WT FINANCIAL GROUP LIMITED (ASX: WTL)
ABN 87 169 037 058

Appendix 4D
29 February 2024

Preliminary financial statements for the half-year ended 31 December 2023 as required by ASX listing rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2022)	**$000's**	**up/down**	**%**
Revenue and other income	80,138	down	4%
Operating profit (before depreciation, amortisation, interest and tax)	3,109	up	8%
Net profit before tax	2,259	up	7%
Net profit	2,191	down	4%

NET TANGIBLE ASSETS	**31 Dec 2023**	**31 Dec 2022**
Net tangible assets per ordinary security	(1.59) cents	(1.63) cents

DIVIDENDS

No dividend is proposed to be paid (PCP: Nil)

ADDITONAL INFORMATION

Additional information supporting the Appendix 4D disclosure requirements can be found in the Company's Interim Report for the half-year ended 31 December 2023 and Directors' Report and consolidated financial statements contained therein.

AUDIT REVIEW

This Appendix 4D and the Company's financial statements have been audit reviewed.

INTERIM REPORT – 31 DECEMBER 2023

WT Financial Group Limited

ABN 87 169 037 058

Contents

Directors' Report…… 3

Lead Auditor's Declaration of Independence…………………………………………………………………… 7

Consolidated Statement of Profit or Loss and other Comprehensive Income…………………………… 8

Consolidated Statement of Financial Position…………………………………………………………………… 9

Consolidated Statement of Changes in Equity…………………………………………………………………… 10

Consolidated Statement of Cash Flows…………………………………………………………………………… 11

Notes to the Consolidated Financial Statements………………………………………………………………… 12

Directors' Declaration……………………………………………………………………………………………… 25

Independent Auditor's Review Report…………………………………………………………………………… 26

DIRECTORS' REPORT
31 December 2023

The Directors present their report, together with the consolidated financial statements of WT Financial Group Limited (**WTL**, or **the Company**) and its controlled entities (**the Group**) for the half-year ended 31 December 2023 (**H1FY2024**).

The Company is listed on the Australian Securities Exchange (ASX code: WTL). The Company's Corporate Governance Statement is located at www.wtfglimited.com.

Directors

The following persons were Directors or Company Secretary of the Company during the whole of the 6-month period unless stated otherwise and to the date of this report.

Guy Hedley	Non-executive Chairman
Keith Cullen	Managing Director & CEO
Chris Kelesis	Non-executive Director
Michael Harrison	Non-executive Director (retired on 26 November 2023)
Chelsea Pottenger	Non-executive Director (appointed on 26 November 2023)
Ian Morgan	Company Secretary

Principal activities

WT Financial Group Limited has established itself as amongst the very largest financial adviser networks in Australia. Its wealth management, retirement planning and personal risk insurance advice services are delivered primarily through a group of more than 400 privately-owned advice practices whose advisers operate as authorised representatives of the Group under its Wealth Today Pty Ltd (**Wealth Today**), Sentry Group Pty Ltd (**Sentry**), and Synchron Advice Pty Ltd (**Synchron**) subsidiaries collectively operating as its business-to-business (**B2B**) division. On 8 December 2023, WTL acquired the Millennium3 Financial Services Pty Ltd (**M3**) network of financial advice practices (further details of which can be found below).

The Group's networks of wealth and personal risk insurance advisers now collectively have in excess of $23Bn of assets under advice; and annual in-force personal insurance premiums of more than $430M.

The Group's Wealth Adviser division is the Company's central services and support hub that provides its networks of financial advice practices a comprehensive range of licensing, risk management & compliance, education & training, technical support, and practice management and development services. Through regular in-person and livestreamed seminar and professional development programs and the publication of a library of more than 100 financial literacy handbooks and manuals, Wealth Adviser also offers market-leading consumer marketing and education tools and programs to advisers and their clients.

Importantly, each of Wealth Today, Sentry, Synchron and M3 are B2B brands (rather than consumer-facing brands), with financial advice practices in the Group operating under their own company, business and brand names - enabling them to build personal connection to their clients and the communities in which they operate.

The Group's business to consumer (**B2C**) division delivers a range of financial advice services directly to wholesale and retail clients through its Spring Financial Group brand.

