Prime Financial Group Ltd and its Controlled Entities
ABN 70 009 487 674

Appendix 4E Preliminary Financial Report given to the ASX under Listing Rule 4.3A

For the year ended 30 June 2023

Reporting Period

Reporting Period	
Current reporting period	Year ended 30 June 2023
Previous corresponding reporting period	Year ended 30 June 2022

Results to Announcement to the Market

Results to Announcement to the Market			
Revenue from ordinary activities	up	28% to	33,743,247
Profit (loss) from ordinary activities after tax attributable to members	up	16% to	4,408,941
Net profit (loss) for the period attributable to members	up	16% to	4,408,941

Dividends	Amount per security	Franked amount per security
Interim dividend	0.70 cents	0.70 cents
Final dividend	0.80 cents	0.80 cents
Total dividend	1.50 cents	1.50 cents
Record date for determining entitlements to Final dividend		4 September 2023
Payment date for Final dividend		29 September 2023

Results were extracted from the Financial Statements for the year ended 30 June 2023 which was audited by Ernst & Young.

Commentary on the results for the year ended 30 June 2023 is included in the Directors' Report section of the Annual Report for the year ended 30 June 2023.

Net Tangible Assets Per Security

Reporting Period	30 June 2023	30 June 2022
Net tangible asset backing per ordinary security	(0.48) cents	0.20 cents

Prime

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For the year ended 30 June 2023

Results to Announcement to the Market

Dividends	Date of Payment	Total amount of dividend
Interim dividend – Year ended 30 June 2023	31 March 2023	0.70 cents
Final dividend – Year ended 30 June 2023	29 September 2023	0.80 cents

Amount per security	Amount per security	Franked amount per security
Current Year	1.50 cents	100%
Previous Year	1.10 cents	100%

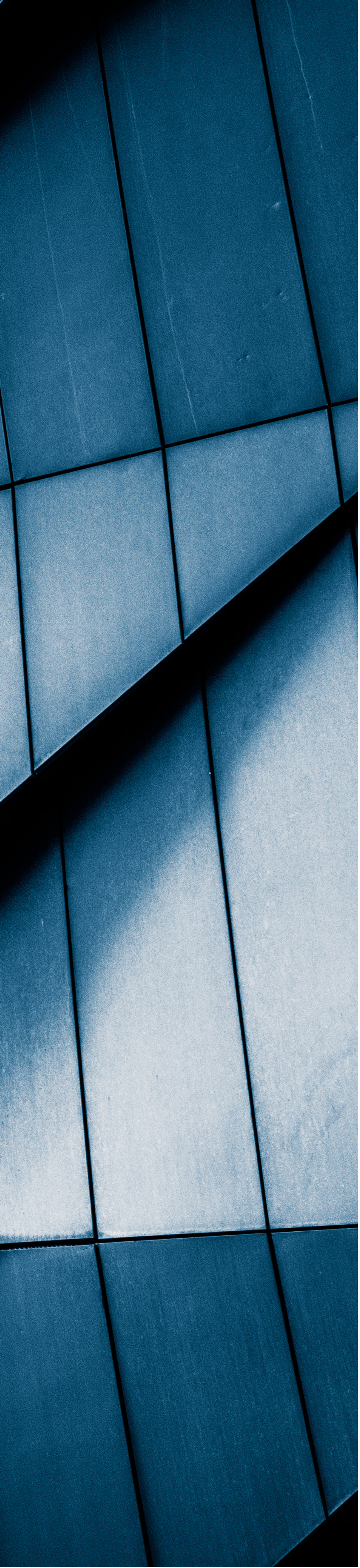
Total dividend on all securities	2023 $A'000	2022 $A'000
Ordinary Securities	2,994	2,196
Total	**2,994**	**2.196**

Prime

aspire, innovate, grow & impact

Annual Report 2023

For the year ended 30 June 2023



In this Report

Managing Director/ CEO & Chairman's Message

Dear Shareholders,

The 2023 financial year (FY23) was another period of strong growth for Prime Financial Group ("Prime"), as we materially progress towards our goal of doubling group revenue to $50 million by FY25.

