

ASX ANNOUNCEMENT

THE AUSTRALIAN WEALTH ADVISORS GROUP LTD (ASX: WAG)



AWAG SUCCESSFUL ASX LISTING, FIRST EPS DEAL CONCLUDED, SUCCESSION FUND ESTABLISHED, AND UNDERLYING PROFIT OF \$564k FOR FINANCIAL YEAR 2024

The board of AWAG is pleased to announce that the company successfully raised \$5 million in a recent oversubscribed IPO and its shares began trading on the Australian Securities Exchange (ASX) on 16 February under the code WAG.

We are also pleased to announce an underlying* profit before tax of \$564,520 ⁽¹⁾ for financial year 2024, compared to \$260,691 in financial year 2023. The result was adjusted for one-off IPO listing costs and assumed the full 12 months operation of Armytage. Armytage was acquired by WAG on 1 September 2023. The result reflects the sound positive cash flow of the company. The Group has \$5.9m in cash as at 30 June 2024.

The Board has been implementing strategies to grow AWAG's 2 subsidiaries, Armytage Private and CHPW, both organically and by acquisition.

Since listing, the company has been allocating time and resources at establishing the administration and documentation process of the two key platforms regarding the growth of the financial services divisions.

- A. Equity Partnership Scheme (EPS) where AWAG purchases a 20% interest in return for a revenue royalty.
- B. Succession Fund. AWAG has recently finalised the documentation and infrastructure of this fund. AWAG, via the Succession Fund, will be providing capital to approved firms to enable participants to purchase stakes in their respective businesses.

AWAG believes these two services are central to its growth profile and addresses a requirement in the financial services industry.

AWAG also continues to review corporate investment opportunities and has recently announced that it now controls 8.5% of ASX listed financial services company E&P Financial Group Limited (ASX: EP1),

via its funds management subsidiary. There are several other corporate investments that AWAG is engaged with. With all corporate investment work, it is difficult to predict the timing of outcomes. However, the results tend to be significant in nature.

We would like to take the opportunity to thank all subscribers and advisors for their support and look forward to an exciting future.

Lee lafrate

Executive Chairman

Enquiries:

Contact Lee laFrate at 03 9674 0600

(1). Underlying profit is derived from the statutory loss of \$259k, with one off IPO costs of \$612k added back and assumed Armytage is part of the WAG Group for the entire 12 months of FY2024. Underlying profit is a non-IFRS measure and is presented to provide users with additional insight into the Company's business and to facilitate incremental understanding of the Company's underlying financial performance. Non-IFRS information is not audited.

About AWAG

WAG is a financial services business which operates in funds and investment management through Armytage Private; and in providing services to wealth management advisors through CHPW Financial. AWAG also intends to participate in the rationalisation of the Australian financial services and wealth management sectors through corporate activism. Its directors are highly experienced financial services professionals who own key stakes in the company.

The Australian Wealth Advisors Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: The Australian Wealth Advisors Group Limited
ABN: 31653634292
Reporting period: For the year ended 30 June 2024
Previous period: For the year ended 30 June 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	24.2% to	10,054,918
Loss from ordinary activities after tax	down	220.8% to	(259,424)
Loss for the year	down	220.8% to	(259,424)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$259,424 (30 June 2023: profit of \$214,696).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>6.52</u>	<u>0.92</u>

4. Control gained over entities

On 31 August 2023 the Group acquired 100% of the share capital of Armytage Private Pty Ltd.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

The Australian Wealth Advisors Group Limited
Appendix 4E
Preliminary final report

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of The Australian Wealth Advisors Group Limited for the year ended 30 June 2024 is attached.

12. Signed

Signed



Date: 27 August 2024

Lee laFrate
Executive Chairman

The Australian Wealth Advisors Group Limited

ABN 31653634292

Annual Report - 30 June 2024

The Australian Wealth Advisors Group Limited

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The Australian Wealth Advisors Group Limited
Corporate directory
30 June 2024

Directors	Lee laFrate – Executive Chairman Paul Young – Non-executive Director Mark Stephen – Non-executive Director Michael Fitzpatrick AO – Non-executive Director David Slack – Non-executive Director
Company secretary	Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3067
Notice of annual general meeting	The details of the annual general meeting of The Australian Wealth Advisors Group Limited are: 5/30 Collins Street Melbourne VIC 3000 [10am on 19 November 2024]
Registered office	5/30 Collins Street Melbourne VIC 3000 Phone: (03) 9674 0600
Principal place of business	5/30 Collins Street Melbourne VIC 3000 Phone: (03) 9674 0600
Share register	Registry Direct Pty Limited 6/2 Russell Street Melbourne VIC 3000
Auditor	Charterhouse & Co Auditors Pty Ltd L1 7B 480 Collins Street Melbourne VIC 3000
Stock exchange listing	The Australian Wealth Advisors Group Limited shares are listed on the Australian Securities Exchange (ASX code: WAG)
Website	www.awag.au
Corporate Governance Statement	www.awag.au/governance

The Australian Wealth Advisors Group Limited
Letter from the Chairman
30 June 2024

Dear Fellow Shareholders,

On behalf of the directors of The Australian Wealth Advisors Group ("AWAG"), I am pleased to present the Annual Report for Financial Year 2024, our first as a listed company.

Our key development over the year was the completion of our Australian Securities Exchange (ASX) listing. We issued our prospectus in November 2023, raising \$5 million to fund our growth strategy. AWAG was admitted to the Official List in February 2024 under the code ASX:WAG. I would like to thank all those who contributed to the ASX listing and, importantly, our shareholders for your investment.

AWAG was founded in Melbourne in 2021 by a group of experienced financial market professionals as a holding company. Our mission is to acquire and build upon sound, profitable and complementary Australian financial services businesses.

Upon listing, our two main subsidiaries were CHPW Financial Pty Ltd ("CHPW") and Armytage Private Pty Ltd ("ARMY"). CHPW provides services through its Australian Financial Services Licence to wealth management advisors. ARMY is an investment and funds management business. These two businesses provide a solid foundation for our future growth. The combined businesses have a FUAM of \$2.1 billion.