These B2C operations continue to help underwrite critical intellectual property, and skilled human resources experienced in the practical application of financial advice and services which enable the Group to provide meaningful "real world" support and insights to the independently owned advice practices it supports.

Operating results and Review

A. Operating results for the year

The Group's consolidated EBITDA profit was 8% up on the prior corresponding period (PCP) to $3.11M (H1FY2023 $2.88M), while net profit before tax increased 7% to $2.26M (H1FY2023 $2.11M).

Statutory income tax expense was $68K, in contrast to the PCP when the Company recorded an income tax benefit of $171K, resulting in consolidated profit after tax of $2.19M (H1FY2023: $2.28M).

The result contributed to operating cashflow being up 72% to $1.80M (PCP: $1.05M), with cash at hand $5.23M on 31

December, despite the Company having settled its acquisition of Millennium3 Financial Services Pty Ltd (M3) with cash just prior to the period end.

The Group's focus is to ensure strong alignment in culture, values and upside with the advice practices it supports. That focus led to some rationalisation of the Group's networks last financial year which the Directors view as now being rewarded with significantly improved gross profit for the Gorup's advice network operations.

Along with disciplined operating cost containment, this has contributed to the increased and NPBT despite a 4% reduction in gross revenue and other income to $80.14M (H1FY2023: $83.45M). The Directors note that the slight reduction in NPAT on the PCP is due to a tax benefit in that period, against a tax expense for this period.

Summary of various components of the results:

- Total revenue and other income in the period decreased marginally on the PCP to $80.14M (H1FY2023: $83.45M) following some advice network rationalisation in the last financial year, while direct costs of revenue decreased to $71.75M (H1FY2023 $74.88M).
- Significantly improved gross profit of the Group's advice network operations contributed to EBITDA profit being up 8% to $3.11M (H1FY2023 $2.88M).
- Continued success of the Group's integration programs contributed to the improvement in EBITDA profit with operating expenses contained (and slightly decreased) to $5.45M (H1FY2023: $5.68M).
- Drawing on corporate facilities in early-mid 2023 to settle deferred acquisition payments resulted in an increase in finance costs to $522K (H1FY2023 $313K), while depreciation and amortisation declined to $320K (H1FY2023 $458K).
- The combination of improvements in gross profit margin, and a reduction in operating costs saw the Group's consolidated NPBT increase 7% to $2.26M (H1FY2023 $2.11M).
- Statutory income tax expense was $68K, contrasted to the PCP when the Company recorded an income tax benefit of $171K. This resulted in consolidated profit after tax being down slightly on the PCP to $2.19M (H1FY2023: $2.28M), notwithstanding the improvements in EBITDA and NPBT.

More detailed information relating to the performance of the Group's two key segments, which are "B2B Services"; and "B2C Services", is included at Note 3 of the financial statements.

Matters impacting the Results

The results for the half-year are reflective of the continued success with the integration of the Group's previous acquisitions. The slight decline in revenue and other income, and the reduction of both direct costs and operating expenses are reflective of the Group continuing a program of rationalisation of its networks and operations to focus profitability. The Group continues its strategy of ensuring strong alignment in culture and values with the advice practices it supports, and that alignment is leading to improved profitability.

The Directors are confident that the recent acquisition of M3 will further boost the profitability of the Group.

The completion of its various acquisitions over the past three years has represented the conclusion of a very deliberate strategy by WTL to shift from its previous direct to consumer (or B2C) focus to an advice network (or B2B) focus to capitalise on industry disruption.

The scale and depth of skills and assets created through these acquisitions has seen WTL emerge as an industry leader with an offering for modernised advice practices that the Directors consider is second to none. Accordingly, the Group is well positioned to achieve organic growth through aiding in the growth of existing practices, product and service innovation, and in turn the recruitment of more leading advice practices.

Whilst the Company has now surpassed the critical scale it was striving to achieve through its acquisition and renovation strategy and its focus is primarily growth in profits of itself and the practices it supports, the Directors will continue to consider corporate opportunities on their merits as and when they arise.

