
- USA	41,388	—	—	41,388	54,315	—	—	54,315
Total non-current assets excluding financial assets								
- Australia	—	10,011	112	10,123	—	9,547	9	9,556
- USA	173,849	38,514	5,173	217,536	189,151	40,635	1,349	231,135
- UK	—	8,980	—	8,980	—	10,356	—	10,356
	173,849	57,505	5,285	236,639	189,151	60,538	1,358	251,047

b. Accounting policies

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit after tax earned by each segment without allocation of central administration costs. This is the measure reported to the CODM for purposes of resource allocation and assessment of segment performance.

6. Loss per share

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2023	2022
Basic loss per share:		
Net loss attributable to the members of the Company ($'000)	(15,791)	(35,270)
Weighted average number of ordinary shares for basic loss per share	51,334,916	51,004,607
Basic loss per share (cents)	**(30.76)**	**(69.15)**
Diluted loss per share:		
Net loss attributable to the members of the Company ($'000)	(15,791)	(35,270)
Weighted average number of ordinary shares for diluted loss per share	51,334,916	51,004,607
Diluted loss per share (cents)	**(30.76)**	**(69.15)**
Reconciliation of loss used in calculating loss per share:		
Net loss attributable to the members of the Company used in the calculation of basic loss per share ($'000)	(15,791)	(35,270)
Net loss attributable to the members of the Company used in the calculation of diluted loss per share ($'000)	(15,791)	(35,270)
Reconciliation of weighted average number of ordinary shares in calculating loss per share:		
Weighted average number of ordinary shares for basic and diluted loss per share	51,334,916	51,004,607
Weighted average number of ordinary shares for diluted loss per share	51,334,916	51,004,607

The options outstanding at 30 June 2023 are anti-dilutive and were not included in determining the weighted average number of ordinary shares for diluted loss per share.

a. Accounting policies

Basic earnings per share is calculated as net profit attributable to members of the Company, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, including, if any:

- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses/income;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and,
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus if any.

7. Notes to consolidated statement of cash flows

a. Analysis of balances

(i) Reconciliation of loss to net cash inflow from operating activities

	2023 $'000	2022 $'000
Loss from ordinary activities after income tax	(14,254)	(32,767)
Adjustments and non-cash items:		
- Changes in fair values of financial assets and liabilities	14,681	66,741
- Dividends received/receivable from associates and joint venture	18,544	10,194
- Impairment of assets	14,014	3,796
- Hareon liability settlement expense	4,927	983
- Depreciation and amortisation expense	3,717	3,269
- Net foreign exchange losses	2,394	765
- Share-based payments	2,055	1,206
- Share of net profit from associates and joint venture	(8,062)	(8,130)
- Other	496	26
Changes in operating assets and liabilities:		
- Decrease/(increase) in trade and other receivables	3,184	(1,773)
- Increase in other assets	(41)	(115)
- (Decrease)/increase in trade and other payables	(1,447)	3,533
- (Decrease)/increase in current taxes	(10,766)	10,381
- Decrease in deferred taxes	(7,557)	(34,603)
- Decrease in provisions	(63)	(38)
Cash flows provided by operating activities	**21,822**	**23,468**

(ii) Non-cash investing and financing activities

	2023 $'000	2022 $'000
Investing activities:		
- Recognition of right-of-use assets	1,497	505
- Recognition of leasehold improvements	440	127
	1,937	**632**
Financing activities:		
- Dividends reinvested	2,885	2,272
- Recognition of lease liabilities	1,937	633
	4,822	**2,905**

C. OPERATING ASSETS AND LIABILITIES

This section provides information regarding the operating assets and liabilities of the Group as at end of the year, including further details on cash and cash equivalents, trade and other receivables, other financial assets, right-of-use assets and related lease liabilities, trade and other payables and provisions.

8. Cash and cash equivalents

a. Analysis of balances

	2023 $'000	2022 $'000
Cash at bank	**23,201**	**34,886**

b. Accounting policies

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the consolidated statement of cash flows, cash consist of cash.

For short-term deposits with an original maturity of more than three months but less than one year, these are classified separately as short-term deposits.

9. Trade and other receivables

a. Analysis of balances

	2023 $'000	2022 $'000
Current		
Trade receivables	2,043	3,947
Dividend receivable	5,214	5,391
Sundry receivables	44	90
	7,301	9,428
Loss allowance for expected credit losses	(6)	(411)
	7,295	**9,017**
Non-current		
Trade receivables	**646**	**1,796**

(i) Impairment

The loss allowance for trade receivables, contract assets, dividend and sundry receivables as at 30 June 2023 was determined as follows:

	Current	Past due 31- 60 days	Past due 61- 90 days	Past due over 90 days	Past due with full loss allowance	Total
2023						
Expected loss rate	0.050%	0.050%	2.564%	5.263%	100%	
Gross carrying amount ($)	2,689,000	—	—	—	—	2,689,000
Loss allowance ($)	1,000	—	—	—	—	1,000
Dividend and sundry receivables ($)						5,000
Total loss allowance ($)						6,000
2022						
Expected loss rate	0.050%	0.050%	2.564%	5.263%	100%	
Gross carrying amount ($)	5,337,000	—	—	—	406,000	5,743,000
Loss allowance ($)	3,000	—	—	—	406,000	409,000
Dividend and sundry receivables ($)						2,000
Total loss allowance ($)						411,000

Movement of the loss allowance for expected credit losses:

	2023 $'000	2022 $'000
Opening balance	411	5
Additions	8	386
Write-off	(424)	—
Effect of foreign currency differences	11	20
Closing balance	6	411

b. Accounting policies

Trade and other receivables, which are generally on 30 days to 90 days terms, are recognised at fair value and subsequently valued at amortised cost, less any allowance for uncollectible amounts. Cash flows relating to short term receivables are not discounted as any discount would be immaterial.

To measure the expected credit losses, trade receivables and contract assets and dividend receivable and sundry receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled asset management and distribution services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. In determining the expected loss rates, the Group reviewed the collection history, anticipated collection trend for the year and the credit worthiness of its counterparties. The Group's counterparties are institutional clients with high credit ratings with no known history of default.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there are no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

c. Key estimates, judgments, and assumptions

Impairment of trade and other receivables

The Group applied the AASB 9 '*Financial Instruments*' ("AASB 9") simplified approach to measuring expected credit losses which uses an expected loss allowance for all trade and other receivables. The loss allowance was determined on the days past due and the credit risk characteristics of the balances.

The Group undertook a review of its trade, dividends and sundry receivables and the expected credit losses for each. The expected loss rates are then based on the payment profiles over a period of 36 months before 30 June 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are then adjusted to reflect current and forward-looking information on various factors affecting the ability of the counterparties to settle the receivables including the review of their financial statements.

10. Other financial assets

a. Analysis of the balances

	Type of Instrument	2023 $'000	2022 $'000
Current			
Financial assets at amortised cost:			
- Receivable from EAM Global[1]	Debt	433	567
- Loans receivable from IFP[2]	Debt	375	—
		808	567
Financial assets at FVTPL:			
- Receivable from Raven[3]	Debt	—	623
		808	**1,190**
Non-current			
Financial assets at amortised cost:			
- Loans receivable from Astarte[4]	Debt	936	—
- Receivable from EAM Global[1]	Debt	—	407
- Loans receivable from IFP	Debt	—	65
		936	472
Loss allowance for expected credit losses		(7)	(6)
		929	466
Financial assets at FVTPL:			
- Investment in GQG Inc[5]	Equity	164,983	173,917
- Investment in Carlisle[6]	Debt and Equity	65,067	75,179
- Investment in Cordillera[7]	Equity	44,855	—
- Investment in Proterra[8]	Equity	39,612	40,404
- Other	Debt	116	306
		314,633	289,806
Financial assets at FVTOCI:			
- Investment in EAM Global[9]	Equity	9,331	14,513
		324,893	**304,785**

Notes:

[1] The receivable from EAM Global is the USD2,250,000 loan provided by the Group on 21 February 2018. The loan has a term of six-years with interest of 10% per annum to assist EAM Global in financing the repurchase of its equity from an outside shareholder. Repayments are received on a quarterly basis and the loan is expected to be fully settled by EAM Global in June 2024.

[2] On 27 January 2023, the Group extended a Short-Term Credit Facility Promissory Note to IFP amounted to $372,000 (USD250,000). This facility bears 10% to 15% interest per annum and is expected to be fully settled on 31 August 2023.

[3] The receivable from Raven was the earn-out component of the consideration on the sale of the investment on 14 October 2016. The Group is paid 33.33% of the management fees earned by Raven on new FUM. Payments are calculated quarterly until the USD3,500,000 earn-out cap is met. The receivable was fully collected on 11 August 2022.

[4] On 2 December 2022, the Group extended a Secured Credit Facility Promissory Note to Astarte of up to $892,000 (USD600,000). This facility has a term of five years and bears a 10% interest per annum. A full draw down was made by Astarte during the year.

[5] Pertains to the 4% equity interest in GQG Inc.

GQG Inc is a global boutique asset management firm focused on active equity portfolios. GQG Inc was incorporated in Delaware USA as a corporation. On 13 September 2021, it was registered as a foreign company in Australia under the applicable provisions of the *Corporation Act 2001*. On 29 October 2021, GQG was listed in the ASX.

[6] The investment in Carlisle comprises 12,500 Preferred Shares of Carlisle and 5,000,000 units of Contingent Convertible Bonds issued by Carlisle. The Group is entitled to 16% of the revenues and 40% of the liquidation proceeds in the event of a sale.

Carlisle, founded in 2009, is a fully regulated alternative investment fund manager which manages alternative investment funds exclusively investing in life settlements in the USA. Carlisle is organised under the laws of Luxembourg as a partnership limited by shares.

[7] On 6 April 2023, the Group acquired an interest in Cordillera and special limited partnership interests in limited partnership vehicles managed by Cordillera for $44,405,000 (USD29,880,000). The Group is entitled to 16.38% gross revenues, funds, carried interest and proceeds received by Cordillera less certain costs and expenses and 24.90% liquidation proceeds in the event of sale.