The Board is focused on expansion through both organic growth of its subsidiaries and potential acquisition opportunities that are accretive to shareholder value. AWAG's primary acquisition strategy is to make Equity Partnership Scheme ("EPS") investments. We are targeting 20% investments in relevant financial services businesses – accounting, financial planning, insurance, or mortgage broking. AWAG completed its first EPS investment shortly after the end of the financial year and has a pipeline of additional opportunities.

The Board is committed to good governance and was bolstered by the addition of two new board members during the year. The Board maintains a majority independent board and compliance with the ASX Corporate Governance Principles. The independent directors are Mark Stephen, David Slack and Paul Young. Both Mike Fitzpatrick and David Slack bring significant experience as directors and as heavyweight players in the financial services industry. These new voices complement the board's capability and decision-making as we implement our growth strategy

The Board, on behalf of all shareholders, is committed to creating long-term value and delivering sustainable returns. We are confident in our strategic direction and the opportunities that lie ahead. We look forward to updating you on our progress throughout the coming year and thank you for your continued support.

Lee laFrate
Chairman, The Australian Wealth Advisors Group
Melbourne, 27 August 2024

The Australian Wealth Advisors Group Limited

Directors' report

30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of The Australian Wealth Advisors Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of The Australian Wealth Advisors Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Lee laFrate – Executive Chairman
Paul Young – Non-executive Director
Mark Stephen – Non-executive Director
Michael Fitzpatrick AO – Non-executive Director (appointed 1 October 2023)
David Slack – Non-executive Director (appointed 3 April 2024)
Sam Adigrati – Non-executive Director (resigned 30 October 2023)
Scott Beeton – Non-executive Director (resigned 30 October 2023)

Principal activities

During the financial year the principal continuing activities of the consolidated entity is as a holding company for:

- Provision of services to wealth management advisors through its subsidiary, CHPW Financial Pty Ltd
- Investment and funds management services through its subsidiary, Armytage Private Pty Ltd

Review of operations

The consolidated entity incurred a total comprehensive loss for the year ended 30 June 2024 of \$259,424 (30 June 2023: profit of \$214,696).

CHPW Financial Pty Ltd

CHPW Financial Pty Ltd ("CHPW"), a wholly owned subsidiary, continued its business of providing services to wealth management advisors. Services are offered through its Australian Financial Services Licence to 27 authorised representatives from 14 financial planning practices.

Armytage Private Pty Ltd

On 31 August 2023, the company acquired Armytage Private Pty Ltd ("ARMY"), an investment and funds management business with over \$300 million funds under management. ARMY was acquired for consideration of \$6.125 million consisting of the issue of 17.5 million shares in the company and payment of \$1.75 million of which 50% is deferred until 31 August 2024.

Listing of the Australian Securities Exchange

On 20 November 2023, The Australian Wealth Advisors Group Limited undertook an Initial Public Offering ("IPO") and issued a prospectus to raise \$5 million from the issue of 20,000,000 new ordinary shares at an issue price of \$0.25 per share. The offer was oversubscribed. The funds raised are to be used to meet vendor consideration, operational working capital and to meet the costs of the offer. The Australian Wealth Advisors Group Limited was admitted to the Official List in February 2024.

Board Changes

On 1 October 2023, The Australian Wealth Advisors Group Limited announced the appointment of Michael Fitzpatrick AO as a Non-Executive Director. He brings more than 40 years' experience in the financial services sector. Michael is a former director of Rio Tinto and chairman of the Australian Football League. Michael founded Hastings Funds Management and was Chair of Pacific Current Group. On 3 April 2024, David Slack was appointed as a Non-Executive Director. David has over 40 years' experience in the financial services sector. He founded Portfolio Partners, growing funds under management to \$5.3 billion. He is also a founding managing director of Australian equity fund manager Karara Capital and co-managed the Ironbark Karara Small Companies Fund.

Directors, Sam Adigrati and Scott Beeton, resigned on 30 October 2023.

Significant changes in the state of affairs

Other than the acquisition of ARMY and the IPO mentioned above, The Australian Wealth Advisors Group Limited also issued 625,000 new ordinary shares to IPO advisors, as part of the IPO. This was valued at \$156,250 at the \$0.25 IPO issue price.

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

The Australian Wealth Advisors Group Limited

Directors' report

30 June 2024

Matters subsequent to the end of the financial year

On 5 July 2024, the consolidated entity made a 20% Equity Partnership Scheme ("EPS") investment into Melican Financial Planning ("Melican"), for cash consideration. This investment is aligned to the EPS model which is for AWAG to make a 20% investment in relevant financial services business (accounting, financial planning, insurance, or mortgage broking). The Melican transaction has established the EPS onboarding process covering due diligence, legal, compliance and general administration for future transactions.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

None.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Lee laFrate
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Business, Fellow Certified Practising Accountant and Graduate Diploma in Applied Finance and Investment.
Experience and expertise:	Lee has over 37 years' experience in the finance industry, with broad experience in stock-broking and funds management. Lee was the founder and former chairman of Treasury Group Limited (now known as Pacific Current Group Limited), founder and former director of Prime Financial Group Ltd, and founder and former chairman of Easton Investments Limited (now known as Diverger Limited). Lee founded Armytage Private Pty Ltd in 1995 and is the Chairman.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee
Interests in shares:	18,368,778
Interests in options:	None

Name:	Paul Young
Title:	Non-executive Director
Qualifications:	Master of Arts from Cambridge University; Fellow of the Institute of Chartered Accountants in England and Wales and Diploma in Corporate Finance.
Experience and expertise:	Paul has over 35 years' experience providing independent corporate advice to Australian and overseas public and private clients. Paul is a non-executive director of Byron Energy Limited which recently undertook a voluntary delisting from ASX (formerly ASX:BYE), HKEX listed Left Field Printing Group Limited (HKEX:1540), and Ambition Group Limited Paul is the non-executive chairman of Jura Australia Espresso Pty Ltd and Box of Books Holdings Pty Ltd. Paul was the former chairman and non-executive director of Peter Lehmann Wines Limited.
Other current directorships:	Byron Energy Limited (ASX:BYE) which delisted from ASX on 17 July 2024
Former directorships (last 3 years):	Ovato Limited (in liquidation)
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	3,633,333
Interests in options:	None