B. Review of financial condition

Financial position

The financial position of the Group as 31 December 2023 is summarised as follows:

- Net assets were $27.77M (30 June 2023 $25.58M) with the increase primarily attributable to the profit for the period.
- Net tangible assets (NTA) were $(5.39M) (30 June 2023 $(5.52M)) reflective of the material nature of acquired goodwill and the holding of no material tangible assets other than cash.
- NTA backing per ordinary share (1.59) cents (30 June 2023 (1.63) cents).
- The Group had drawn financing facilities of $6.68M (30 June 2023 $6.68M).

Cash from operations

Key matters related to and contributing to cash from operations of the Group during the period are summarised as:

Cash inflow from operating activities wase $1.80M (H1FY2023: $1.05M) which is net of more than $749K of cash outflows associated with prior period accruals.

Net of $1.49M of net cash outflows associated with investing activities; and $397K used in financing activities, overall cash and cash equivalents decreased by $81K during the period to $5.23M (30 June 2023 $5.31M).

Capital management

As at 31 December 2023 the Company had a total of 339,234,358 ordinary shares on issue (339,234,358 at 30 June 2023).

Acquisition of Millennium3

On 8 December 2023 the Company completed its acquisition of 100% of the issued capital of financial advice network Millennium3 Financial Services Pty Ltd (**M3**) from Insignia Financial Limited (ASX: IFL) (**IFL**). The Company paid $2.01M to acquire M3 on a debt free, cash free basis, with the transaction settled using cash at hand.

The M3 network is one of Australia's most established networks of financial advice professionals, with its origins tracing back over 30 years, and comprises around 75 privately-owned wealth and personal risk insurance practices across the country.

The M3 network has added circa $5Bn in FuA and more than $150M of in-force risk insurance premium to the Group, and further cements WTL as amongst the very largest financial adviser networks in Australia. The acquisition is highly synergistic, and the Directors consider it will be accretive to earnings.

Events Occurring After the Reporting Date

No other matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in periods.

The financial report was authorised for issue on 28 February 2024 by the Board of Directors.

Dividends

No dividends were paid during the period, and none have been declared in this Interim Report, however the Directors retain the policy to pay dividends at least once a year subject to profitability and outlook.

Audit services

In.Corp Audit & Assurance Pty Ltd (formerly known as Rothsay Audit & Assurance Pty Ltd) is the auditor of the Company and all Group entities and is the Group's lead auditor.

Rounding of Amounts

Some amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars in accordance with ASIC Legislative Instrument 2017/191.

Signed in Sydney this 28 February 2024 in accordance with a resolution of the Board of Directors of WT Financial Group Limited.

Guy Hedley
Chairman

Keith Cullen
Managing Director

In.Corp
Vision To Reality

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

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

To the Directors of WT Financial Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2023 there have been:

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

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

In.Corp Audit & Assurance Pty Ltd

Daniel Dalla
Director

Sydney, 28 February 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2023

	Note	31-Dec-23	31-Dec-22
		$	**$**
Revenue	2	**79,610,472**	82,066,863
Other income	2	**527,100**	1,385,157
Total revenue and other income		**80,137,572**	83,452,020
Less:			
Direct cost of revenue		**(71,573,880)**	(74,885,660)
Employee benefits expense		**(3,688,144)**	(3,972,563)
Advertising & marketing expenses		**(874,428)**	(433,379)
Consulting & professional fee expenses		**(231,493)**	(176,960)
Rental expenses		**(28,018)**	(147,033)
Other operating expenses		**(632,665)**	(952,007)
EBITDA		**3,108,944**	2,884,418
Less:			
Depreciation plant & equipment		**(32,965)**	(14,771)
Depreciation of right-of-use assets		**(287,433)**	(435,657)
Finance costs on lease liabilities		**(133,765)**	(64,152)
Other finance costs		**(395,862)**	(248,361)
Amortisation of intangible assets		**-**	(7,273)
Profit before income tax		**2,258,919**	2,114,204
Income tax benefit/(expense)	1 (d)	**(67,800)**	170,801
Profit after income tax expenses for the half-year		**2,191,119**	2,285,005
Other comprehensive income		**-**	-
Total comprehensive income for the half-year		**2,191,119**	2,285,005