Cordillera is based in San Francisco, California, USA and has three strategies that focus on investing in niche, non-correlated private investments with the objective of delivering diversifying and attractive risk-adjusted returns. It targets unique asset classes that are not yet heavily trafficked by other institutional investors.

[8] This pertains to the 16% equity interest in Proterra acquired on 21 September 2019. The Group is entitled to 8% of the gross management revenues and 16% of the liquidation proceeds in the event of a sale.

On 14 June 2023, Proterra Investment Partners, LP ("Proterra") and the Group agreed to sell Proterra's line of business held by its subsidiary Proterra Investment Partners Asia PTE. Ltd to Challenger Funds Management Holdings Pty Limited, a subsidiary of Challenger Limited (ASX: CGF) On 17 June 2023 the Group received its share of the proceeds of $12,364,000 (USD8,320,000) less transaction costs. The sale of Proterra Asia did not change the Group's equity interest in Proterra.

Proterra is an alternative investment manager based in Minneapolis, Minnesota, USA offering private equity investment strategies focused on global natural resources.

[9] This pertains to the Group's 18.75% equity interest in EAM Global.

EAM Global was founded in March 2014, organised as a Delaware Limited Liability Company and is registered with the USA Securities and Exchange Commission. EAM Global manages emerging markets small cap, international small cap and international micro-cap public equities strategies.

(i) Impairment of other financial assets at amortised cost

Movement of the loss allowance for expected credit losses:

	2023 $'000	2022 $'000
Opening balance	6	6
Additions	358	—
Write-off	(358)	—
Foreign currency movement	1	—
Closing balance	**7**	**6**

(ii) Movement of financial assets at amortised cost

	Opening balance $'000	Additions and interest accrued $'000	Collections $'000	Impairment $'000	Reclassi-fications $'000	Effect of foreign currency differences $'000	Closing balance $'000
2023							
Current	567	434	(701)	—	485	23	808
Non-current	472	1,236	—	(358)	(485)	71	936
	1,039	1,670	(701)	(358)	—	94	1,744
2022							
Current	1,045	457	(1,384)	—	388	61	567
Non-current	810	—	—	—	(388)	50	472
	1,855	457	(1,384)	—	—	111	1,039

(iii) Movement of financial assets at FVTPL

	Opening balance $'000	Additions $'000	Recognition of restructured investment $'000	Collections/ disposals $'000	Change in fair value $'000	Reclassi-fications $'000	Effect of foreign currency differences $'000	Closing balance $'000
2023								
Current	623	—	—	(653)	13	—	17	—
Non-current	289,806	44,405	—	(12,364)	(17,917)	—	10,703	314,633
	290,429	44,405	—	(13,017)	(17,904)	—	10,720	314,633
2022								
Current	1,198	—	—	(1,332)	93	594	70	623
Non-current	92,086	69	246,831 [1]	2,811	(66,420)	(2,577) [2]	17,006	289,806
	93,284	69	246,831	1,479	(66,327)	(1,983)	17,076	290,429

Notes:
[1] This pertains to the recognition of the investment in GQG Inc as a result of the restructure of GQG LP.
[2] This amount included the transfer of $1,983,000 investment in IFP - preferential distribution to investment in associate as a result of the restructure of IFP.

(iv) Movement of financial assets at FVTOCI

	Opening balance $'000	Additions $'000	Restructure $'000	Derecog-nition of restructured investment $'000	Change in fair value $'000	Effect of foreign currency differences $'000	Closing balance $'000
2023							
Non-current	14,513	—	—	—	(5,654)	472	9,331
2022							
Non-current	128,884	—	(58,089)	(246,831)	185,546	5,003	14,513

b. Accounting policies

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost; and,
- those to be measured subsequently at fair value, either through profit or loss or through other comprehensive income.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group had made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(ii.a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

(ii.a.1) At amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

(ii.a.2) FVTPL

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(ii.b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the Group's right to receive payments is established.

Changes in the fair value of FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

(iii) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. For equity instruments at fair value through other comprehensive income, the cumulative change in fair value is transferred from investment revaluation reserve to retained earnings.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it is recognised in profit or loss.

c. Key estimates, judgments, and assumptions

(i) Valuation of financial assets at fair value

The Group exercises significant judgement in areas that are highly subjective. The valuation of financial assets and the assessment of carrying values require that a detailed assessment be undertaken which reflects assumptions on markets, manager performance and expected growth to project future cash flows that are discounted at a rate that imputes relative risk and cost of capital considerations. Refer to Note 18f for the fair value disclosures.

(ii) Impairment of financial assets at amortised cost

The loss allowances for financial assets at amortised cost are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions and forward-looking estimates at the end of each reporting period.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

11. Right-of-use assets and related lease liabilities

a. Analysis of balances

(i) Right-of-use assets

	2023 $'000	2022 $'000
Office leases, net of accumulated amortisation	2,140	834

Movement of right-of-use assets

	2023			2022		
	Office Leases $'000	Equipment Leases $'000	Total $'000	Office Leases $'000	Equipment Leases $'000	Total $'000
2023						
Cost						
Opening balance	1,521	—	1,521	912	21	933
Additions	1,588	—	1,588	505	—	505
Write-off	—	—	—	—	(22)	(22)
Effect of foreign currency differences	72	—	72	104	1	105
Closing balance	3,181	—	3,181	1,521	—	1,521
Accumulated amortisation						
Opening balance	(687)	—	(687)	(401)	(16)	(417)
Amortisation	(326)	—	(326)	(240)	(5)	(245)
Write-off	—	—	—	—	22	22
Effect of foreign currency differences	(28)	—	(28)	(46)	(1)	(47)
Closing balance	(1,041)	—	(1,041)	(687)	—	(687)
	2,140	—	**2,140**	**834**	**—**	**834**

(ii) Lease liabilities

	2023 $'000	2022 $'000
Current	359	281
Non-current	2,467	771
	2,826	**1,052**

Movement of lease liabilities

	Opening balance $'000	Additions $'000	Imputed interest $'000	Repayments $'000	Reclassification $'000	Effect of foreign currency differences $'000	Closing balance $'000
2023							
Current	281	95	125	(443)	290	11	359
Non-current	771	1,941	—	—	(290)	45	2,467
	1,052	2,036	125	(443)	—	56	2,826
2022							
Current	302	14	60	(393)	274	24	281
Non-current	378	618	—	—	(274)	49	771
	680	632	60	(393)	—	73	1,052

b. Accounting policies

(i) Right-of-use-assets and the related lease liabilities

The Group's leasing activities and how these are accounted for

Leases are recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Subsequent to initial recognition, the right-of-use assets are measured at cost (adjusted for any remeasurement of the associated lease liability) less accumulated amortisation. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(ii) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

(iii) Variable lease payments

For leases where the future increases are variable based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

During the current financial year, the Group does not have variable lease payments.

12. Trade and other payables

a. Analysis of balances

	2023 $'000	2022 $'000
Current		
Trade payables	916	61
Accrued expenses	4,861	5,091
Other payables	1,979	3,648
	7,756	**8,800**

b. Accounting policies

Trade and other payables are carried at amortised cost and given their short-term nature; they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of the goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

13. Provisions

a. Analysis of balances

	2023 $'000	2022 $'000
Current		
Provision for estimated liability to Hareon[1]	—	12,356
Provision for annual leave	409	466
	409	**12,822**
Non-current		
Provision for long service leave	**38**	**34**

Notes:
[1] Pertained to the value of the Hareon put option pursuant to the Aurora Share Subscription and Assignment Deed ("Aurora Subscription Deed"), dated 28 July 2015, between Aurora Investment Management Pty Ltd (as the Trustee of The Aurora Trust), the Aurora Trust, Hareon, NCI and Nereus Holdings Inc. The Group agreed to make a contingent additional contribution to NCI of up to five over seven (5/7) of Hareon's capital contribution less any amounts funded under the Guarantee. The Additional Contribution to NCI in the amount of USD13,500,000 is reduced by the amount of Guarantee paid of USD1,605,000. The put option price is equivalent to a return of Hareon's invested capital plus a specified return on the invested capital.

On 31 August 2022, the Group through Aurora Investment Management Pty Ltd (as the Trustee of Aurora Trust), Hareon, NCI and Nereus Holdings Inc Group executed the Deed whereby the parties have agreed to the full satisfaction of the obligations of the Group to Hareon in the amount of $17,638,000 (USD11,869,000). The Group paid Hareon $10,403,000 (USD7,000,000) on 16 September 2022 and the remaining balance of $7,235,000 (USD4,869,000) on 31 October 2022. With the full settlement of the liability to Hareon, the Group's obligations to Hareon were terminated in its entirety pursuant to the Deed.

The Group now classifies its investment in NCI as a joint venture and continues to look for opportunities to exit the investment in an orderly fashion by actively offering the underlying investments for sale. At 30 June 2023, the carrying value of the Group's investment in NCI is $nil.

Movement of provision for estimated liability to Hareon for the year

	2023 $'000	2022 $'000
Opening balance	12,356	10,698
Expense for the year	4,927	983
Repayments	(17,638)	(276)
Effect of foreign currency differences	355	951
Closing balance	**—**	**12,356**

b. Accounting policies

(i) Provisions

Provisions are recognised when the Group has a present obligation (contractual, legal, or constructive) as a result of a past event, it is probable that 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 provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

(ii) Provision for annual leave and long service leave

A liability is recognised for benefits accruing to employees in respect of annual leave and long service leave in the period the related service is rendered, when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

D. CAPITAL, FINANCING AND FINANCIAL RISK MANAGEMENT

This section provides information regarding the capital, financing, and financial risk management of the Group during the year, including further details on financial liabilities, share capital, reserves, dividends paid and proposed, financial risk management and capital commitments, short-term operating lease commitments and contingencies.