It was Prime's fifth consecutive year of earnings growth since repositioning our firm as 'OneConnected' future-focused Advice, Capital & Asset Management Group.

The strong revenue growth achieved in FY23, up 28% versus FY22, was driven by organic growth within our existing service lines, the introduction of our Debt Capital & ESG Advisory capability, the expansion of our Wholesale Client Investment Offering and the acquisition of market-leading B2B Self-Managed Superannuation Fund (SMSF) Administrator, Intello Pty Ltd ("Intello").

The acquisition of Intello, Prime's first in 6 years, accelerates the enhancement of our capabilities across SMSF and through Intello, Prime gained a complementary and capable team, a broader audience to offer services to plus excellent technology that allows us to improve our services for our B2B Accounting and Financial Adviser partners.

The Intello business is the first of an increasing number of acquisitions that will be integrated into the core of Prime's offering to continue to scale, differentiate and value add for clients and partner firms.

The strong top line results achieved in FY23 drove earnings growth of 11% and as new service capabilities mature this will continue to drive earnings and margin growth for the *future*.

With increased earnings, and a strong balance sheet, Prime declared a full year dividend of 1.5 cents per share (cps), which was up 36% on the prior year.

In FY23 Prime secured a new $10 million financing facility with Westpac Banking Corporation to be utilised for acquisitions. With the addition of this facility, combined with Prime's existing Westpac facility, Prime has a total financing limit of approximately $19.7 million, with $10.5 million currently drawn.

Prime also continued with its share buyback in FY23, reflecting the Board's view that at Prime's current valuation this is a very effective use of capital. One million five hundred thousand (1.5m) shares were purchased in FY23. To date at 18 August 2023 closing, 5.4 million shares were bought back by Prime reflecting a total spent of $983k.

The past financial year also saw significant progress on Environmental, Social and Governance (ESG) initiatives for our firm.

We formalised our ESG plan, underlining our commitment to impactful corporate citizenship, climate change and our contribution to creating a just world today and for generations to come. Our ESG plan is focused on creating impact guided by the United Nations (UN) Sustainable Development Goals and we will be implementing the plan by working with our people, partners, clients and the communities in which we operate.

Looking ahead, our plan is to continue our strong growth momentum through four key areas:

- Further acquisitions in tandem with organic divisional revenue growth;
- Enhance our capabilities across our existing service lines;
- The addition of new service lines; and
- The recruitment of new growth orientated team members.

As a Group we will continue to aspire, innovate, grow and impact whilst focusing on our purpose of providing our clients with a personalised service to realise their goals and aspirations and our ambition to be the leading Integrated Advice, Capital & Asset Management Group of the future.

I would like to thank my fellow Board Members, Management Team and all Prime employees for their hard work and commitment in another successful year for the Group.

I would also like to thank our shareholders and partners for their ongoing support. I look forward to updating you on our progress over the months ahead.

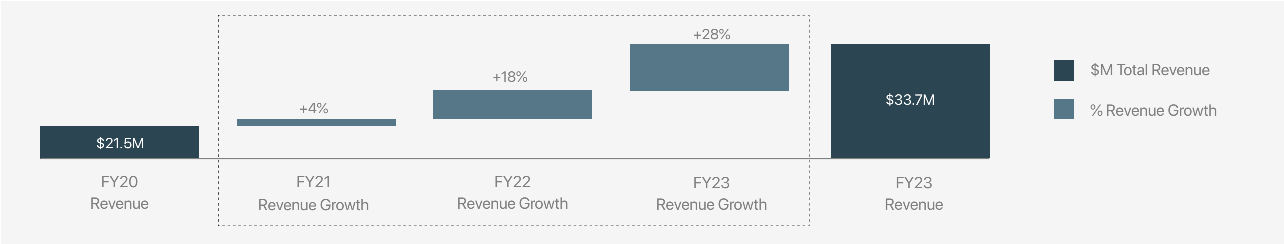
Simon Madder
Managing Director/CEO & Chairman