Earnings per share for the half-year attributable to the owners of WT Financial Group Limited	Note	**31-Dec-23**	31-Dec-23
		cents	cents
Basic earnings per share (cents)	14	**0.649**	0.705
Diluted earnings per share (cents)	14	**0.649**	0.705

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the half-year ended 31 December 2023

	Note	31-Dec-23 $	30-Jun-23 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**5,232,237**	5,313,022
Trade and other receivables	5	**9,272,538**	6,140,065
Other assets	6	**1,734,229**	1,705,622
TOTAL CURRENT ASSETS		**16,239,004**	13,158,709
NON-CURRENT ASSETS			
Plant and equipment	7	**1,070,607**	1,354,716
Deferred tax assets		**2,461,988**	2,237,452
Intangible assets	8	**33,162,952**	31,096,472
TOTAL NON-CURRENT ASSETS		**36,695,547**	34,688,640
TOTAL ASSETS		**52,934,551**	47,847,349
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**13,913,833**	10,791,680
Provisions	11	**1,116,181**	1,725,651
Lease liabilities	12	**590,549**	623,891
TOTAL CURRENT LIABILITIES		**15,620,563**	13,141,222
NON-CURRENT LIABILITIES			
Provisions	11	**1,826,994**	1,427,019
Borrowings secured	10	**6,679,490**	6,679,490
Deferred tax liabilities		**487,486**	195,150
Lease liabilities	12	**551,763**	827,332
TOTAL NON-CURRENT LIABILITIES		**9,545,733**	9,128,991
TOTAL LIABILITIES		**25,166,296**	22,270,213
NET ASSETS		**27,768,255**	25,577,136
EQUITY			
Issued capital	13	**33,749,103**	33,749,103
Reserves		**26,659**	26,659
Accumulated dividends		**(6,827,069)**	(6,827,069)
Accumulated profits/ (losses)		**819,562**	(1,371,557)
Retained earnings		**(6,007,507)**	(8,198,626)
TOTAL EQUITY		**27,768,255**	25,577,136

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2023

31 December 2023	**Issued Capital** $	**Retained Earnings (net of dividends paid)** $	**Option Reserve** $	**Total** $
Balance at 1 July 2023	**33,749,103**	**(8,198,626)**	**26,659**	**25,577,136**
Profits attributable to members of the parent entity	**-**	**2,191,119**	**-**	**2,191,119**
Transactions with owners in their capacity as owners				
Shares issued during the period	**-**	**-**	**-**	**-**
Balance 31 December 2023	**33,749,103**	**(6,157,507)**	**26,659**	**27,768,255**

31 December 2022	**Issued Capital** $	**Retained Earnings (net of dividends paid)** $	**Option Reserve** $	**Total** $
Balance at 1 July 2022	32,375,273	(12,340,205)	26,659	20,061,727
Profits attributable to members of the parent entity	-	2,285,005	-	2,285,005
Transactions with owners in their capacity as owners				
Shares issued during the period	723,863	-	-	723,863
Balance 31 December 2022	33,098,136	(10,055,200)	26,659	23,069,595

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2023

	Note	31-Dec-23 $	31-Dec-22 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**76,442,674**	83,532,396
Payments to suppliers and employees		**(73,367,278)**	(80,971,142)
Payments for prior period adjustments and accruals		**(748,689)**	(1,225,452)
Net interest received / (paid)		**(522,909)**	(287,463)
Net cash provided by operating activities		**1,803,798**	1,048,339
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans to third-party advice practices		**-**	(262,500)
Acquisition of Sentry Group		**-**	(722,864)
Acquisition of Millennium 3		**(2,014,951)**	-
Sale of B2C mortgage book and other		**527,100**	-
Net cash used in investing activities		**(1,487,851)**	(985,364)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net movement in borrowings		**-**	940,500
Repayment of lease liabilities		**(396,732)**	(348,313)
Net cash provided by / (used in) financing activities		**(396,732)**	592,187
Net increase/(decrease) in cash and cash equivalents held		**(80,785)**	655,162
Cash and cash equivalents at beginning of year		**5,313,022**	3,384,884
Cash and cash equivalents at end of financial year	4	**5,232,237**	4,040,046

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

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

The financial report of WT Financial Group Limited for the half- year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 28 February 2024. The principal accounting policies adopted in the preparation of the financial statements are set out in this Note 1, below. These policies have been consistently applied to all the periods presented.