The Australian Wealth Advisors Group Limited

Directors' report

30 June 2024

Name: Mark Stephen
Title: Non-executive Director
Qualifications: Bachelor of Education, Advanced Diploma in Business Management, Advanced Diploma in Financial Planning, Certified Financial Planner and is a Graduate of the Australian Institute of Company Directors (GAICD).
Experience and expertise: Mark has over 30 years' experience in the financial services industry growing successful integrated advice businesses across the wealth management, financial planning and accounting professions, that is highlighted by leading high performing advice teams and communities which focus on strategic growth and strong business development and improvement. Mark is currently the Managing Director of Civitas Services Australia Pty Ltd and former CEO of Lonsdale Financial Group Limited. Mark has held executive directorships and board positions of several companies, acted as chairman of several businesses and Investment Committees and is also a Justice of the Peace (JP) in Victoria.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Member of the Audit and Risk Committee
Interests in shares: 1,157,647
Interests in options: None

Name: Michael Fitzpatrick AO
Title: Non-Executive Director
Qualifications: Bachelor of Engineering with Honours from the University of Western Australia, Master of Arts from Oxford University, 1975 Rhodes Scholar from Western Australia.
Experience and expertise: Mike has over 40 years' experience in the financial services sector, with a commitment to sustainability. Michael is a current non-executive director of Carnegie Clean Energy Limited (ASX:CCE) and LATAM Autos Limited, the chairman of Continuity Capital, and an alternate director of Foresight Australia Funds Management Limited. Mike was the founder of Hastings Funds Management Ltd, the pioneering infrastructure asset management company and held a controlling interest in Infrastructure Capital Group (now Foresight Australia Funds Management), a leading Australian based mid-market infrastructure fund manager. Mike was formerly the chairman of Pacific Current Group Limited, Victorian Funds Management Corporation, Australian Football League and the Australian Sports Commission, and a former Director of Rio Tinto Limited and Rio Tinto plc.
Other current directorships: Carnegie Clean Energy Limited (ASX:CCE)
Former directorships (last 3 years): None
Special responsibilities: Member of the Audit and Risk Committee, and Member of the Nomination and Remuneration Committee
Interests in shares: 9,000,000
Interests in options: None

The Australian Wealth Advisors Group Limited

Directors' report

30 June 2024

Name:	David Slack
Title:	Non-Executive Director
Qualifications:	Bachelor of Economics from University of Queensland.
Experience and expertise:	David has over 40 years of distinguished experience in establishing and leading successful equity management endeavours in Australia. In 1984, he laid the foundation for County Natwest/Invesco, crafting a resilient investment framework that yielded exceptional performance outcomes. Subsequently, David spearheaded Portfolio Partners, growing it to \$5.3 billion in funds under management prior to its acquisition by Norwich Union. Subsequently, David grew Karara Capital to over \$3 billion in funds under management. He also assumed a co-management role for The Ironbark Karara Small Companies Fund, consistently outperforming its benchmark by 2.8% annually over a commendable 12-year period until mid-2022. David is also actively involved in broadacre farming in NSW, collaborating with joint venture partners and managers to drive forward productivity enhancements, underscoring his commitment to agricultural innovation.
Other current directorships:	None
Former directorships (last 3 years):	Advanced Braking Technology Limited (ASX:ABV)
Special responsibilities:	Member of the Nomination and Remuneration Committee
Interests in shares:	1,200,000
Interests in options:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Anshu Raghuvanshi from Computershare, is a competent professional with 14+ years of experience in Company Secretarial Activities, Corporate Governance and Compliance Management roles in ASX listed, private and public companies. Anshu was part of Boardroom Ltd and Vistra. Anshu is a Fellow Member of Governance Institute of Australia, Company Secretary from The Institute of Company Secretaries of India and a law graduate.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Lee laFrate	4	4	-	-	-	-
Paul Young	4	4	-	-	1	1
Mark Stephen	4	4	-	-	1	1
Michael Fitzpatrick AO	4	4	-	-	1	1
David Slack	2	2	-	-	-	-
Sam Adigrati	-	-	-	-	-	-
Scott Beeton	-	-	-	-	-	-

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

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

The Australian Wealth Advisors Group Limited

Directors' report

30 June 2024

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The consolidated entity has not defined an executive reward framework. As at 30 June 2024, no fees or rewards are paid to directors or key management personnel.

The AWAG board is currently responsible for determining and reviewing remuneration arrangements for its directors and executives. In the future, the Nomination and Remuneration Committee will seek to create an executive reward framework.

Non-executive directors remuneration

There are no fees or payments made to non-executive directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Any fees in the future that may be earned by the chairman is to be determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. AWAG's constitution provides that AWAG may remunerate each director as the Directors decide, but the total amount of the remuneration of non-executive directors may not exceed the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration for non-executive Directors has not yet been fixed, however the Directors propose to set a remuneration cap at the 2024 AGM of the Company .

Executive remuneration

The consolidated entity is a holding company for its subsidiaries, and the executives receive no fees for their services.

Consolidated entity performance and link to remuneration

No remuneration is directly linked to the performance of the consolidated entity.

The Board may seek adopt performance-based compensation in the future.

Use of remuneration consultants

During the financial year ended 30 June 2024, the consolidated entity, has not engaged remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve its programs.

Details of remuneration

Amounts of remuneration

The key management personnel of the consolidated entity consisted of the following directors of The Australian Wealth Advisors Group Limited:

- Lee laFrate – Executive Chairman
- Paul Young – Non-executive Director
- Mark Stephen – Non-executive Director
- Michael Fitzpatrick AO – Non-executive Director (appointed 1 October 2023)
- David Slack – Non-executive Director (appointed 3 April 2024)
- Sam Adigrati – Non-executive Director (resigned 30 October 2023)
- Scott Beeton – Non-executive Director (resigned 30 October 2023)

The Australian Wealth Advisors Group Limited
Directors' report
30 June 2024

A related party to Non-executive Director, Sam Adigrati was issued a share-based payment \$50,000 of equity settled shares as a bonus for the performance of subsidiary, CHPW. No payments were made during the FY23 and FY24 financial years.