Financial Results

Prime has achieved the following financial results for FY23:

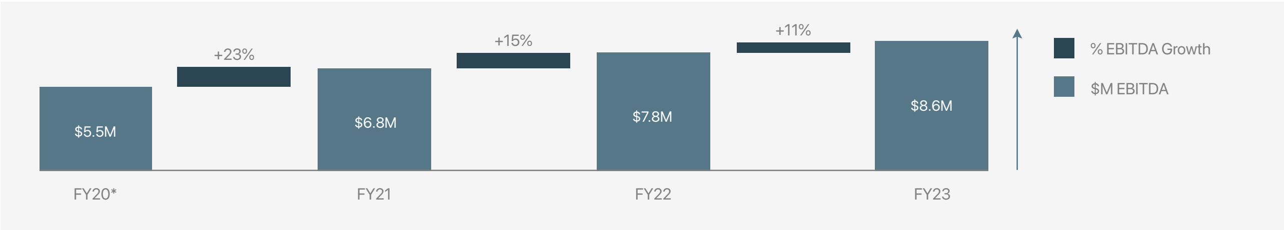
Analysis of Revenue Growth by Year

Revenue growth+28%, $33.7M (FY23) v $26.3M (FY22).



Underlying EBITDA FY20 – FY23

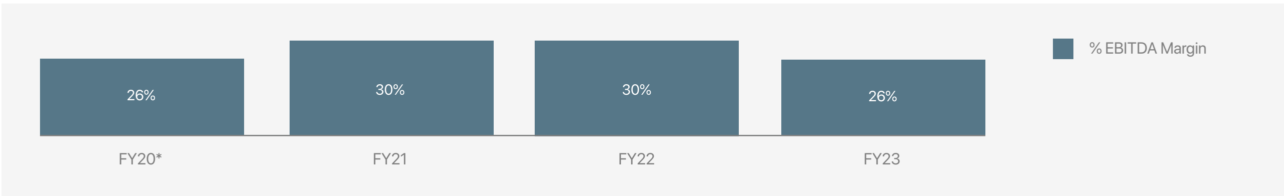
Underlying EBITDA (members/shareholders) +11%, $8.6M (FY23) v $7.8M (FY22).



Note; rounding is to nearest AUD $million and as such subject to rounding differences when calculating variances and totals

Analysis of EBITDA Margin by Year

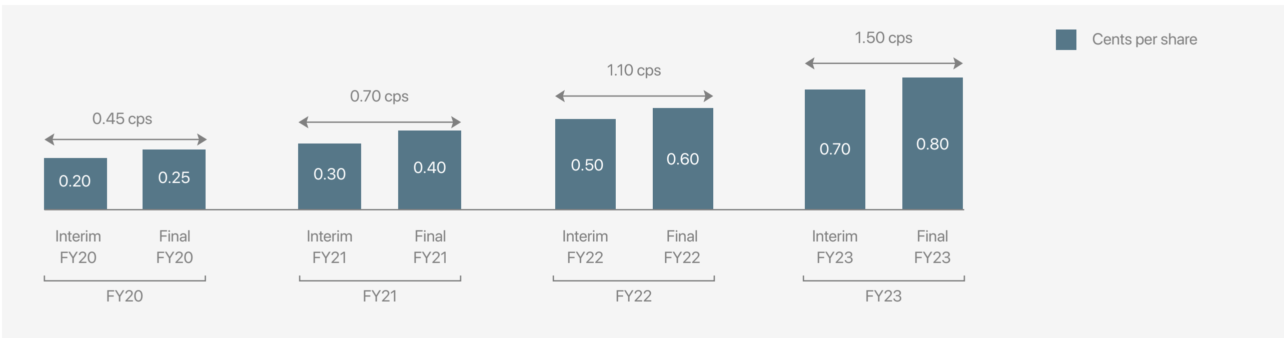
EBITDA Margin reduced to 26% (FY23) v 30% (FY22).