14. Financial liabilities

a. Analysis of balances

	2023 $'000	2022 $'000
Current		
Financial liabilities at FVTPL:		
- Deferred payment - former owners of EAM Global	**—**	**133**
Non-current		
Financial liabilities at amortised cost:		
- Senior Secured Debt Facility[1]	42,789	—
Financial liabilities at FVTPL:		
- Earn-out liability - Aether[2]	3,614	4,639
- Earn-out liability - Pennybacker[3]	2,252	6,425
	5,866	11,064
	48,655	**11,064**

Notes:

[1] On 24 October 2022, the Company secured a $74,306,000 (USD50,000,000) Debt Facility from WHSP. The Debt Facility has a term of five years from the first draw down (subject to extension option) and bears an interest per annum of the aggregate of a term secured overnight financing rate (subject to a floor of 1%) and 4.8% margin. In addition, the Group is required to maintain a loan to net assets ratio of less than 0.5 times. The Debt Facility is secured by the assets of the Group.

On 26 October 2022, the initial amount of $44,583,000 (USD30,000,000), excluding the 2.5% discount on the proceeds of $1,115,000 (USD750,000) was drawn down. The remaining $29,723,000 (USD20,000,000) can be drawn down in two equal amounts as requested by the Company.

The transaction costs incurred on the Debt Facility amounted to $1,599,000.

[2] The earn-out liability represents the amount owed by the Group to the former owners of Aether, for marketing and offering interests in the ARA Fund V. This is due at the earlier of the final close of ARA Fund VII or three years after the close of ARA Fund VI. ARA Fund VI or ARA Fund VII are yet to be launched.

[3] The earn-out liability represents the potential obligation to Pennybacker with a maximum additional consideration for $11,146,000 (USD7,500,000), which would be paid between the closing of the acquisition date and 31 December 2024 if certain revenue thresholds for Pennybacker's emerging growth and income platforms are met.

On 21 December 2022, the Group partially settled its earn-out obligation to Pennybacker of $2,364,000 (USD1,591,000) as a result of reaching certain revenue thresholds for Pennybacker's income platforms.

(i) Movement of financial liabilities at FVTPL

	Opening balance $'000	Additions $'000	Revaluation $'000	Repayments $'000	Reclassi-fications $'000	Effect of foreign currency differences $'000	Closing balance $'000
2023							
Current	133	—	(41)	(2,459)	2,364	3	—
Non-current	11,064	—	(3,182)	—	(2,364)	348	5,866
	11,197	—	(3,223)	(2,459)	—	351	5,866
2022							
Current	258	—	(59)	(208)	126	16	133
Non-current	9,857	—	472	—	(126)	861	11,064
	10,115	—	413	(208)	—	877	11,197

b. Accounting policies

The Group's financial liabilities are classified in accordance with the substance of the contractual arrangement.

(i) Financial liabilities at amortised cost

These financial liabilities are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) Financial liabilities at FVTPL

The Group designates its financial liabilities as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the standard permits the entire combined contract to be designated as at fair value through profit or loss.

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss under net gains/(losses) on financial liabilities.

c. Key estimates, judgements, and assumptions

(i) Valuation of financial liabilities at fair value

The Group exercises significant judgement in areas that are highly subjective (refer to Note 18f). The valuation of liabilities and the assessment of carrying values require that a detailed assessment be undertaken which reflects assumptions on markets, manager performance and expected growth to project future cash outflows that are discounted at a rate that imputes relative risk and cost of capital considerations.

15. Share capital

a. Analysis of balances

	2023 $'000	2022 $'000
Issued and fully paid ordinary shares	**189,897**	**186,927**

Movements in ordinary shares on issue

	2023		2022	
	No. of shares	$'000	No. of shares	$'000
Opening balance	51,149,723	186,927	50,828,844	184,655
Shares issued:				
- 13 April 2023 under the DRP	236,267	1,621	—	—
- 13 October 2022 issuance to settle the vested performance rights	11,182	85	—	—
- 11 October 2022 under the DRP	176,562	1,264	—	—
- 14 April 2022 under the DRP	—	—	112,171	786
- 7 October 2021 under the DRP	—	—	208,708	1,486
Closing balance	51,573,734	189,897	51,149,723	186,927

The Company offers shareholders the opportunity to increase their holdings by participation in the DRP. The Company's DRP offers shareholders the option to reinvest all or part of their dividend in new ordinary shares.

The new shares rank equally with existing shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

b. Accounting policies

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

c. Capital management

The Company's capital management policies focus on ordinary share capital. When managing capital, the Board's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders.

During the year ended 30 June 2023, the Company paid dividends of $19,465,000 including dividends reinvested of $2,885,000 (2022: dividends of $20,871,000 including dividends reinvested of $2,272,000). The Board anticipates that the payout ratio is 60% to 80% of the underlying net profit after tax of the Group. The Board continues to monitor the appropriate dividend payout ratio over the medium term.

The Board is constantly reviewing the capital structure to take advantage of favourable cost of capital or high returns on assets. As the market is constantly changing, the Board may change the amount of dividends to be paid to shareholders or conduct share buybacks.

16. Reserves

a. Analysis of balances

	2023 $'000	2022 $'000
Investment revaluation reserve	(2,970)	1,102
Foreign currency translation reserve	83,557	64,405
Equity-settled employee benefits reserve	9,826	7,908
	90,413	**73,415**

(i) Investment revaluation reserve

This reserve records the Group's net gain on its financial assets at FVTOCI.

Movements in reserve:

	2023 $'000	2022 $'000
Opening balance	1,102	83,350
Movement in the other comprehensive income:		
- Change in fair value of financial assets at FVTOCI, net of income tax	(4,071)	138,507
- Effect of foreign currency differences	(1)	2,978
	(4,072)	141,485
Transfers between reserve:		
- Transfer of the cumulative change in fair value, net of income tax, on derecognised financial assets at FVTOCI	—	(223,733)
Closing balance	**(2,970)**	**1,102**

(ii) Foreign currency translation reserve

The reserve records the Group's foreign currency translation reserve on foreign operations.

Movements in reserve:

	2023 $'000	2022 $'000
Opening balance	64,405	30,795
Movement in the other comprehensive income:		
- Exchange differences on translating foreign operations of the Group	19,242	33,476
- Share in foreign currency reserve of an associate, net of income tax	(15)	51
- Share of non-controlling interests	(75)	83
Closing balance	**83,557**	**64,405**

(iii) Equity-settled employee benefits reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to Note 25 for further details of these plans.

Movements in reserve:

	2023 $'000	2022 $'000
Opening balance	7,908	6,702
Share-based payments (refer to Note 25(ii))	2,055	1,206
Value of shares to settle performance rights vested (refer to Note 25(iii))	(137)	—
Closing balance	**9,826**	**7,908**

17. Dividends paid and proposed

a. Analysis of balances

	2023 $'000	2022 $'000
Previous year final:		
Fully franked dividend (23 cents per share) (2022: 26 cents per share)	11,764	13,215
Current year interim:		
Fully franked dividend (15 cents per share) (2022: 15 cents per share)	7,701	7,656
	19,465	**20,871**
Declared after the reporting period and not recognised:		
67.3% franked dividend (23 cents per share) (2022: Fully franked dividend of 23 cents per share)[1]	11,862	11,764

b. Franking credit balance

	2023 $'000	2022 $'000
The balance at the end of the financial year at 30% (2022: 30%)[2]	3,422	11,933
Franking credits that will arise from the receipt of dividends recognised as receivables by the parent entity at the reporting date	—	300
The impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to the members of the Company	(3,421)	(5,042)
The amounts of franking credits available for future reporting periods	**1**	**7,191**

The tax rate at which paid dividends have been franked and dividends proposed will be franked is 30% (2022: 30%).

Notes:
[1] Calculation was based on the ordinary shares on issue as at 31 July 2023 (2022: 31 July 2022).
[2] The decrease in franking credits arose from the payment of dividends to the members of the Company.

18. Financial risk management

The Group is exposed to a variety of financial risks comprising interest rate risk, credit risk, liquidity risk, foreign currency risk and price risk.

The Board have overall responsibility for identifying and managing operational and financial risks.

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the relevant notes.

The Group holds the following financial instruments:

	At amortised cost		At FVTPL		At FVTOCI		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets								
Cash and cash equivalents	23,201	34,886	—	—	—	—	23,201	34,886
Trade and other receivables								
– current	7,295	9,017	—	—	—	—	7,295	9,017
– non-current	646	1,796	—	—	—	—	646	1,796
Other financial assets								
– current	808	567	—	623	—	—	808	1,190
– non-current	929	466	314,633	289,806	9,331	14,513	324,893	304,785
Other assets								
– non-current	66	76	—	—	—	—	66	76
	32,945	46,808	314,633	290,429	9,331	14,513	356,909	351,750
Financial liabilities								
Trade and other payables	7,756	8,800	—	—	—	—	7,756	8,800
Other financial liabilities								
– current	—	—	—	133	—	—	—	133
– non-current	42,789	—	5,866	11,064	—	—	48,655	11,064
Lease liabilities								
– current	359	281	—	—	—	—	359	281
– non-current	2,467	771	—	—	—	—	2,467	771
	53,371	9,852	5,866	11,197	—	—	59,237	21,049

a. Interest rate risk

At the reporting date, the Group had the following direct exposure to global variable interest rate risk:

	2023	2022
	$'000	$'000
Interest bearing financial assets:		
- Cash and cash equivalents	**23,201**	**34,886**
Interest bearing financial liabilities:		
- Senior Secured Debt Facility	**42,789**	**—**

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

If interest rates had moved during the year as illustrated in the table below (using an average balance), with all other variables held constant, post tax profit/(loss) would have been affected as follows:

	2023	2022
Net impact on profit after tax	$'000	$'000
+1% [2022: 1%]/ 100 basis points, [2022: 100 basis points]	(102)	134
-1% [2022: 1%]/ (100 basis points), [2022: 100 basis points]	252	—

b. Credit risk

Credit risk arises from the financial assets of the Group which comprise, trade and other receivables, and other debt instruments. The Group's exposure to credit risk arises from potential default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note. The Group does not hold any credit derivatives to offset its credit exposure.

The Group transacts only with related parties and recognised creditworthy third parties. As such collateral is not generally requested nor is it the Group's policy to securitise its trade and other receivables and other debt instruments.