No other remuneration was paid to the key management personnel of the consolidated entity over the past two financial years. This includes no short-term benefits such as cash salary, cash bonuses or non-monetary payments, no superannuation payments, long service leave or share-based payments.

Service agreements

There are no service agreements over Directors or key management personnel are formalised in service agreements.

Directors and key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

No shares were issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

There are no options on issue by the Consolidated Entity over ordinary shares.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year*	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Lee laFrate	18,328,778	-	40,000	-	18,368,778
Paul Young	3,333,333	-	300,000	-	3,633,333
Mark Stephen	1,000,000	-	157,647	-	1,157,647
Michael Fitzpatrick AO	1,000,000	-	8,000,000	-	9,000,000
David Slack	-	-	1,200,000	-	1,200,000
Sam Adigrati (resigned 30 October 2023)	960,000	-	-	-	960,000**
Scott Beeton (resigned 30 October 2023)	1,666,667	-	-	-	1,666,667**
	26,288,778	-	9,697,647	-	35,986,425

* Balance after share capital consolidation of 5 ordinary shares to 1 share

** Shares held at date of resignation .

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

The Australian Wealth Advisors Group Limited

Directors' report

30 June 2024

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 22 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial 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 the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 22 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 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 and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Charterhouse & Co Auditors Pty Ltd

There are no officers of the company who are former partners of Charterhouse & Co Auditors Pty Ltd.

Rounding of amounts

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Charterhouse & Co Auditors Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

The Australian Wealth Advisors Group Limited
Director's report
30 June 2024

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Lee laFrate', written over a horizontal line.

Lee laFrate
Executive Chairman

27 August 2024
Melbourne



Charterhouse & Co Auditors Pty Ltd

ABN: 78 159 463 644

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480 Collins Street

Melbourne VIC 3000

03 – 9620 0377

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED -
CONSOLIDATED**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2024 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: CHARTERHOUSE & CO AUDITORS PTY LTD

**Name of
Director:**

A handwritten signature in black ink, appearing to read 'Kerpel S Harnam', written over a horizontal line.

Kerpel S Harnam - DIRECTOR

Address: 480 Collins Street, Melbourne VIC 3000

Date 27th day of August 2024

The Australian Wealth Advisors Group Limited

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General information

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

The Australian Wealth Advisors Group Limited is an listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office & principal place of business

Level 5
30 Collins Street
MELBOURNE VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2024. The directors have the power to amend and reissue the financial statements.

The Australian Wealth Advisors Group Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Revenue	4	10,054,918	8,093,322
Expenses			
Direct costs		(8,277,614)	(7,340,031)
General administrative expenses		(730,009)	(477,176)
Salaries and wage expenses		(488,068)	(15,424)
Compliance expense		(611,856)	-
Other expenses		(68,018)	-
(Loss)/profit before income tax expense		(120,647)	260,691
Income tax expense	6	(138,777)	(45,995)
(Loss)/profit after income tax expense for the year		(259,424)	214,696
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/income for the year		<u>(259,424)</u>	<u>214,696</u>
	Note	Cents	Cents
Basic earnings /(loss) per share	23	(0.44)	0.12
Diluted earnings/ (loss) per share	23	(0.44)	0.12

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

The Australian Wealth Advisors Group Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated	Consolidated
		2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	5,872,231	1,827,037
Trade and other receivables	8	199,653	815
Deferred tax assets	9	56,417	-
Other assets		219,918	-
Total current assets		<u>6,348,219</u>	<u>1,827,852</u>
Non-current assets			
Investments	10	158,360	130,086
Property, plant and equipment		773	-
Right-of-use assets	11	128,625	-
Intangibles	12	6,664,792	941,905
Total non-current assets		<u>6,952,550</u>	<u>1,071,991</u>
Total assets		<u>13,300,769</u>	<u>2,899,843</u>
Liabilities			
Current liabilities			
Trade payables	13	382,383	8,014
Other payables	17	875,000	240,000
Lease liabilities	14	147,693	-
Income tax payable	15	67,451	43,436
Provisions	16	182,902	-
Total current liabilities		<u>1,655,429</u>	<u>291,450</u>
Total liabilities		<u>1,655,429</u>	<u>291,450</u>
Net assets		<u>11,645,340</u>	<u>2,608,393</u>
Equity			
Issued capital	18	11,599,078	2,302,707
Retained profits		46,262	305,686
Total equity		<u>11,645,340</u>	<u>2,608,393</u>

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

The Australian Wealth Advisors Group Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	2,232,707	90,990	2,323,697
Profit after income tax expense for the year	-	214,696	214,696
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	214,696	214,696
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 18)	70,000	-	70,000
Balance at 30 June 2023	<u>2,302,707</u>	<u>305,686</u>	<u>2,608,393</u>
Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	2,302,707	305,686	2,608,393
Loss after income tax expense for the year	-	(259,424)	(259,424)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(259,424)	(259,424)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 18)	9,296,371	-	9,296,371
Balance at 30 June 2024	<u>11,599,078</u>	<u>46,262</u>	<u>11,645,340</u>