Note; rounding is to nearest AUD $million and as such subject to rounding differences when calculating variances and totals

Dividends

33% increase in Final dividend to 0.80cps (FY23) up from 0.60cps (FY22).



Record Date: 4 September 2023
Payment Date: 29 September 2023

Summary Financial Information

Across Prime's key group metrics there were material improvements with particular emphasis on the increase in revenue, earnings, and dividends. These improvements are a reflection of a growing client base and delivering additional high value services to existing clients. There was, however, an increase in debt largely due to the SMSF (Intello) transaction and investment in growth.

Accounting & Business Advisory plus Capital

Revenue increased by 23% for the year through various organic growth initiatives. We continue to see high demand for core Accounting Services which are substantially recurring in nature and a material uptick in the number of engagements and successful outcomes for our Capital & Corporate Advisory clients. Further, Prime commenced two new service offerings within this segment being Debt Capital Advisory and ESG Consulting half way through FY23.

Wealth Management & SMSF

Revenue increased by 35% for the year as Prime continues to achieve above industry organic growth from Prime's SMSF division which will enter its sixth year of operation in FY23. SMSF firm Intello which was acquired on 1 October 2022 contributed 21% of the 35% segments FY23 revenue growth. Prime will also focus on the continued development of the Wealth Management Wholesale client offering and Family Office capability. Growth is further supported by a reduction in the number of Financial Advisers in the industry, whilst demand for services remains strong. As an established Wealth Manager with a 25 year history, good scale and deep expertise, Prime are well positioned to participate in the industry re-positioning.

The outlook for Prime in FY24 is;

01.

Strong Organic Growth

Organic growth to be driven across core services plus new service offerings

02.

Delivering Accretive Acquisitions

Funding capability to capitalise on future growth opportunities

03.

Scale Efficiencies to Drive Earnings

Investment in team and infrastructure to drive efficiencies

04.

Driving Growth in Revenue, Earnings & Dividends

- Revenue +15-20%
- EBITDA +10-15%
- Dividends +5-10%

Our Commitment to Impact

As we accelerate our growth, we do so with a *commitment* to impactful corporate citizenship, and the planet in mind, all contributing to creating a just world today and for generations to come.

We will do this by working with our people, partners, clients and the communities in which we operate to form meaningful and impactful partnerships.

Our plan is focused on creating impact guided by the United Nations (UN) Sustainable Development Goals (SDGs) and as such have in 2023 become signatories to the UN Global Compact.

We are committed to diversity, equity & inclusion (DEI) and know that our approach to DEI plays a significant role in our success.

We support the following UN SDGs

Director's report

The Directors submit their report for the year ended 30 June 2023 together with the consolidated financial statements of Prime Financial Group Ltd ('PFG' 'Prime' or 'the Company') and the entities it controlled ('the Group') at the end of, or during, the year ended 30 June 2023, and independent audit report thereon.

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Prime Directors

Simon Madder
Chief Executive Officer, Managing Director & Chairman

- Co-founder, Managing Director & CEO of Prime Financial Group Ltd (Prime) since 1998
- 25+ years' experience in Wealth Management & Accounting Services across Operations, Strategy & Acquisitions

Tim Bennett
Executive Director (effective 3 July 2020) & Managing Director – Capital & Corporate Advisory

- Established the Capital & Corporate Advisory division. Prior to joining Prime, Tim was a partner at a 'Big 4 Firm' leading a Mergers & Acquisitions group
- Chartered Accountant with 15+ years' specialist M&A experience having advised on a range of transactions, across all industry sectors

Matt Murphy
Executive Director (effective 3 July 2020)

- Joined Prime in 2016 as Managing Director – Accounting & Business Advisory after merging his Accounting Firm with Prime
- Experienced Leader, Accountant and Business Adviser with 20+ years' experience across Business, Accounting and Taxation Advisory services and a focus on integrated advice

Interests in the shares and options of the Company and related bodies corporate

	Ordinary Shares	Options over Shares
Mr S Madder	29,107,008	-
Mr M Murphy	13,628,571	-

Dividends

The Board has resolved to declare a fully franked final dividend of 0.80 cents per ordinary share, bringing the total dividends declared in respect of the 12 months to 30 June 2023 to 1.50 cents per ordinary share. This compares to total dividends declared in respect of the prior twelve-month period of 1.10 cents per ordinary share. Future dividend payout ratios are targeted at 50-70% of the reported and maintainable earnings.