Receivable balances and loans made to related entities are monitored on an ongoing basis and remain within approved levels, with the result that the Group's exposure to bad debts is not significant. Refer to Note 9a(i) and Note 10a(i).

The Company provides financing to the members of the Group in certain circumstances where these entities are deemed credit worthy. The maximum exposure to credit risk is the carrying value of the loans.

c. Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and cash in bank balance by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both principal and interest cash flows. To the extent that interest rates are floating, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

	Weighted average effective interest rate	1 to 3 months $'000	3 months to 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	Total $'000
2023						
Trade and other payables	0%	6,588	1,168	—	—	7,756
Earn-out liability (Aether)	9.95%	—	—	—	5,040	5,040
Earn-out liability (Pennybacker)	13.20%	—	—	2,728	—	2,728
Lease liabilities	8.29%	107	280	284	2,014	2,685
Debt facility	11.41%	1,140	3,394	4,522	55,528	64,584
		7,835	**4,842**	**7,534**	**62,582**	**82,793**
2022						
Trade and other payables	0%	7,355	1,445	—	—	8,800
Earn-out liability (Aether)	12.71%	—	—	4,863	—	4,863
Earn-out liability (Pennybacker)	13.68%	—	954	—	7,767	8,721
Deferred payment (EAM Global)	18.34%	—	150	—	—	150
Lease liabilities	6.29%	89	271	243	273	876
		7,444	**2,820**	**5,106**	**8,040**	**23,410**

d. Foreign currency risk

The Group adopted an accounting treatment to hedge its dollar net assets for its Investment in Northern Lights Midco, LLC ("Midco") for foreign exchange exposure arising between the Australian dollar and USA dollar. At 30 June 2023, the Group's foreign exchange exposure from its USD denominated Debt Facility is considered minimal therefore hedging of its dollar net assets investment in Midco was not utilised.

(i) Consolidated statement of profit or loss

Profits and losses are translated at an average exchange rate. A falling Australian dollar relative to the USA dollar, UK pound ("GBP") and Euro ("EUR") results in a higher net profit in the Group. The regular expenses of the operations in Australia, the USA and the UK are predominantly funded with cash flows from those local operations.

(ii) Consolidated statement of financial position

The Group is an international multi boutique business with operations primarily within Australia, the USA, and the UK. In addition, the Group has an investment based in Luxembourg where the transactions are denominated in Euro. The impact of the Euro denominated transactions being the distributions and the related receivable from Carlisle is taken up through profit or loss. The impact of foreign currency translation of the foreign operations is taken up in the equity reserves of the Group.

At year end, the carrying amounts of the Group's financial assets and liabilities that are different from the functional currency of the Company and transactions that are denominated in foreign currency are as follows:

	2023			2022		
	USD	GBP	EUR	USD	GBP	EUR
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash and cash equivalents	16,182	2,316	—	24,051	7,904	—
Trade and other receivables	5,652	451	1,734	5,890	1,848	1,814
Other financial assets	324,765	936	—	305,975	—	—
Other assets	64	—	—	41	24	—
	346,663	**3,703**	**1,734**	**335,957**	**9,776**	**1,814**
Financial liabilities						
Trade and other payables	2,745	3,547	—	3,403	4,200	—
Other financial liabilities	48,655	—	—	11,197	—	—
Lease liabilities	2,826	—	—	1,052	—	—
	54,226	**3,547**	**—**	**15,652**	**4,200**	**—**

(iii) Sensitivity analysis

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date.

	2023		2022	
	Increase	Decrease	Increase	Decrease
	$'000	$'000	$'000	$'000
USD - change in rate by 1% - impact on profit after tax	27	(27)	(112)	112
EUR - change in rate by 1% - impact on profit after tax	14	(14)	14	(14)

Apart for the above sensitivities, the Group has no other material exposure in USD and GBP foreign currencies. The Group exposure in USD and GBP foreign currencies is mitigated because the balances of the Group in USD and GBP are from the Group's foreign operations. The impact of the foreign currencies is recognised as part of the foreign currency translation reserve, offsetting the exchange differences.

(iv) Accounting policies

Hedges of a net investment in a foreign operation that qualify for hedge accounting

The effective portion of the changes in the foreign currency risk component that is designated and qualifies as a hedge of a net investment in a foreign operation is recognised as part of foreign currency translation reserve within equity. The gain or loss relating to any ineffective portion is recognised immediately in profit or loss, within other expenses.

The accumulated gains and losses on the hedging instrument relating to the effective portion of the foreign currency risk component is reclassified from foreign currency translation reserve to profit or loss on the disposal or partial disposal of the foreign operation.

e. Price risk

The Group is exposed to securities price risk. This arises from the Group's investments in financial instruments held at fair value.

Sensitivity analysis

As at year end, if the key inputs discussed in Note 18f(i) have moved, post tax profit and reserves would have been affected as follows:

	2023		2022	
	Increase	Decrease	Increase	Decrease
	$'000	$'000	$'000	$'000
Financial assets at FVTPL				
- 1% variable inputs - impact on profit after tax	10,593	(8,963)	7,108	(6,206)
Financial assets at FVTOCI				
- 1% variable inputs - impact on equity	372	(326)	475	(417)
Financial liabilities at FVTPL				
- 1% variable inputs - impact on profit after tax	110	(114)	116	(120)

f. Fair value estimation

(i) Fair value hierarchy

Some of the Group's financial assets and financial liabilities are measured on a recurring basis at fair value at the end of each reporting period.

The Group classifies fair value measurements using the fair value hierarchy categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

The following table represents the Group's assets and liabilities measured and recognised at fair value as at 30 June 2023 and 2022.

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
2023				
Financial assets	164,983	41	158,940	323,964
Financial liabilities	—	—	5,866	5,866
2022				
Financial assets	173,917	234	130,791	304,942
Financial liabilities	—	—	11,197	11,197

The following table gives information about how the fair values of those financial assets / liabilities categorised as Level 3 items are determined (in particular, the valuation techniques and inputs used):

Financial instruments	2023 $'000	2022 $'000	Valuation techniques and unobservable inputs	Range of inputs	Sensitivity analysis
Financial assets at FVTPL					
Investments	149,609	115,655	Discounted Cash Flow • Revenue growth derived from FUM growth • Discount rate • Terminal growth rate	-4.09% to 32.97% (2022: 5.83% to 42.88%) 10.95% to 14.29% (2022: 12.21% to 15.82%) 3% (2022: 3%)	1% (2022: 1%) lower or higher terminal growth rate while all the other variables were held constant, the fair value would decrease by $9,120,000 and increase by $11,047,000 (2022: decrease by $5,508,000 and increase by $6,525,000).
Receivable from Raven (fully collected on 11 August 2022)	—	623	Discounted Cash Flow • Projected revenue from the new FUM of the business • Discount rate	(2022: 33.33%) (2022: 5.91%)	(2022: 1%) lower or higher discount rate while all the other variables were held constant, the fair value would (2022: increase by $2,000 and decrease by $2,000).
Financial assets at FVTOCI					
Investments	9,331	14,513	Discounted Cash Flow • Revenue growth derived from FUM growth • Discount rate • Terminal growth rate	6.04% to 12.18% (2022: 7.56% to 12.17%) 18.10% (2022: 18.34%) 3% (2022: 3%)	1% (2022: 1%) lower or higher terminal growth rate while all the other variables were held constant, the fair value would decrease by $429,000 and increase by $490,000 (2022: decrease by $549,000 and increase by $625,000).
Total	**158,940**	**130,791**			
Financial liabilities at FVTPL					
Earn out liabilities and deferred payments	5,866	11,197	Discounted Cash Flow • Projected revenue • Earn-out factor to earn-out multiplier • Discount rate	$4,795,000 (2022: $12,850,000) 50% (2022: 50%) 9.95% to 13.20% (2022: 9.88% to 18.34%)	1% (2022: 1%) lower or higher discount rate while all the other variables were held constant, the fair value would increase by $150,000 and decrease by $145,000 (2022: increase by $157,000 and decrease by $153,000).
Total	**5,866**	**11,197**			

(ii) Transfers between levels and changes in valuation techniques

There were no transfers between the levels of fair value hierarchy during the financial year. There were also no changes made to any of the valuation techniques applied as at 30 June 2023.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the table below, the carrying amounts of financial assets (cash and cash equivalents, trade and other receivables and security deposits) and financial liabilities (trade and other payables) recognised in the consolidated financial statements approximate their fair values.

	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Financial assets at amortised cost				
- Receivable from EAM Global	433	433	974	989
- Loans receivable from IFP	375	375	65	74
- Loans receivable from Astarte	936	1,006	—	—
Financial liabilities at amortised cost				
- Debt facility	42,789	43,466	—	—

19. Capital commitments, operating lease commitments and contingencies

a. Capital commitments

	2023 $'000	2022 $'000
The Group has outstanding capital commitments as follows:		
- Aether GPs (USD272,000) (2022: USD264,000)	404	382
- Additional Contribution to NCI (USDni) (2022: USD11,895,000)[1]	—	17,229
Total capital commitments	**404**	**17,611**

Notes:
[1] With the full settlement of the liability to Hareon as disclosed in Note 13, the Group's capital commitments were terminated in its entirety pursuant to the Deed.

At 30 June 2022, under the Aurora Subscription Deed and Shareholder's Deed referred in Note 13, the Group agreed to make an Additional Contribution to NCI in the amount of USD13,500,000; reduced by the amount of Guarantee paid of USD1,605,000.

b. Earn-out payments for future funds of Aether

This represents the potential commitment by the Group to the two founders of Aether, for marketing and offering interests for the set-up and successful launching of future Aether funds (ARA Fund VI and interim funds related to ARA Fund V and ARA Fund VI).

c. Contingent liabilities

	2023 $'000	2022 $'000
The Group has outstanding contingent liabilities as follows:		
- Guarantee to NCI (USDnil) (2022: USD5,000,000)[1]	—	7,242

Notes:
[1] With the full settlement of the liability to Hareon as disclosed in Note 13, the Group's contingent liabilities were terminated in its entirety pursuant to the Deed.