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

The Australian Wealth Advisors Group Limited
Statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated	2023
		2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,979,786	8,071,301
Payments to suppliers and employees (inclusive of GST)		(10,838,945)	(7,792,623)
Interest received		94,846	1,877
Interest paid		(6,465)	-
Income taxes paid		(71,226)	-
		<u>157,996</u>	<u>280,555</u>
Net cash from operating activities	30		
Cash flows from investing activities			
Cash acquired on purchase of business	28	239,990	-
Payment of deferred consideration for acquisition of CHPW Financial Pty Ltd		(240,000)	-
Payment for acquisition of Armytage Private Pty Ltd		(875,000)	-
Proceeds from disposal of investments		3,200,711	-
Acquisition of investments		(3,142,824)	(70,881)
		<u>(817,123)</u>	<u>(70,881)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares		5,000,000	332,900
IPO costs deducted from equity		(234,829)	-
Proceeds from borrowings		-	(262,900)
Repayment of lease liabilities		(60,850)	-
		<u>4,704,321</u>	<u>70,000</u>
Net cash from financing activities			
Net increase in cash and cash equivalents		4,045,194	279,674
Cash and cash equivalents at the beginning of the financial year		<u>1,827,037</u>	<u>1,547,363</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>5,872,231</u></u>	<u><u>1,827,037</u></u>

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

Note 1. Material accounting policy information

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Australian Wealth Advisors Group Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. The Australian Wealth Advisors Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 1. Material accounting policy information (continued)

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Management fee revenue

Management fee revenue is derived from investment management agreements whereby a monthly management fee is payable based on the fund value. Management fee revenue is recognised over time as services are rendered.

Advisory fee revenue

Advisory fee revenue is derived from agreements with clients individually whereby a monthly management fee is payable based on the portfolio value or alternatively a fixed fee arrangement. Advisory fee revenue is recognised over time as services are rendered.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

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

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

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

Note 1. Material accounting policy information (continued)

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

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

Current and non-current classification

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

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

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

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

Trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Note 1. Material accounting policy information (continued)

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Right-of-use assets

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

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

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

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

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

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 1. Material accounting policy information (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

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

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

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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

Fair value measurement

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

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 1. Material accounting policy information (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of The Australian Wealth Advisors Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 1. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 12 for further information.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two primary operating segments which include: (i) the investment & funds management segment; and (ii) the wealth management support services segment. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The principal products and services of each of these operating segments are as follows:

Investment and funds management	the provision of investment and funds management services in Australia
Wealth management support services	the provision of services to wealth management advisors in Australia

The consolidated entity's other segment represents the operating results of investments held by the consolidated entity.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) to assess the performance of the segments. This excludes significant items of income and expenditure that are non-operational or non-recurring. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Due to the nature of the business providing financial services to the clients driven by the employees, management does not consider asset and liabilities separation to be an appropriate measure of segments.

The consolidated entity operates within the geographical region of Australia. Therefore, the total revenue and non-current assets are reflected on the face of the financial statements.

The information reported to the CODM is on a monthly basis.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 3. Operating segments (continued)

Operating segment information

	Investment & funds management \$	Wealth management support services \$	Other \$	Total \$
Consolidated - 2024				
Revenue				
Sales	1,356,994	8,579,494	-	9,936,488
Gain on investments	-	-	23,584	23,584
Total segment revenue	<u>1,356,994</u>	<u>8,579,494</u>	<u>23,584</u>	<u>9,960,072</u>
<i>Unallocated income:</i>				
Interest revenue				94,846
Total revenue				<u>10,054,918</u>
EBITDA				
Depreciation and amortisation expense	<u>347,494</u>	<u>277,236</u>	<u>(153,884)</u>	470,846
Interest revenue				(68,018)
Interest expense				94,846
IPO expenses				(6,465)
Loss before income tax expense				<u>(611,856)</u>
Income tax expense				(120,647)
Loss after income tax expense				<u>(138,777)</u>
				<u>(259,424)</u>

	Investment & funds management \$	Wealth management support services \$	Other \$	Total \$
Consolidated - 2023				
Revenue				
Sales to external customers	-	8,046,590	-	8,046,590
Gain on investments	-	-	40,318	40,318
Total segment revenue	<u>-</u>	<u>8,046,590</u>	<u>40,318</u>	<u>8,086,908</u>
<i>Unallocated income:</i>				
Interest revenue				6,414
Total revenue				<u>8,093,322</u>
EBITDA				
Interest revenue	<u>-</u>	<u>213,959</u>	<u>40,318</u>	254,277
Profit before income tax expense				6,414
Income tax expense				260,691
Profit after income tax expense				<u>(45,995)</u>
				<u>214,696</u>

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 4. Revenue

	Consolidated	
	2024	2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Management fee revenue	1,356,994	-
Advisory fee revenue	8,579,494	8,046,590
Total revenue from contracts with customers	<u>9,936,488</u>	<u>8,046,590</u>
<i>Other revenue</i>		
Interest revenue	94,846	6,414
Dividend revenue	-	1,000
Realised gain on investments	29,791	18,003
Unrealised (loss)/ gain on investments	(6,207)	21,315
Total other revenue	<u>118,430</u>	<u>46,732</u>
Revenue	<u><u>10,054,918</u></u>	<u><u>8,093,322</u></u>

Disaggregation of revenue - contracts with customers

Management and advisory fee revenue is recognised over time and all revenue is derived in Australia.

Note 5. Expenses

	Consolidated	
	2024	2023
	\$	\$
(Loss)/profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	328	-
Right-of-use assets	67,690	-
Total depreciation	<u>68,018</u>	-
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>6,465</u>	-

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 6. Income tax expense

	Consolidated	
	2024	2023
	\$	\$
<i>Income tax expense</i>		
Current tax	151,447	45,995
Deferred tax - origination and reversal of temporary differences	(12,670)	-
	<u>138,777</u>	<u>45,995</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
(Loss)/profit before income tax expense	(120,647)	260,691
Tax at the statutory tax rate of 30%	(36,194)	78,207
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	-	12,500
	(36,194)	90,707
Deferred tax not recognised on tax losses utilised from previous periods	(4,139)	(32,734)
Deferred tax on tax losses carried forward not recognised	207,693	3,768
Effect of lower tax rate (25%) applicable to subsidiaries	(28,583)	(15,746)
	<u>138,777</u>	<u>45,995</u>

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
Cash at bank	<u>5,872,231</u>	<u>1,827,037</u>

Note 8. Current assets - trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
Trade receivables	<u>199,653</u>	<u>815</u>