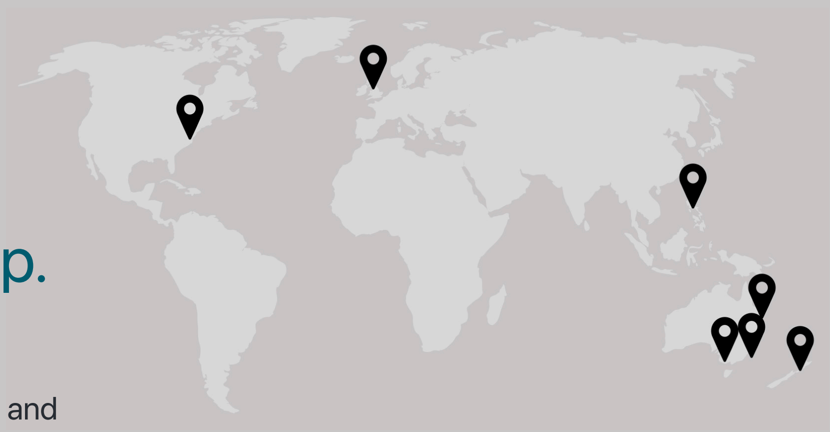
Principal Activities

The principal activities of the Group entity during the financial year were:

- Accounting & Business Advisory plus Capital & Corporate Advisory services ; and
- Wealth Management and SMSF

Connecting Aspirations, Opportunities & Expertise

We are a *market leading* Advice, Capital & Asset Management Group.



We believe in uncapped opportunities and are committed to creating prosperous and sustainable financial futures for all.

$1.1B FUM	150+ Team Members	Global Footprint	4 Service Lines	25 Year History

The following presents a summary of Prime's *strategic plan* for growth

Strategy for Growth

Topline Growth

- Organic growth in existing service lines and new services
- Recruiting people with an existing revenue and client base
- Cross-delivery of additional services to exising clients
- Stable & growing recurring revenue across Advice, Accounting, Wealth & Asset Management
- Revenue diversification through emerging strategies and solutions

Margin Expansion

- Efficiencies driven by centralised operations and a shared services model
- Emerging and new services with higher EBITDA margins
- Economies of scale as the group grows
- The potential of Artificial Intelligence (AI) to enhance productivity

Balance Sheet Strength

- Accretive acquisition strategy
- Funding capability to capitalise on future growth opportunities

Our Commitment to Ownership

- Currently 45% of our company is owned by the team
- We encourage our staff to have an 'ownership' mentality and to work collaboratively, enabling them to help co-create the firm of the future
- We do this through our equity/business ownership plan (Long Term Incentive (LTI)/Performance Rights) that connects all team members through the same shared growth orientated financial goals as OneConnected team

Reported & Underlying Earnings

In this report, certain non-IFRS information, such as EBITDA (Earnings before interest, tax, depreciation and amortisation) is used.

Underlying EBITDA for members/shareholders is the key measure used by management and the Board to assess and review business performance. Underlying EBITDA for members/shareholders is adjusted to exclude the following items:

- One-off non-recurring items (including business acquisition and restructuring costs)
- Non-recurring employee benefits;
- Fair value movements/adjustments;
- Loss on derecognition of ROU Asset.

Underlying EBITDA for members/shareholders has increased from $7.77M (FY22) to $8.62M (FY23) +11%. Revenue growth from continuing operations increased by 28%. 'Wealth Management & SMSF' revenue was up 35%, whilst 'Accounting & Business Advisory plus Capital' revenue was up 23%. This is the seventh successive year of organic growth from contracts with customers.