(a) Basis of Preparation

Significant accounting policies Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's FY2023 annual financial report for the financial year ended 30 June 2023. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) Revenue recognition AASB15

Over recent years the Company's revenue (and therefore segment) composition has evolved considerably as the Company has transitioned from primarily *direct-to-consumer* (B2C) to more *business-to-business* (B2B) revenue. Accordingly, the Company provides the following detailed disclosure with respect to its segment reporting, revenue composition and revenue recognition - including a summary of its main revenue streams and the segments they occur in/through.

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

Upfront financial advice fees

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

Ongoing financial advice fees

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

Insurance Upfront Commission

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

Insurance Renewal Commission

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

Licensing base fees and other fees and charges

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

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

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

Upfront and recurring mortgage brokerage commission

Mortgage brokerage commission occurs in the Company's B2B channel and is paid by mortgage providers on an initial upfront and then ongoing monthly basis. Upfront mortgage brokerage commission is crystalised (and recognised as revenue) on settlement of new loans once paid by the underlying mortgage provider or an associated aggregator. Ongoing or trail mortgage brokerage commission is crystalised (and recognised as revenue) on a monthly basis for the duration of the loan once paid by the underlying mortgage provider or an associated aggregator. In each case this is therefore recognised at a point in time.

Timing of revenue recognition

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

Note regarding cost of goods sold

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

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

Superannuation fund administration and accounting

Superannuation fund administration and accounting fees occur in the Company's B2C channel. These fees are charged to clients on a cyclical basis (generally monthly in arrears) and crystalised on payment by client. In accordance with the Company's agreements with its clients, the services are provided on a monthly basis with fees paid on a monthly (non-refundable) basis.

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

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

(c) Adoption of New and Revised Accounting Standards

New Accounting Standards and Interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Directors have decided against early adoption of these Standards but do not expect the adoption of these standards to have any material impact on the reported position or performance of the Group.

(d) Income Tax Expenses

The Group has a tax expense $67,800 (2022: tax benefit of $170,801) for the period. No taxes are payable by the Group due to carried forward tax losses this is an adjustment to deferred taxes to bring it in line with current tax rates applicable to the Group.

(e) Acquisition of Millennium3

On 8 December 2023 the Company completed its acquisition of 100% of the issued capital of financial advice network Millennium3 Financial Services Pty Ltd (**M3**) from Insignia Financial Limited (ASX: IFL) (**IFL**). The Company paid $2.01M to acquire M3 on a debt free, cash free basis, with the transaction settled using cash at hand.

The M3 network is one of Australia's most established networks of financial advice professionals, with its origins tracing back over 30 years, and comprises around 75 privately-owned wealth and personal risk insurance practices across the country.

On completion the Company recognised the following balance sheet entries (in '000s):

Goodwill:	$2,015
Other Assets (including cash):	$2,767
Less Liabilities:	$(2,460)

2. Revenue and other income

	31-Dec-23 $	31-Dec-22 $
Revenue		
- provision of services	**79,603,754**	82,061,274
- interest received	**6,718**	5,589
	79,610,472	82,066,863
Other Income		
- gain on sale of assets	**527,100**	1,250,000
- other income	**-**	135,157
	527,100	1,385,157
	80,137,572	83,452,020

3. Operating Segments

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

Business to business (B2B). This segment includes financial planning, investment advice and product sales and licensing services and product offerings delivered through (and to) independent financial advisers operating as authorised representatives. In what it refers to as its B2B division, the Company authorises independently owned financial advice practices (through its Wealth Today, Sentry Advice, Synchron Advice and Millennium3 subsidiaries) whose advisers act as the Company's authorised representatives.

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

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

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

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

This segment operates under the Spring Financial Group brand.

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

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

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

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

The following tables set out the performance of each operating segment.