Allowance for expected credit losses

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

	Carrying amount	
	2024	2023
	\$	\$
Consolidated		
Not overdue	176,166	815
0 to 3 months overdue	23,487	-
	<u>199,653</u>	<u>815</u>

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 9. Current assets - deferred tax assets

	Consolidated	
	2024	2023
	\$	\$
Deferred tax assets	<u>56,417</u>	<u>-</u>
	Consolidated	
	2024	2023
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Employee benefits	45,725	-
Leases	4,767	-
Accrued expenses	5,925	-
Deferred tax asset	<u>56,417</u>	<u>-</u>
<i>Movements:</i>		
Credited to profit or loss	12,669	-
Additions through business combinations (note 28)	43,748	-
Closing balance	<u>56,417</u>	<u>-</u>

Note 10. Non-current assets - investments

	Consolidated	
	2024	2023
	\$	\$
Listed ordinary shares	<u>158,360</u>	<u>130,086</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	130,086	87,890
Additions	3,142,824	2,526,573
Disposals	(3,144,359)	(2,500,713)
Realised profit/(loss) on disposal	<u>29,809</u>	<u>16,336</u>
Closing fair value	<u>158,360</u>	<u>130,086</u>

Refer to note 20 for further information on fair value measurement.

Note 11. Non-current assets - right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
Leasehold improvements - right-of-use	514,162	-
Less: Accumulated depreciation	<u>(385,537)</u>	<u>-</u>
	<u>128,625</u>	<u>-</u>

These assets were acquired as part of the acquisition of Armytage Private Pty Ltd as detailed in note 28.

The consolidated entity leases its offices under an agreement which expires in January 2026 with an option to extend.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 11. Non-current assets - right-of-use assets (continued)

For impairment testing, the right-of-use assets have been allocated to the Investment and funds management cash-generating unit. Refer to note 12 for further information on the impairment testing key assumptions and sensitivity analysis.

Note 12. Non-current assets - intangibles

	Consolidated	
	2024	2023
	\$	\$
Goodwill - at cost	6,664,792	941,905

Reconciliations

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

Consolidated	Goodwill \$
Balance at 1 July 2022	941,905
Balance at 30 June 2023	941,905
Additions through business combinations (note 28)	5,722,887
Balance at 30 June 2024	6,664,792

Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated	
	2024	2023
	\$	\$
Investment and funds management services	5,722,887	-
Services to wealth management advisors	941,905	941,905
	6,664,792	941,905

For the purposes of impairment testing, both of the above cash generating units (CGU) are considered as separate business units, operating independently of each other. The recoverable amount of each of these CGUs has been determined by a fair value less cost of disposal calculation using a discounted cash flow model including five-year cash flow projections from financial budgets established by group management, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Investment and funds management services division:

- 9.6% pre-tax discount rate;
- 20% per annum average projected EBITDA growth rate
- 10 times earnings multiple to determine terminal value

The following key assumptions were used in the discounted cash flow model for the services to wealth management advisors division:

- 9.6% pre-tax discount rate;
- 45% per annum average projected EBITDA growth rate
- 8 times earnings multiple to determine terminal value

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 12. Non-current assets - intangibles (continued)

The discount rate of 9.6% is calculated using market metrics for risk free rate, equity risk premium and an average of peer-group betas, adjusted for inflation and applied to pre-tax cash flows and the terminal value. The rate reflects zero requirement for debt capital, therefore reflecting only the cost of equity capital.

Growth rates are based on management's Board-approved budget for the next financial year and an assessment of how the business will be built over the remainder of the forecast period.

The terminal values are assessed as an amount from a hypothetical sale after year five, net of selling costs, with the resultant net present value adjusted for net operating assets. The post year-five recoverable amount for each business unit is driven by management's estimate of appropriate sale multiples applicable to the pre tax cash flows of each business unit.

Based on the above, the recoverable amount of the both divisions exceeded their carrying amounts.

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

Investment and funds management services division

- Average EBITDA growth rates would need to decrease by more than 4% to 16% in this division before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 5% to 14.6% for this division before goodwill would need to be impaired, with all other assumptions remaining constant.

Services to wealth management advisors

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of services to wealth management advisors division's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Note 13. Current liabilities - trade payables

	Consolidated	
	2024	2023
	\$	\$
Trade payables	382,383	8,014

Refer to note 24 for further information on financial instruments.

Note 14. Current liabilities - lease liabilities

	Consolidated	
	2024	2023
	\$	\$
Lease liability	147,693	-

Refer to note 24 for further information on financial instruments.

Note 15. Current liabilities - income tax payable

	Consolidated	
	2024	2023
	\$	\$
Provision for income tax	67,451	43,436

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 16. Current liabilities - provisions

	Consolidated	
	2024	2023
	\$	\$
Annual leave	100,511	-
Long service leave	82,391	-
	<u>182,902</u>	<u>-</u>

Amounts not expected to be settled within the next 12 months

The current provision for annual leave and long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 17. Current liabilities - other payables

	Consolidated	
	As at 31 December 2023	As at 30 June 2023
	\$	\$
Deferred consideration - CHPW Financial Pty Ltd	-	240,000
Deferred consideration - Armytage Private Pty Ltd	875,000	-
	<u>875,000</u>	<u>240,000</u>

Deferred consideration - CHPW Financial Pty Ltd

As part of the acquisition of CHPW Financial Pty Ltd in a prior period, \$240,000 of the purchase consideration of CHPW Financial Pty Ltd was contingent on the satisfaction of certain hurdles which have been met as at the reporting date. This amount was paid during the reporting period.

Deferred consideration - Armytage Private Pty Ltd

As part of the acquisition of Armytage Private Pty Ltd during the current period (note 28), an initial amount of \$875,000 and a deferred amount of \$875,000 were agreed to be paid to the vendors. This amount is unpaid at the end of the reporting period.