	Year Ended 30 June 2023 $	Year Ended 30 June 2022 $
Reported net profit after tax operations (Group)	4,982,892	4,447,580
Add: Tax expense	1,694,485	1,407,298
Add: Interest expense/(income)	705,557	321,657
EBIT (Group) *	7,382,934	6,176,535
Add: Depreciation	71,401	48,853
Add: Amortisation	1,695,500	1,545,939
Reported EBITDA (Group) **	**9,149,835**	**7,771,327**
Adjustments		
Non-recurring including Restructure & Repositioning and Employee Benefits	854,471	330,000
Fair value movements/adjustments on financial assets/contingent consideration	(620,577)	(2,872)
Loss on derecognition of ROU Asset	-	515,880
Underlying EBITDA (Group) **	**9,383,729**	**8,614,335**
Underlying EBITDA (members/shareholders)	**8,618,460**	**7,769,658**
Reported EBITDA (members/shareholders)	**8,384,566**	**6,926,650**

*EBIT is defined as earnings before interest and tax
**EBITDA is defined as earnings before interest, tax, depreciation and amortisation

Review of Financial Condition

In FY23, the Group generated net cash inflow of $0.91M consisting of cash flows from operating activities of $4.22M and $0.32M from financing, offset by outflows from investing activities of $3.63M. At 30 June 2023, the Group's net debt, calculated as borrowings less cash and cash equivalents, was $9.47M (30 June 2022: $5.23M).

Significant Events

There are no matters or circumstances which have arisen since the end of the financial period, that have significantly affected, or may significantly affect the operations of the Group, or the state of affairs of the Group in future periods.

Likely Developments And Expected Results Of Operations

Prime's strategy, focus and likely developments are included in the Managing Director/CEO & Chairman's Report.

Environmental Regulation

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Share Options

Unissued shares

At the date of this report there were unissued shares under options. Please refer to the Remuneration Report for further details of the options outstanding for Key Management Personnel (KMP).

Shares Issued As A Result Of The Exercise Of Options

During the financial year, no options were exercised to acquire any shares in PFG.

Indemnification And Insurance Of Directors And Officers

As outlined in the company's constitution, to the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person, as such an officer of the Company, and to a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which involves a lack of good faith, or is contrary to the Company's express instructions. The Company indemnifies every person who is or has been an officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as an officer of the Company, in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person, or in which the person is acquitted, or in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Law. Insurance premiums were paid during the financial year, for all Directors and Officers of the consolidated entity. To the extent permitted by law, the group has agreed to indemnify our auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Director Meetings

The number of meetings of the Board of Directors and of each Board Committee held during the financial year and the number of meetings attended by each Director were:

	Board of Directors		**Audit Committee**	
	Eligible to attend	Attended	Eligible to attend	Attended
Mr S Madder	6	6	2	2
Mr T Bennett	6	6	2	2
Mr M Murphy	6	6	2	2

	Remuneration Committee		**Nominations Committee**	
	Eligible to attend	Attended	Eligible to attend	Attended
Mr S Madder	1	1	-	-
Mr T Bennett	1	1	-	-
Mr M Murphy	1	1	-	-

Proceedings Of Behalf Of The Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

Corporate Governance Statement

A full copy of Prime's Corporate Governance Statement can be found on Prime's website (https://www.primefinancial.com.au/corporate-governance).

Diversity Policy

The measurable objectives established for achieving gender diversity is to increase the number of females in the whole organisation and at senior management positions to 50%. The proportion of female employees in the whole organisation at present is 55% (30 June 2022: 51%), the proportion of females in senior management positions at present is 46% (30 June 2022: 25%). Given the recent strong growth and to support plans for future growth, the senior management team has been reviewed and focusses on Managing Directors and divisional heads. There are no females on the Board. A full copy of Prime's Diversity Policy can be found on Prime's website https://www.primefinancial.com.au/corporate-governance

Auditor Independence

A copy of the auditor's independence declaration under section 307C of the Corporations Act 2001 in relation to the audit of the financial year is provided with this report.