(a) Segment Performance

31-December-2023	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
REVENUE				
Sales to external customers	**78,740,785**	**706,415**	**156,554**	**79,603,754**
Other income	**80,000**	**448,500**	**(1,400)**	**527,100**
Interest revenue	**2,688**	**4,030**	**-**	**6,718**
Total segment revenue	**78,823,473**	**1,158,945**	**155,154**	**80,137,572**
EBITDA	**3,767,920**	**958,598**	**(1,617,574)**	**3,108,944**
Interest expense	**(39,400)**	**-**	**(490,227)**	**(529,627)**
Depreciation, amortisation & impairment	**(214,741)**	**-**	**(105,657)**	**(320,398)**
Net profit before tax	**3,513,779**	**958,598**	**(2,213,458)**	**2,258,919**

31-December-2022	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
REVENUE				
Sales to external customers	81,254,173	796,929	10,172	82,061,274
Other income	-	-	1,385,157	1,385,157
Interest revenue	900	4,026	663	5,589
Total segment revenue	81,255,073	800,955	1,395,992	83,452,020
EBITDA	3,160,994	334,744	(611,319)	2,884,419
Interest expense	(41,903)	-	(270,611)	(312,514)
Depreciation, amortisation & impairment	(185,037)	-	(272,664)	(457,701)
Net profit before tax	2,934,054	334,744	(1,154,594)	2,114,204

(b) Segment assets

31-December-2023	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
Segment assets	**36,946,022**	**3,407,654**	**12,580,875**	**52,934,551**
Segment liabilities	**(21,317,741)**	**(63,031)**	**(3,785,524)**	**(25,166,296)**
Net assets	**15,628,281**	**3,344,623**	**8,795,351**	**27,768,255**

30-June-2023	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
Segment assets	28,198,067	2,859,234	16,790,048	47,847,349
Segment liabilities	(7,054,271)	(2,257,057)	(12,958,885)	(22,270,213)
Net assets	21,143,796	602,177	3,831,163	25,577,136

4. Cash & cash equivalents

	31-Dec-23 $	30-Jun-23 $
Cash at hand and in bank	**4,891,119**	4,995,581
Short-term deposits	**341,118**	317,441
Balance as per statement of cash flows	**5,232,237**	5,313,022

5. Trade and other receivables

	31-Dec-23 $	30-Jun-23 $
CURRENT		
Trade receivables	**7,848,002**	6,109,791
Allowance for impairment	**(86,132)**	(120,513)
	7,761,870	5,989,278
Other receivables	**1,510,668**	150,787
Total trade and other receivables	**9,272,538**	6,140,065

6. Other Assets

	31-Dec-23 $	30-Jun-23 $
CURRENT		
Prepaid expenses and deposits	**1,734,229**	1,705,622
	1,734,229	1,705,622

7. Plant & equipment

	31-Dec-23 $	30-Jun-23 $
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	**154,450**	152,493
Accumulated depreciation	**(98,312)**	(89,483)
	56,138	63,010
Office equipment		
At cost	**537,969**	518,183
Accumulated depreciation	**(479,749)**	(472,156)
	58,220	46,027
Leasehold improvements		
At cost	**49,045**	49,045
Accumulated depreciation	**(11,095)**	(9,098)
	37,950	39,947
Assets under lease		
At cost	**3,073,050**	3,073,050
Accumulated depreciation	**(2,154,751)**	(1,867,318)
	918,299	1,205,732
Total plant and equipment	**1,070,607**	1,354,716
Summary		
At cost	**3,340,845**	3,792,771
Accumulated depreciation	**(2,270,238)**	(2,438,055)
	1,070,607	1,354,716

8. Intangible assets

Goodwill impairment disclosure

For the purpose of impairment testing, goodwill and indefinite life intangibles are allocated to cash-generating units (CGUs) which form part of or are based on the Group's operating divisions.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

The aggregate carrying amount of goodwill allocated to each CGU is:

Description of the CGU	31-Dec-23 $	30-Jun-23 $
B2B services	**31,631,423**	29,616,472
B2C services	**1,480,000**	1,480,000
Total	**33,111,423**	31,096,472

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

Intangible Assets

Goodwill	31-Dec-23 $	30-Jun-23 $
B2B services	**31,631,423**	29,616,472
B2C services	**1,480,000**	1,480,000
Total Goodwill	**33,111,423**	31,096,472