Prior to the full settlement of the liability to Hareon on 31 October 2022, the Group agreed to provide a guarantee ("Guarantee") to NCI of up to USD5,000,000 a year for each of the six years following the date of commission of the first solar project sponsored by NCI. This Guarantee was to cover any shortfall payments, which were basically the amounts that were drawn upon by NCI if and when certain prescribed thresholds in respect to annual revenues of NCI were not met.

d. Lease commitments

	2023 $'000	2022 $'000
Commitments for minimum lease payments:		
- not later than one year	11	10
- later than one year and not later than five years	19	29
- later than five years	—	—
Total lease commitments	**30**	**39**

The lease commitments relate to leases that are short-term and low value which were not capitalised.

e. Contingent assets

On 17 September 2019, the Company received an originating application in the Federal Court of Australia in Melbourne by Michael Brendan Patrick de Tocqueville and ASI Mutual Pty Limited (collectively "ASI") seeking leave of the court to commence a derivative action on behalf of the Company against individuals serving as Directors at the time of the 2014 merger between the Company and the Northern Lights Capital Group, LLC (including two current Directors) for matters arising out of the merger. On 20 February 2020, the Federal Court of Australia granted ASI leave to bring the proceedings. Omni Bridgeway (Fund 5) Australian Invt. Pty Ltd ("Litigation Funder") has given an undertaking to cover the Company's costs and any liabilities or adverse cost orders made against the Company in favour of the defendants. As a result, the claims are not expected to have a material adverse financial effect on the Company. If the proceedings are successful or are settled on terms that the defendants pay an agreed amount, the Company will be entitled to the net proceeds after deducting specified legal costs and the Litigation Funder's share. The proceedings are currently part heard. It is anticipated that closing submissions will be made by the parties in October 2023 with judgment to follow.

E. GROUP STRUCTURE

This section provides information regarding the group structure of the Group, including further details on interests in subsidiaries, intangible assets, investment in associates and joint venture, parent entity disclosure and related party transactions.

20. Interests in subsidiaries

The following are the Company's subsidiaries:

Name of subsidiaries	Country of incorporation	Ownership interest held by the Company	
		%	%
Aurora Investment Management Pty Ltd	Australia	100	100
The Aurora Trust	Australia	100	100
Treasury Group Investment Services Pty Ltd	Australia	100	100
Treasury ROC Pty Ltd[1]	Australia	100	100
Northern Lights MidCo, LLC	USA	100	100
Carlisle Acquisition Vehicle, LLC (“CAV”)[2]	USA	100	100
Northern Lights Capital Group, LLC	USA	100	100
NLCG Distributors, LLC	USA	100	100
Northern Lights Capital Partners (UK) Ltd (“NLCPUK”)	UK	100	100
Strategic Capital Investments, LLP	UK	60	60
Northern Lights MidCo II, LLC	USA	100	100
Aether Investment Partners, LLC	USA	100	100

Notes:
1 This subsidiary is a holding company and non-operating.
2 CAV is a limited liability company that holds the Group’s investment in Carlisle. Midco owns 1% and NLCPUK owns 99% of CAV.

a. Accounting policies

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders, potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements, and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income/(loss) are attributed to the members of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the members of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the Australian, US and UK subsidiaries are prepared for the same reporting period as the Company (30 June).

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

(ii) Foreign currency translations and balances

Functional and presentation currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of the Group are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the consolidated financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Translation of foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollar using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

For the purposes of presenting the transactions disclosed in the condensed notes to the financial statements, these transactions are translated into Australian dollar using the exchange rates prevailing at the date of transaction. For other amounts disclosed at the end of the reporting period, these amounts are translated into Australian dollar using the exchange rates prevailing at the end of the reporting period.

21. Intangible assets

a. Analysis of balances

	2023 $'000	2022 $'000
Goodwill, net of impairment	26,722	37,217
Other identifiable intangible assets, at carrying amount		
- Brand and trademark	8,106	7,821
- Management rights	6,560	9,277
	14,666	17,098
Total intangible assets	**41,388**	**54,315**

	Goodwill $'000	Brand and trademark $'000	Manage-ment rights $'000	Total $'000
Movement of intangible assets				
2023				
Opening balance	37,217	7,821	9,277	54,315
Amortisation	—	—	(3,024)	(3,024)
Impairment	(11,731)	—	—	(11,731)
Effect of foreign currency differences	1,236	285	307	1,828
Closing balance	**26,722**	**8,106**	**6,560**	**41,388**
2022				
Opening balance	34,282	7,205	11,218	52,705
Amortisation	—	—	(2,761)	(2,761)
Effect of foreign currency differences	2,935	616	820	4,371
Closing balance	**37,217**	**7,821**	**9,277**	**54,315**
Cash generating units				
Goodwill and other identifiable intangible assets:				
2023				
- Aether	26,722	8,106	6,560	41,388
2022				
- Aether	37,217	7,821	9,277	54,315

b. Accounting policies

(i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses, if any.

(ii) Brand and trademark and management rights

Brand and trademark and management rights acquired as part of a business combination are recognised separately from goodwill. These are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

- Brand and trademark – Subsequent to initial recognition, brand and trademark which have indefinite lives are reported at cost less accumulated impairment losses.
- Management rights – Subsequent to initial recognition, management rights are reported at cost less accumulated amortisation and accumulated impairment losses. Management rights are amortised as follows:
  - Acquired in 2014 – based on a straight-line basis over its estimated useful life of 12 years; and
  - Acquired in 2019 – based on 50% of the revenue from ARA Fund V over 12 years.

(iii) Impairment of goodwill, brand and trademark and management rights

For the purposes of impairment testing, goodwill, brand and trademark, and management rights are allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill, brand and trademark and management rights have been specifically identified to the cash-generating unit is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill to the unit, then to brand and trademark and management rights and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. A further impairment test is performed to the brand and trademark and management rights to determine individually if there is an indication that these other identifiable intangible assets may be impaired. Any impairment loss for the cash generating units (goodwill, brand and trademark and management rights) are recognised directly in profit or loss. Any impairment loss recognised for goodwill are not reversed in subsequent periods. For brand and trademark and management rights, any impairment loss recognised are reversed in subsequent periods if a business recovers or exceeds previous levels of financial performance.

c. Key estimates, judgments, and assumptions

Impairment of goodwill and other identifiable intangible assets

At the end of each reporting period, management assesses the level of goodwill and other identifiable intangible assets of each of the underlying assets of the Group. Should assets underperform or not meet expected growth targets from prior expectations, a resulting impairment of the goodwill and other identifiable intangible assets is recognised if that deterioration in performance is deemed not to be derived from short term factors such as market volatility. Factors that are considered in assessing possible impairment in addition to financial performance include changes to key investment staff, significant investment underperformance and litigation. Impairments of goodwill in relation to subsidiaries cannot be reversed if a business recovers or exceeds previous levels of financial performance.

Aether

The recoverable amount of Aether, a cash-generating unit, is determined based on its fair value calculation which uses cash flow projections. These cash flow projections include expected revenues from existing funds, which are largely certain, as well as anticipated new fund raising. A five-year discrete period was applied as it is believed that it is sufficient time for the business to be in a steady state in terms of launching new funds based on the existing plan for the business. During the year, the goodwill and other identifiable intangible assets were assessed and tested for impairment. At 30 June 2023, impairment of the goodwill of $11,731,000 (2022: no impairment) was recognised due Aether’s new fund raising activity being slower than previously anticipated.

A weighted average discount rate of 9.95% to 16.65% (2022: 12.71% to 14.01%) in the cash flow projections during the discrete period, tax rate of 21% (2022: 21%) and the terminal growth rate of 3% (2022: 3%) were applied.

Sensitivity analysis

An analysis was conducted to determine the sensitivity of the impairment test to reasonable changes in the key assumptions used to determine the recoverable amount of the CGU. The sensitivities tested include a 5% reduction in the annual cash flow of the CGU, a 1% decrease in the terminal growth rate used to extrapolate cash flows beyond the end of the discrete cash flows and a 1% increase in the discount rate applied to cash flow projections.

The impact on the impairment as result of these sensitivities is shown below:

Sensitivity	Impact on impairment assessment	Impairment $'000
A 5% decrease in cash flows	Further impairment of goodwill	1,948
A 1% decrease in terminal growth rate	Further impairment of goodwill	2,477
A 1% increase in discount rate	Further impairment of goodwill	2,917

AASB 136 requires that where a reasonably possible change in a key assumption would cause the carrying amount of the CGU to exceed its recoverable amount, the value at which an impairment first arises shall be disclosed.

22. Investment in associates and joint ventures

a. Analysis of balances

	2023 $'000	2022 $'000
Investment in associates		
Opening balance	164,050	102,803
Acquisition of associates	—	48,257
Additional contribution to associates	28	6,973
Subsequent reclassification from FVTPL to investment in associate (Note 22a(iv))	—	1,983
Share of net profits of associates	7,827	7,968
Dividends and distributions received/receivable	(17,098)	(9,374)
Impairment (Note 3)	(1,925)	(3,796)
Share in foreign currency reserve of an associate	(22)	72
Effect of foreign currency differences	5,879	9,164
Closing balance	158,739	164,050
Investment in joint ventures		
Opening balance	31,067	29,255
Share of net profits of a joint venture	235	162
Dividends and distributions received/receivable	(1,446)	(820)
Effect of foreign currency differences	1,120	2,470
Closing balance	30,976	31,067
Total	**189,715**	**195,117**

(i) Details of associates and joint venture

	Principal activity	Ownership interest 2023 %	Ownership interest 2022 %	Place of incorporation and operation
Associates				
Aether General Partners[1]	Funds Management	25.00	25.00	USA
ASOP Profit Share LP[2]	Investment Entity	39.06	39.03	Cayman Islands
Astarte Capital Partners, LLP[2]	Funds Management	44.46	44.46	UK
Banner Oak Capital Partners, LP[3]	Funds Management	35.00	35.00	USA
Blackcrane Capital, LLC[4]	Funds Management	-	25.00	USA
Capital & Asset Management Group, LLP[5]	Funds Management	40.00	40.00	USA/UK
IFP Group, LLC[6]	Investment Adviser	24.90	24.90	USA
Northern Lights Alternative Advisors LLP[7]	Placement Agent	23.00	23.00	UK
Roc Group[8]	Funds Management	30.01	30.01	Australia
Victory Park Capital Advisors, LLC[9]	Funds Management	24.90	24.90	USA
Victory Park Capital GP Holdco, L.P.[10]	Funds Management	24.90	24.90	USA
Joint ventures				
Copper Funding, LLC[11]	Investment Entity	50.00	50.00	USA
Nereus Capital Investments (Singapore) Pte. Ltd[12]	Investment Entity	74.19	8.72	Singapore
Associate of the joint venture Copper Funding, LLC				
Pennybacker Capital Management, LLC[13]	Funds Management	16.50	16.50	USA

Notes:

[1] Aether Real Assets GP I, LLC, Aether Real Assets GP II, LLC, Aether Real Assets GP III, LLC and Aether Real Assets III Surplus GP, LLC (collectively the "Aether General Partners") are the General Partners of Aether Real Assets I, L.P., Aether Real Assets II, L.P., Aether Real Assets III, L.P. and Aether Real Assets III Surplus, L.P. (collectively the "Funds"). The General Partners are responsible for the operation of the Funds and the conduct and management of its business.