Note 18. Equity - issued capital

	Consolidated			
	As at 30 June 2024	As at 30 June 2023	As at 30 June 2024	As at 30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>74,365,000</u>	<u>181,199,994</u>	<u>11,599,078</u>	<u>2,302,707</u>

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 18. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	179,799,994		2,232,707
Bonus shares issued to a director	1 July 2022	1,000,000	\$0.05	50,000
Shares issued	1 December 2022	400,000	\$0.05	20,000
Balance	30 June 2023	181,199,994		2,302,707
Share consolidation (1:5)	29 August 2023	(144,959,994)		
Share issue - acquisition of business (note 28)	31 August 2023	17,500,000	\$0.25	4,375,000
Share issue- IPO	14 February 2024	20,625,000	\$0.25	5,156,250
Costs of capital raising				(234,879)
Balance	30 June 2024	<u>74,365,000</u>		<u>11,599,078</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

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

Capital risk management

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

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

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 19. Equity - dividends

Dividends

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

Note 20. Fair value measurement

The consolidated entity has investments held at fair value of \$158,360 (30 June 2023: \$130,086) that pertain to securities traded in active markets. The fair value of the consolidated entity's investments is determined based on quoted market prices at the end of the reporting period.

The consolidated entity did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2024.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 21. Key management personnel

During the year ended 30 June 2023, a related party to non executive director Sam Adigrati was issued 1,000,000 ordinary shares in the company with a fair value of \$50,000 as a bonus for the performance of subsidiary, CHPW Financial Pty Ltd. No other amounts were paid to directors and other members of key management personnel of the consolidated entity.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Charterhouse & Co Auditors Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	Consolidated	Consolidated
	2024	2023
	\$	\$
<i>Audit services - Charterhouse & Co Auditors Pty Ltd</i>		
Audit or review of the financial statements	36,200	9,000
<i>Audit services - unrelated firms</i>		
Audit or review of the financial statements	18,050	-
Other services	5,650	-
	<u>23,700</u>	<u>-</u>

Note 23. Earnings per share

	Consolidated	Consolidated
	2024	2023
	\$	\$
<i>Earnings per share for (loss)/profit from continuing operations</i>		
(Loss)/profit after income tax	(259,424)	214,696

	Consolidated	Consolidated
	2024	2023
Basic and diluted earnings/(loss) per share	<u>(0.44)</u>	<u>0.12</u>

Note 24. Financial instruments

Financial risk management objectives

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

Risk management is carried out by the Board under policies approved by them. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 24. Financial instruments (continued)

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

Liquidity risk

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

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

Remaining contractual maturities

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

Consolidated - 2024	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	382,383	-	-	-	382,383
Other payables	-	875,000	-	-	-	875,000
<i>Interest-bearing - variable</i>						
Lease liability	4.52%	147,693	-	-	-	147,693
Total non-derivatives		1,405,076	-	-	-	1,405,076
Consolidated - 2023						
Consolidated - 2023	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	8,014	-	-	-	8,014
Other payables	-	240,000	-	-	-	240,000
Total non-derivatives		248,014	-	-	-	248,014

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

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 25. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 27.

Note 25. Related party transactions (continued)

Transactions with related parties

The consolidated entity entered into an acquisition agreement during the reporting period with the shareholders of Armytage Private Pty Ltd under which the shareholders of Armytage Private Pty Ltd agreed to sell, and the consolidated entity agreed to purchase, all of the shares in the capital of Armytage Private Pty Ltd. Armytage Private Pty Ltd is a director related entity of Lee laFrate. Deferred consideration payments related to the transaction remain payable at the end of the reporting period. Refer to note 17 for details of deferred consideration payments payable at the end of the reporting period and note 28 for details on the business combination that occurred during the period.

The consolidated entity entered into an acquisition agreement in a prior period to acquire all of the shares in the capital of CHPW Financial Pty Ltd. CHPW Financial Pty Ltd is a director related entity of Sam Adigrati. Deferred consideration payments related to the transaction remain payable at the beginning of the reporting period. Refer to note 17 for details of deferred consideration payments payable at the beginning of the reporting period.

CHPW Financial Pty Ltd entered into an outsourcing agreement with Vostro Philippines, on 11 September 2023 under which Vostro Philippines provides services to CHPW Financial Pty Ltd. Vostro Philippines was founded and is part owned and operated by Sam Adigrati.

CHPW Financial Pty Ltd has engaged Vostro Private Wealth Pty. Ltd. (“Vostro Private Wealth”), a wealth management practice owned and operated by Sam Adigrati, to provide staff on an hourly basis to provide wealth management, administration and support services. For these services, Vostro Private Wealth bills CHPW Financial Pty Ltd on an hourly basis.

Key management personnel

Disclosures relating to key management personnel are set out in note 21 and the remuneration report included in the directors' report.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 26. Parent entity information

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Profit after income tax	(692,309)	(4,226)
Total comprehensive loss	(692,309)	(4,226)

Statement of financial position

	Consolidated	
	2024	2023
	\$	\$
Total current assets	4,751,245	1,358,813
Total assets	12,014,605	2,468,899
Total current liabilities	1,181,587	240,000
Total liabilities	1,181,587	240,000
Equity		
Issued capital	11,599,132	2,302,707
Retained profits/ (losses)	(766,114)	(73,808)
Total equity	<u>10,833,018</u>	<u>2,228,899</u>

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024	2023
		%	%
Armytage Private Pty Ltd	Australia	100%	-
CHPW Financial Pty Ltd	Australia	100%	100%