Intangible Assets continued

	31-Dec-23 $	30-Jun-23 $
Other intangible assets		
Cost	**72,727**	-
Accumulated amortisation	**(21,198)**	-
Net carrying value	**51,529**	-
Total Intangibles net carrying value	**33,162,952**	31,096,472
Summary		
Cost	**33,184,150**	31,096,472
Accumulated amortisation	**(21,198)**	-
Net carrying value	**33,162,952**	31,096,472

9. Trade and other payables

	31-Dec-23 $	30-Jun-23 $
CURRENT		
Unsecured liabilities		
Trade payables	**10,917,527**	9,848,476
GST payable	**382,756**	413,964
Payroll tax payable	**2,503**	102,458
Accrued wages and sales commissions	**239,505**	259,520
Accrued professional services	**53,992**	64,342
Other accruals	**2,317,550**	102,920
	13,913,833	10,791,680

Trade payables include liabilities due in the ordinary course of business operations such as revenue share payments to authorised representatives. Trade payables also include provision for (likely) upside payments for the acquisition of Synchron; and general provisions, including for costs associated with defending and/or settling client claims and disputes and/or associated professional indemnity insurance deductibles.

10. Borrowings

	31-Dec-23	30-Jun-23
NON-CURRENT	**$**	$
Secured liabilities	**6,679,490**	6,679,490

11. Provisions

	31-Dec-23	30-June-23
	$	**$**
CURRENT		
Employee entitlements	**833,715**	694,496
Provisions including professional indemnity management	**282,466**	1,031,155
	1,116,181	1,725,651
NON-CURRENT		
Employee entitlements	**826,994**	427,019
Provisions including professional indemnity management	**1,000,000**	1,000,000
	1,826,994	1,427,019

12. Leasing commitment

In accordance with AASB 16 *Leases*, the Group has recognised right-to-use liability in respect of all three premises for Sydney, Melbourne and Perth. The lease liabilities are as follows:

	31-Dec-23 $	30-Jun-23 $
Current	**590,549**	623,891
Non-Current	**551,763**	827,332
	1,142,312	1,451,223

The Group has also recognised following depreciation and interest on right-to-use assets:

	31-Dec-23 $	31-Dec-22 $
Depreciation	**287,433**	435,657
Interest	**133,765**	64,152
	421,198	499,809

13. Issued Capital

Movements in issued capital

	31-Dec-23 $	30-Jun-23 $
Balance at beginning of reporting period	**33,749,103**	32,375,273
Shares issued during the year		
Issued 25 October 2022 – backend of Sentry Group	-	465,813
Issued 30 November 2022 – backend of Sentry Group	-	257,050
Issued 28 June 2023 – backend of Synchron Group	-	650,967
	33,749,103	33,749,103

(a) Ordinary shares

	31-Dec-23 No.	30-Jun-23 No.
At the beginning of the reporting period	**339,234,358**	321,080,842
Shares issued during the year		
Issued 25 October 2022 – backend of Sentry Group	-	6,105,026
Issued 30 November 2022 – backend of Sentry Group	-	3,368,944
Issued 28 June 2023 – backend of Synchron Group	-	8,679,546
At the end of the reporting period	**339,234,358**	339,234,358

14. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

	31-Dec-23 **$**	**31-Dec-22** **$**
Profit after income tax	**2,041,119**	2,285,005
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**339,234,358**	323,938,481
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**339,234,358**	323,938,481

Earnings per share for profit from continuing operations attributable to the owners of WT Financial Group Limited	**31-Dec-23**	**31-Dec-22**
Basic earnings per share (cents)	**0.649**	0.705
Diluted earnings per share (cents)	**0.649**	0.705

15. Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2023

This financial report was authorised for issue on 28 February 2024 by the Board of Directors.

In the opinion of the Directors:

1. The financial statements (and notes) of the Group are in accordance with the Corporations Act 2001, including:

    a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the period ended on that date; and

    b) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Board of Directors.

Signed in accordance with a resolution of the Directors.

Guy Hedley
Chairman

Keith Cullen
Managing Director

In.Corp
Vision To Reality

CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

WT FINANCIAL GROUP LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of WT Financial Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of WT Financial Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 requirements in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of WT Financial Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

WT FINANCIAL GROUP LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In.Corp Audit & Assurance Pty Ltd

Daniel Dalla
Director

Sydney, 28 February 2024