[2] Astarte is based in London, England, is an investment manager focused on private markets real asset strategies. Astarte's business model is distinctive in that it provides anchor/seed capital, working capital, and fundraising support to operating experts and emerging investment managers to support their growth. ASOP-PSP was set-up to receive the portion of the revenues and income of ASOP Fund vehicles.

[3] Banner Oak is an alternative investment manager offering a private real estate strategy focused on the creation of growth of fully integrated private real estate operating companies. It is based in Dallas, Texas, USA.

[4] Blackcrane is a boutique asset management firm focusing on global and international equities.

[5] CAMG is a private infrastructure investment firm based in London and Washington DC, USA.

[6] IFP is a multi-custodial registered investment adviser focused on delivering personalised, concierge-level service to advisors in the USA specialising in wealth management and retirement plan consulting.

[7] NLAA is a strategic partner and placement agent based in London, England that focused on private equity and hedge funds.

[8] Roc Group is a specialised investment firm offering both pooled and customised Asia Pacific private equity solutions. Roc Group includes Roc Partners Pty Ltd and Roc Partners (Cayman) Limited. The Group holds stapled securities in Roc Group.

[9] VPC is a focused on private debt strategies-direct lending to financial service companies (Specialty Finance) with some investments in private equity.

[10] VPC-Holdco holds direct and indirect interest in VPC funds and their general partner entities.

[11] CFL is a limited liability company established as a joint venture of the Group with Kudu Investments Management, LLC ("Kudu") to hold the investment in Pennybacker.

[12] During the year, as a result of the settlement agreement, the Group's effective interest in NCI increased from 8.72% to 74.19%. The Group reassessed its investment in NCI and determined that the investment is a joint venture since the Group jointly controls NCI.

Although the Group has 74.19% effective interest in NCI, the Group has one out of three board representation and all decision making and approval rights either requiring unanimous written consent of the directors or written consent of at least two directors.

[13] Pennybacker is an alternative investment manager based in Austin, Texas, USA offering private equity investment strategies focused on both commercial, retail, office, and industrial assets, as well as affordable multifamily residential real estate in certain markets in the USA.

CFL owns 33% equity interest in Pennybacker, therefore the Group has an effective 16.50% ownership by virtue of its 50% equity interest in its joint venture investment in CFL.

(ii) Acquisitions of associates

On 31 December 2021, the Group acquired a 35% equity interest in Banner Oak for $48,257,000 (USD35,000,000). The acquisition included goodwill and other identifiable intangible assets of $47,885,000 (USD34,730,000).

(iii) Disposal of associates

On 31 December 2022, with the effect from 1 July 2022, Blackcrane purchased and redeemed the 25% equity ownership of the Group in Blackcrane with a potential value of up to $372,000 (USD250,000) to be paid as an earn-out. Blackcrane shall pay the Group in one or more installments in an amount equal to, for each financial year, 50% of all Blackcrane's revenues in excess of $2,229,000 (USD1,500,000) until such time as the full amount of purchase price has been paid in full to the Group. At 30 June 2023, Blackcrane is in the process of winding down its operations therefore the Group did not recognise any value on the potential earn-out.

(iv) Restructuring of associates

On 27 December 2021, the Group restructured its investment in IFP with an additional contribution of $5,515,000 (USD4,000,000) in exchange for an additional 20% of the economics or share in profit/losses of IFP and a preference in distribution. The restructure did not change the accounting treatment of the Group's investment in IFP.

(v) Wind-up of an associate

On 16 May 2023, the directors of CAMG resolved to take the necessary steps for the dissolution of CAMG. The decision to wind-up CAMG was the result of no visible short or medium term prospect of securing funds or generating income. As a result, the Group impaired its investment in CAMG. In addition, the Credit Facility of $358,000 (GBP200,000) with a term of two years and bears 10% interest per annum extended to CAMG on 14 December 2022, including the related accrued interest were also impaired (refer to Note 9 and Note 10 for the details).

b. Summarised financial information for associates and joint ventures

2023	Banner Oak $'000	Pennybacker $'000	VPC $'000	VPC-Holdco $'000	Aggregate of immaterial associates and joint venture $'000	Total $'000
Comprehensive income						
Revenue and other income for the year	23,501	50,632	39,834	23,367	169,593	306,927
Profit after tax for the year	12,559	9,883	(5,873)	22,780	1,394	40,743
Other comprehensive income for the year	—	—	—	—	62	62
Total comprehensive income for the year	12,559	9,883	(5,873)	22,780	1,456	40,805
Dividends/distributions received during the year	8,686	1,446	671	5,811	1,930	18,544
The above profit after tax includes the following:						
- Depreciation and amortisation	347	1,042	1,806	—	4,207	7,402
- Interest income	—	—	(74)	—	(20)	(94)
- Interest expense	39	83	1,817	—	493	2,432
- Income tax expense	—	—	—	—	3,427	3,427
Financial position						
Current assets	3,665	13,289	50,519	—	41,653	109,126
Non-current assets	661	1,746	22,939	— [1]	37,327	62,673
Current liabilities	(922)	(9,263)	(50,700)	(1,941)	(31,362)	(94,188)
Non-current liabilities	(233)	(785)	(27,533)	—	(13,793)	(42,344)
Net assets/(liabilities)	3,171	4,987	(4,775)	(1,941)	33,825	35,267

Notes:
[1] The non-current assets balance of VPC-Holdco included the carried interest amounting to $36,615,000, of which the Group has $9,117,000 share, was not recognised in accordance with AASB 15: Revenue ("AASB 15").

2023	Banner Oak $'000	Pennybacker $'000	VPC $'000	VPC-Holdco $'000	Aggregate of immaterial associates and joint venture $'000	Total $'000
Reconciliation of the summarised financial position to the carrying amount recognised by the Group:						
- Net assets/(liabilities) before determination of fair values	3,171	4,987	(4,775)	(1,941)	33,825	35,267
- Ownership interest in %	35.00%	16.50% [1]	24.90%	24.90%	51.87 % [2]	
- Proportion of the Group's ownership interest	1,110	823	(1,189)	(483)	17,545	17,806
- (Increase)/decrease in net assets/liabilities	(705)	(762)	(2,306)	(101)	4,999	1,125
- Acquired goodwill and other identifiable intangibles	48,532	30,144	56,299	22,199	3,356	160,530
- Impairment during the year	—	—	—	—	(2,053)	(2,053)
- Undistributed profits	1,309	771	6,004	—	4,173	12,257
- Foreign exchange movement	—	—	—	—	50	50
Closing balance	50,246	30,976	58,808	21,615	28,070	189,715
The above assets and liabilities include the following:						
- Cash and cash equivalents	3,105	1,428	3,744	—	15,214	23,491
- Current financial liabilities (excluding trade and other payables and provisions)	(250)	(455)	(1,134)	—	(4,066)	(5,905)
- Non-current financial liabilities (excluding trade and other payables and provisions)	(233)	(785)	(27,533)	—	(10,888)	(39,439)

Notes:
[1] The effective ownership interest of the Group of 16.50% was used calculating the proportion of the Group's ownership at Pennybacker through the joint venture in CFL.
[2] The rate relates to multiple different % across multiple entities.

2022	Banner Oak[1]	Pennybacker	VPC	VPC-Holdco	Aggregate of immaterial associates and joint venture	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Comprehensive income						
Revenue and other income for the year	10,886	32,326	61,510	8,187	165,291	278,200
Profit after tax for the year	5,524	8,188	16,670	7,661	3,601	41,644
Other comprehensive income for the year	—	—	—	—	240	240
Total comprehensive income for the year	5,524	8,188	16,670	7,661	3,841	41,884
Dividends/distributions received during the year	1,903	820	2,696	2,133	2,642	10,194
The above profit after tax includes the following:						
- Depreciation and amortisation	196	608	1,690	—	4,549	7,043
- Interest income	—	—	89	—	—	89
- Interest expense	31	90	1,089	—	956	2,166
- Income tax expense	—	—	—	—	2,973	2,973
Financial position						
Current assets	4,421	24,279	73,626	—	37,451	139,777
Non-current assets	1,033	—	31,235	— [2]	30,975	63,243
Current liabilities	(1,031)	(4,170)	(85,324)	(1,440)	(35,402)	(127,367)
Non-current liabilities	(466)	—	(9,264)	—	(14,627)	(24,357)
Net assets/(liabilities)	3,957	20,109	10,273	(1,440)	18,397	51,296

Notes:
[1] Banner Oak was acquired on 31 December 2021; therefore the comprehensive income information only covers the period from acquisition to 30 June 2022.
[2] The non-current assets balance of VPC-Holdco included the carried interest amounting to $70,513,000, of which the Group has $17,558,000 share, was not recognised in accordance with AASB 15.