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 28. Business combinations

On 31 August 2023 the Group acquired 100% of the ordinary shares of Armytage Private Pty Ltd for the total consideration transferred of \$6,125,000. Armytage Private Pty Ltd is a boutique investment and funds management and represents the investment and funds management division of the consolidated entity. Armytage Private Pty Ltd was acquired to increase the consolidated entity's market share and service offering within the financial services sector in Australia. The goodwill of \$5,772,887 reflects Armytage Private Pty Ltd's strong market position and profitability in trading. The acquired business contributed revenues of \$542,092 and profit after tax of \$86,815 to the consolidated entity for the period from 1 September 2023 to 31 December 2023. If the acquisition occurred on 1 July 2023, the contributions for the year would have been revenues of \$1,626,158 and profit after tax of \$270,670. Goodwill will not be deductible for tax purposes.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	239,990
Trade and other receivables	195,274
Other financial assets	56,352
Other assets	79,100
Income tax receivable	56,204
Property, plant and equipment	1,102
Right-of-use assets	196,315
Deferred tax asset	43,748
Trade and other payables	(96,110)
Lease liabilities	(208,543)
Provisions	(161,319)
Net assets acquired	402,113
Goodwill	5,722,887
Acquisition-date fair value of the total consideration transferred	<u>6,125,000</u>
Representing:	
Cash paid or payable to vendors	1,750,000
The Australian Wealth Advisors Group Limited shares issued to vendor	4,375,000
	<u>6,125,000</u>
Net cash acquired in business combination:	
Acquisition-date fair value of the total consideration transferred	6,125,000
Add: cash and cash equivalents	239,990
Less: deferred consideration	(1,750,000)
Less: shares issued by company as part of consideration	(4,375,000)
Net cash acquired	<u>239,990</u>

Note 29. Matters subsequent to the end of the financial year

On 5 July 2024, the consolidated entity made a 20% Equity Partnership Scheme ("EPS") investment into Melican Financial Planning ("Melican"), for cash consideration. This investment is aligned to the EPS model which is for AWAG to make a 20% investment in relevant financial services business (accounting, financial planning, insurance, or mortgage broking). The Melican transaction has established the EPS onboarding process covering due diligence, legal, compliance and general administration for future transactions.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
30 June 2024

Note 30. Reconciliation of (loss)/profit after income tax to net cash from operating activities

	Consolidated	
	2024	2023
	\$	\$
(Loss)/profit after income tax expense for the year	(259,424)	214,696
Adjustments for:		
Depreciation and amortisation	68,018	-
Share-based payments	156,250	50,000
Gain on investments	(29,809)	(21,316)
Provision for annual leave	19,176	-
Provision for long service leave	2,407	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(3,564)	1,170
Increase in prepayments	(140,818)	-
Increase/(decrease) in trade payables	278,209	(15,292)
Decrease in current provisions	-	(9,189)
Increase in provision for income tax	67,551	60,486
Net cash from operating activities	<u>157,996</u>	<u>280,555</u>

Note 31. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 32. Capital commitments - Property, plant and equipment

The consolidated entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

The Australian Wealth Advisors Group Limited
Consolidated entity disclosure statement
As at 30 June 2024

Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with s295(3A)(a) of the Corporations Act 2001 and includes the required information for The Australian Wealth Advisors Group Ltd and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Name of entity	Entity type	Country of incorporation	% of share capital	Australian tax resident
The Australian Wealth Advisors Group Pty Ltd	Body Corporate	Australia	n/a	Yes
Armytage Private Pty Ltd	Body Corporate	Australia	100%	Yes
CHPW Financial Pty Ltd	Body Corporate	Australia	100%	Yes

The Australian Wealth Advisors Group Limited
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Lee laFrate
Executive Chairman

27 August 2024

The Australian Wealth Advisors Group Limited
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 7 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	6	0.01
1,001 to 5,000	24	0.30
5,001 to 10,000	176	6.94
10,001 to 100,000	58	10.60
100,001 and over	24	82.15
	<u>288</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>24</u>	<u>0.30</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Lee Iafrate – Family	18,360,778	24.69%
National Nominees Limited	9,333,335	12.55%
Michael Fitzpatrick - Family	8,000,000	10.76%
Mr Peter Geoffrey Hollick + Mrs Helen Therese Pattison <MACDY No. 5 Superannuation Fund	5,411,312	7.28%
Appellation Investments Pty Ltd <Appellation Family A/C>	4,092,763	5.50%
Paul Young - Family	3,633,333	4.89%
Kensington Trust Singapore Limited <IS&P (First Names Singapore) Retirement Fund - FN37>	3,333,333	4.48%
Manly Lane Pty Ltd <The Scott & Sally Beeton Superannuation Fund>	1,666,667	2.24%
Mr Iain Douglas Jackson Mason + Ms Susie Elizabeth Mason <Liberty Estate Superannuation Fund>	1,250,000	1.68%
National Nominees Limited	1,244,541	1.67%
DASI Investments Pty Ltd	1,200,000	1.61%
Mark Stephen - Family	1,157,647	1.56%
Henclo Investments Pty Ltd	1,050,000	1.41%
Ginga Pty Ltd <TG Klinger Superfund>	1,000,000	1.34%
Morobe Jach Pty Ltd <The Morobe Superannuation Fund>	833,333	1.12%
Adigrati Investment Pty <The Sma Family A/C>	760,000	1.02%
Ragar Pty Ltd	666,667	0.90%
Zermatt Pty Ltd <Montana Crans Superfund A/C>	666,667	0.90%
Dixson Trust Pty Ltd	600,000	0.81%
Marsel Holdings Pty Ltd <Hayes Super Fund>	600,000	0.81%
	<u>64,860,376</u>	<u>87.22%</u>

The Australian Wealth Advisors Group Limited
Shareholder information
30 June 2024

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Lee Iafrate – Family	18,360,778	24.69%
National Nominees Limited	9,333,335	12.55%
Michael Fitzpatrick - Family	8,000,000	10.76%
Mr Peter Geoffrey Hollick + Mrs Helen Therese Pattison <MACDY No. 5 Superannuation Fund>	5,411,312	7.28%
Appellation Investments Pty Ltd <Appellation Family A/C>	4,092,763	5.50%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

All issued ordinary shares carry one vote per share.

There are no other classes of equity securities.



Charterhouse & Co Auditors Pty Ltd

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THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

ABN : 31 653 634 292

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Report on the Financial Report

Opinion

We have audited the financial report of The Australian Wealth Advisors Group Limited (the company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and 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:

- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;

Basis for Opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

- 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,

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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.

Name of Firm: **CHARTERHOUSE & CO AUDITORS PTY LTD**

Name of Director: 

Kerpal S Harnam - DIRECTOR

Address: 480 Collins Street, Melbourne VIC 3000

Date 27th day of August 2024