2022	Banner Oak $'000	Pennybacker $'000	VPC $'000	VPC-Holdco $'000	Aggregate of immaterial associates and joint venture $'000	Total $'000
Reconciliation of the summarised financial position to the carrying amount recognised by the Group:						
- Net assets/(liabilities) before determination of fair values	3,957	20,109	10,273	(1,440)	18,397	51,296
- Ownership interest in %	35%	16.50% [1]	24.90%	24.90%	29 % [2]	
- Proportion of the Group's ownership interest	1,385	3,318	2,558	(359)	5,267	12,169
- (Increase)/decrease in net assets/liabilities	(994)	(3,259)	(5,930)	(70)	17,932	7,679
- Acquired goodwill and other identifiable intangibles	49,144	30,323	56,132	21,418	8,368	165,385
- Impairment during the year	—	—	—	—	(3,795)	(3,795)
- Undistributed profits	1,773	685	7,855	—	3,294	13,607
- Foreign exchange movement	—	—	—	—	72	72
Closing balance	51,308	31,067	60,615	20,989	31,138	195,117
The above assets and liabilities include the following:						
- Cash and cash equivalents	3,703	2,993	31,486	—	16,402	54,584
- Current financial liabilities (excluding trade and other payables and provisions)	(296)	—	(11,856)	—	(4,603)	(16,755)
- Non-current financial liabilities (excluding trade and other payables and provisions)	(466)	—	(9,264)	—	(13,422)	(23,152)

Notes:
[1] The effective ownership interest of the Group of 16.50%% was used calculating the proportion of the Group's ownership at Pennybacker through the joint venture in CFL.
[2] The rate relates to multiple different % across multiple entities.

c. Accounting policies

(i) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or joint control over those policies. A joint venture is an entity over which the Group has joint control over its net assets. Joint control is the power to control in the financial and operating policy decisions of the investee.

The financial statements of the associate that is domiciled in Australia and certain associates in the USA are prepared for the same reporting period as the Group (i.e., 30 June). For the other associates and joint venture, their reporting period vary between 31 March, 31 May, and 31 December. For equity accounting purposes, the Group takes up the proportionate share of the net profits/(losses) of these associates and joint venture based on their pro-rata financial statements as at 30 June, so as to align the proportionate share of their net profits/losses with the Group.

The results of associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting from the date on which the investee becomes an associate or a joint venture. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and deferred consideration and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income or loss of the associate or joint venture. When the Group’s share of losses of an associate or joint venture exceeds the Group’s interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

Distributions or dividends received from the associates or joint venture are reduced from the carrying value. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

(ii) Impairment

The requirements of AASB 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill and other identifiable intangible assets) is tested for impairment in accordance with AASB 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part (as a reduction) of the carrying amount of the investment.

(iii) Disposal

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

d. Key estimates, judgments, and assumptions

Impairment of investments in associates and joint venture

At the end of each reporting period, management is required to assess the carrying values of each of the underlying investments in associates and joint venture of the Group. Should assets underperform or not meet expected growth targets from prior expectations, a resulting impairment of the investments is recognised if that deterioration in performance is deemed not to be derived from short term factors such as market volatility. Factors that are considered in assessing possible impairment in addition to financial performance include changes to key investment staff, significant investment underperformance and litigation. A significant or prolonged decline in the fair value of an associate or joint venture below its cost is also an objective evidence of impairment. During the year, the investments in associates and joint venture were tested for impairment. CAMG was impaired for $1,934,000 (2022: $3,796,000 for Blackcrane and CAMG). CAMG was fully impaired at 30 June 2023 (refer to Note 22a(v) for details).

Sensitivity analysis

An analysis was conducted to determine the sensitivity of the impairment test to reasonable changes in the key assumptions used to determine the recoverable amount of the Group's investment in associates and joint ventures. The sensitivities tested include a 5% reduction in the annual cash flow of the associates, a 1% decrease in the terminal growth rate used to extrapolate cash flows beyond financial year 2023 and a 1% increase in the discount rate applied to cash flow projections.

The impact on the impairment as result of these sensitivities is shown below:

Sensitivity	Impact on impairment assessment	Impairment $'000
A 5% decrease in cash flows	No impairment	nil
A 1% decrease in terminal growth rate	No impairment	nil
A 1% increase in discount rate	No impairment	nil

AASB 136 requires that where a reasonably possible change in a key assumption would cause the carrying amount of the investment in associates to exceed its recoverable amount, the value at which an impairment first arises shall be disclosed.

23. Parent entity disclosures

Summarised presentation of the parent entity, Pacific Current Group Limited, financial statements:

	2023 $'000	2022 $'000
Summarised statement of financial position		
Assets		
Current assets	5,416	3,609
Non-current assets	227,968	225,791
Total assets	233,384	229,400
Liabilities		
Current liabilities	64,816	79,402
Non-current liabilities	44,677	1,284
Total liabilities	109,493	80,686
Net assets	**123,891**	**148,714**
Equity		
Share capital	189,897	186,927
Accumulated losses	(75,832)	(46,122)
Reserves	9,826	7,909
Total equity	**123,891**	**148,714**
Summarised statement of profit or loss and other comprehensive income		
Loss for the year	(10,245)	(5,444)
Other comprehensive income for the year	—	—
Total comprehensive loss for the year	**(10,245)**	**(5,444)**

The accounting policies of the Company being the ultimate parent entity are consistent with the Group except for the investment in subsidiaries. Investments in subsidiaries are accounted for at costs in the financial statements of the Company. The Company effectively provides commitments and guarantees to the Group as disclosed in Note 19.

24. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed below.

	2023	2022
	$	$
Compensation paid to key management personnel ("KMP") of the Company		
Short-term employee benefits	2,732,731	4,058,336
Post-employment benefits	56,959	52,207
Share based payments	1,101,051	1,089,826
	3,890,741	**5,200,369**

Detailed remuneration disclosures are provided in the Remuneration Report.

Apart from the above, the Group had no other transactions with Directors, their related parties, or loans to KMP.

Transactions with associates and affiliated entities
Revenue and other income transactions

	2023	2022
- Management fees - Aether funds under management	12,420,169	12,092,648
- Commission income - (2022: Blackcrane, and VPC)	—	3,081,984
- Retainer fees - Roc Group (2022: Blackcrane and Roc Group)	520,457	707,844
- Interest income - Astarte, CAMG and IFP (2022: IFP)	74,649	15,190
- Dividends and distributions income - GQG Inc (2022: GQG Inc and GQG LP)	13,578,014	9,646,442
- Other income – (2022: Blackcrane)	—	36,873
Investments in associates and joint venture transactions		
- Additional contributions - Aether GPs (2022: Aether GPs, IFP and CAMG)	28,265	6,972,680
- Dividends and distributions - Aether GPs, BannerOak, CFL, NLAA, Roc Group, VPC, and VPC-Holdco (2022: Aether GPs, BannerOak, CFL, NLAA, Roc Group, VPC, and VPC-Holdco)	18,544,027	10,194,442
- Loans to associates – Astarte, CAMG and IFP (2022: IFP)	1,607,584	344,692
- Collections of loans to associates - IFP (2022: IFP)	66,875	620,446
- Conversion of investment at FVTPL to associate - (2022: IFP)	—	1,983,438
Affiliated entities		
- Proceeds from the restructure of investment - (2022: GQG LLC)	—	60,247,178
Balances at the end of the reporting period		
- Trade receivables - Aether funds under management, Roc Group and VPC (2022: Aether funds under management, Blackcrane, Roc Group and VPC)	1,937,660	3,843,106
- Dividend receivable - NLAA and Roc Group (2022: NLAA and Roc Group)	484,088	1,790,510
- Interest receivable - IFP (2022: IFP)	24,390	10,771
- Loans receivable - Astarte and IFP (2022: IFP)	1,311,485	65,178

The above transactions with related parties were on normal terms and conditions.

F. OTHER INFORMATION

This section provides other information of the Group, including further details of share-based payments, auditor's remuneration, significant events subsequent to reporting date and adoption of new and revised Standards.

25. Share-based payments

a. The Group Long-Term Incentive ("LTI") Plan

(i) Options and performance rights

	Options		Performance Rights			
Date Granted	19 November 2021	24 February 2022	21 June 2018	25 June 2019	1 August 2019	24 February 2022
Vesting dates:						
Tranche 1	1 July 2024	1 July 2024	30 June 2021	30 June 2021	30 June 2021	30 June 2024
Tranche 2	1 July 2025	1 July 2025	30 June 2022	30 June 2022	30 June 2022	30 June 2025
Tranche 3	n/a	n/a	n/a	n/a	n/a	30 June 2026
Fair value per option/performance rights:						
Tranche 1	$1.49	$1.57	$0.55	$0.14	$1.28	$6.62
Tranche 2	$1.57	$1.64	$0.67	$0.23	$1.31	$6.31
Tranche 3	n/a	n/a	n/a	n/a	n/a	$6.02
No of options/ performance rights issued	1,740,000	690,000	2,500,000	750,000	200,000	430,500
Exercise price per share	$7.28	$7.28	$nil	$nil	$nil	$nil
Number of options/ performance rights vested:						
Tranche 1	–	–	–	–	–	–
Tranche 2	–	–	14,336	4,300	–	–
Tranche 3	–	–	–	–	–	–
Number of options/ performance rights forfeited:						
Tranche 1	–	–	1,250,000	375,000	75,000	–
Tranche 2	–	–	1,235,664	370,700	75,000	–
Tranche 3	–	–	–	–	–	–
Cancelled	–	–	–	–	50,000	18,000
Performance hurdles	Continued employment	Continued employment	Continued employment, share price hurdle and total shareholder return hurdle	Continued employment, share price hurdle and total shareholder return hurdle	Continued employment, share price hurdle and total shareholder return hurdle	Continued employment, and net asset value hurdle

The fair values of the options and performance rights were independently determined by valuation specialists Leadenhall Valuation Services Pty Ltd using Black Scholes pricing model. AON Solutions Australia Limited was commissioned to provide a report on the vesting of the performance rights.

(ii) Options and performance rights recognised in the profit or loss
The amount of option expense for the year was $1,213,000 (2022: $646,000) and the performance rights amortisation expense for the year was $842,000 (2022: $560,000).

(iii) Payments to settle share-based payments

Settlement of vested performance rights amounted to $137,000 (2022: $nil).

b. Accounting policies

The Company provides benefits to employees (including senior executives and Directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity settled transactions).

The Company's LTI plan is in place whereby the Company, at the discretion of the Board of Directors, awards performance rights to Directors, executives, and certain members of staff of the Company. Each performance right at the time of grant represents one company share upon vesting.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the vesting period based on the Group's estimate of equity instruments that will eventually vest.

The cumulative expense recognised for equity-based transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The consolidated statement of profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No cumulative expense is recognised for awards that do not ultimately vest because of the non-fulfilment of a non-market condition.

c. Key estimates, judgments, and assumptions

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using Black Scholes/ Monte-Carlo simulation model with the following assumptions used in arriving at the valuations:

	Volatility of the underlying share price	Expected dividend yield per annum	Risk free rates per annum
Options			
- 19 November 2021	40%	5.10%	0.95% and 1.40%
- 24 February 2022	40%	4.90%	1.60% and 1.70%
Performance rights			
- 21 June 2018	30%	3.84%	2.07% and 2.15%
- 25 June 2019	30%	4.48%	0.89% and 0.90%
- 1 August 2019	30%	3.60%	0.87% and 0.83%
- 24 February 2022	40%	4.90%	1.30%, 1.70% and 1.80%

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

26. Auditors' remuneration

Ernst & Young and related network firms:

	2023 $	2022 $
Audit or review of financial reports		
- Group	760,000	760,000
- Subsidiaries	45,772	48,533
Statutory assurance services required by legislation provided by the auditor	30,000	30,000
	835,772	838,533
Other auditors and their related network firms		
- Subsidiaries	264,862	141,713
Statutory assurance services required by legislation provided by the auditor	99,755	54,186
	364,617	195,899
Total auditors' remuneration	**1,200,389**	**1,034,432**

27. Significant events subsequent to reporting date

On 26 July 2023, the Company received an unsolicited, non-binding, indicative proposal from Regal Partners Limited (ASX: RPL) ("Regal") in co-operation with River Capital Pty Ltd, both major shareholders of the Company, to acquire 100% of the shares in the Company by way of a scheme of arrangement. Under Regal's proposal, the Company's shareholders will receive an implied total value of $11.12 per share, with the consideration comprising $7.50 in cash per Company share plus $3.62 being 2.2 x GQG Inc shares based on the closing price of GQG Inc shares on 25 July 2023 of $1.655. Regal's proposal also states that the Company shareholders may elect to substitute either or both elements of the consideration for Regal shares. A due diligence process is currently underway including the evaluation of Regal's proposal by the Independent Board Committee of the Company.

On 27 July 2023, the Company was notified by GQG Inc that the latter intends to submit a non-binding indicative proposal to acquire 100% of the shares in the Company.

On 25 August 2023, the Directors of the Company declared a final dividend on ordinary shares in respect of the 2023 financial year. The total amount of the dividend is $11,862,000 which represents a 67.3% franked dividend of 23.00 cents per share. The dividend has not been provided for in the 30 June 2023 consolidated financial statements.

Other than the matters detailed above, there has been no matter or circumstance, which has arisen since 30 June 2023 that has significantly affected or may significantly affect either the operations or the state of affairs of the Group.

28. Adoption of new and revised Standards

a. New and amended AASB standards that are effective from 1 July 2022

All new and revised accounting standards relevant to the Group that are mandatorily effective for the current year have been adopted by the Group. Adoption of these other new and revised accounting standards did not result in a material financial impact to the consolidated financial statements of the Group.

b. Standards and interpretations in issue not yet adopted

The AASB has issued several new and amended accounting standards and Interpretations that have mandatory application dates for future reporting periods have not been early adopted by the Group.

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

The Directors declare that:

(1) in the Directors' opinion, 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) in the Directors' opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in Section A in the notes to the financial statements;

(3) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(4) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

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

On behalf of the Directors

A. Robinson
Chairman

25 August 2023

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Pacific Current Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Pacific Current Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Emphasis of matter – Subsequent events

We draw attention to Note 27 to the financial statements which describes subsequent events related to a non-binding indicative proposal received from Regal Partners Limited (ASX: RPL) in co-operation with River Capital Pty Ltd, a major shareholder of the Group, to acquire 100% of the shares in the Group and to a notification by GQG Inc (ASX: GQG) that the latter intends to submit a non-binding indicative proposal to acquire 100% of the shares in the Group. Our opinion is not modified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Investments in associates and joint ventures

Why significant	How our audit addressed the key audit matter
As at 30 June 2023, the carrying value of the investments in associates and joint venture totals $190m, which is 31% of the total assets and the share of profits totals $8m, which is 21% of the total income for the year. The Group classifies investments in entities over which it has significant influence as associates in the statement of financial position and applies the equity method accounting in accordance with *AASB 128 Investments in Associates and Joint Ventures*. The Group performs an annual assessment to determine whether there is any objective evidence that investments in associates and joint ventures are impaired. The identification of indicators of impairment requires the application of significant judgement in terms of future cash flows, discount rates and terminal growth rates. This was considered a key audit matter due to its subjective nature and the quantitative impact on the Group's financial statements.	Our procedures included: - Evaluating the Group's assessment of significant influence over the investments, and the accounting treatment and presentation thereon; - Testing the appropriateness of the equity accounting for the Group's investments in associates. For the material associates, we issued group instructions to associate's auditors covering matters significant to the audit. We assessed the auditor's final report to confirm procedures were performed in accordance with the instructions and the conclusion reached was appropriate for the purposes of our audit; - Assessing the methodology used in the impairment models to calculate the recoverable amount of the associate in accordance with relevant Australian Accounting Standards; - Testing the mathematical accuracy of the impairment models; - Assessing assumptions applied in calculating the recoverable amount, including future cash flows, discount rates and terminal growth rates, in conjunction with our internal valuation specialists; and - Assessing the adequacy and appropriateness of the disclosures in Note 22 to the financial report.

Investments valuation

Why significant	How our audit addressed the key audit matter
The Group has a significant portfolio of financial assets at fair value. As at 30 June 2023, the value of these assets, as disclosed in Note 10 to the financial report was $324m, which equates to 53% of the total assets held by the Group. As disclosed in Note 10, $315m of the Group's fair value investments were classified as 'financial assets at fair value through profit or loss' ("FVTPL"), and $9m are classified as 'financial assets at fair value through other comprehensive income' ("FVTOCI"). For the financial instruments classified as Level 3, the fair value measurement is based on unobservable inputs and has a high level of complexity. Significant judgement and high level of uncertainty is involved in developing unobservable inputs, including forecasted future cash flows, terminal growth rates, and discount rates. This was considered a key audit matter due to its subjective nature and the quantitative impact on the Group's financial statements.	Our procedures included: - Agreeing the fair value of investments in the portfolio held at 30 June 2023 to independent pricing sources for listed securities; For Level 3 investments: - Assessing the methodology used by management to calculate the fair value of the investment in accordance with relevant Australian Accounting Standards; - Testing the mathematical accuracy of the model; - Assessing the assumptions applied in calculating the fair value, including future cash flows, discount rates and terminal growth rates, in conjunction with our internal valuation specialists; and - Assessing the adequacy of the disclosures in Note 10 to the financial report.

Building a better working world

Impairment assessment of goodwill

Why significant	How our audit addressed the key audit matter
As at 30 June 2023, the Group has goodwill of $27m. Goodwill has been recognised as a result of the Group's historical acquisitions, representing the excess of the purchase consideration over the fair value of assets and liabilities acquired. On acquisition date, the goodwill has been allocated to the applicable Cash Generating Units ("CGUs"). Goodwill is required to be tested for impairment annually. The determination of recoverable amount requires significant judgement in both identifying and then calculating the value of the relevant CGUs. Recoverable amounts are based on the Group's view of the key inputs and assumptions applied in measuring the recoverable amount of assets, including future cash flows, terminal growth rates, and discount rates. Accordingly, it was considered a key audit matter.	Our procedures included: - Assessing the Group's determination of the CGUs to which goodwill is allocated; - Assessing the methodology used by management in the impairment model to calculate the recoverable amount of the CGU in accordance with relevant Australian Accounting Standards; - Testing the mathematical accuracy of the impairment model; - Assessing the assumptions applied in calculating the recoverable amount, including future cash flows, discount rates and terminal growth rates, in conjunction with our internal valuation specialist; and - Assessing the adequacy of the disclosures in Note 21 to the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's 2023 annual report other than the financial report and our auditor's report thereon. We obtained the Directors' Report and Corporate Directory that are to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of 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 relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Building a better working world

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 33 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Pacific Current Group Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

R Da Silva

Rita Da Silva
Partner

Sydney
25 August 2023

Jaddus M Manga

Jaddus Manga
Partner

Sydney
25 August 2023

Directors
Mr. Antony Robinson, Non-Executive Chairman
Mr. Paul Greenwood, Executive Managing Director
Mr. Jeremiah Chafkin, Non-Executive Director
Ms. Melda Donnelly, Non-Executive Director
Mr. Gilles Guérin, Lead Independent Director
Mr. Peter Kennedy, Non-Executive Director

Executive Management
Mr. Paul Greenwood, Chief Executive Officer and Chief Investment Officer
Mr. Ashley Killick, Chief Financial Officer

Company Secretary
Ms. Clare Craven

Registered Office / Principal Place of Business
Suite 3, Level 3, 257 Collins Street, Melbourne, VIC, 3000
Phone +61 3 8375 9611
www.paccurrent.com

Share Register
Computershare Investor Services Pty Ltd
452 Johnston Street, Abbotsford, VIC, 3067
Phone +61 3 9415 5000

Bankers
Westpac Banking Corporation

Auditor
Ernst & Young
200 George Street
Sydney, NSW, 2000

Stock Exchange Listing
Pacific Current Group Limited shares are listed on the Australian Securities Exchange, code: PAC.