Non-Audit Services

In FY23, Ernst & Young did not provide any non-audit services to Prime.

Remuneration Report

The Directors of Prime present the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2023 (FY23).

This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001. The Report details the remuneration arrangements for the Group's Key Management Personnel (KMP):

- Non-executive Directors (NEDs); and
- Executive Directors and senior executives (collectively the Senior Executives).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group. The KMP during FY23 were as follows:

- Simon Madder, Managing Director, CEO & Chairman;
- Matt Murphy, Executive Director;
- Tim Bennett, Executive Director;

The Board and the Remuneration Committee assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

The Board policy for determining the nature and amount of remuneration of Non-executive Directors is agreed by the Board of Directors as a whole. Remuneration for executives is determined by the Board's Remuneration Committee.

The Board and its Remuneration Committee has the right to obtain professional advice.

The Group securities trading policy applies to all NEDs and executives. The policy prohibits employees from dealing in Prime securities while in possession of material non-public information relevant to the Group.

Principles of compensation

The Company remunerates its senior executives in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy, and subject to the determination of the Remuneration Committee, the remuneration of senior executives may be comprised of the following:

- Fixed salary, including superannuation, that is determined from a review of the market and reflects core performance requirements and expectations;
- A short-term incentive (STI) designed to reward achievement by individuals of performance objectives; and

A long-term incentive (LTI) based on ongoing Group performance
By remunerating senior executives through short and long-term incentive plans in addition to their fixed remuneration the Company's objective is to align the interests of senior executives with those of shareholders and increase performance of the Company. KMP performance is assessed annually against each Balanced Scorecard by the Remuneration Committee. The philosophy of deploying this remuneration structure and strategy is to provide a clear intention to improve the Company's fiscal performance and thereby increase underlying shareholder value.

Fixed Remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- The scope of the executive's role
- The executive's skills, experience and qualifications
- Individual performance

It is set with reference to comparable roles in similar companies.

Short-Term Incentive

Senior executives who are remunerated under the Executive Remuneration Policy are eligible for a short-term incentive (paid in cash the following financial year subject to employment). In determining whether or not executives are eligible for a STI, the Remuneration Committee review the achievement of both Financial and Non-Financial key performance indicators (KPIs) for the financial year.

The achievement of some or all of the KPIs will allow the Remuneration Committee to determine the level of STI that is paid. Specific KPIs that are applied to management by the Remuneration Committee to measure performance are set out below:

Financial

- Underlying EBITDA (members/shareholders);
- Revenue;
- Dividends;
- Productivity;
- Working Capital efficiency;

Non-Financial

- Execution of Business Strategy;
- Compliance and Risk Management;
- Referrals to other divisions & integration (OneConnected strategy);
- Client service and feedback;

- Team engagement;
- Personal development; and
- Other items identified of importance from time to time

The Financial KPIs are a direct measure of the Company's performance. The Non-Financial KPIs are related directly to business drivers that generate financial performance. Through the achievement of these KPIs the Company aligns its interests with shareholders through an increase in value of the organisation. The aim is to align our senior executive's remuneration to Prime's strategic and business objectives and the creation of shareholder wealth. The table on the "Overview of the Group's financial performance" section in the following pages shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to senior executives.

Long-Term Incentive

Prime's team is our biggest asset, and we want to continue to develop incentive structures, a culture and balance to achieve sustainably higher business and personal growth with a business owner mentality at the core, a true partnership between team and shareholders that encourages development and alignment. For this reason, having a well articulated and differentiated LTI program to connect and grow the firm is essential.

In the Extraordinary General Meeting on 14 July 2017, shareholders approved a Performance Rights Plan (PRP) and the issue of performance rights under that plan, including the issue of shares upon vesting of those performance rights. This LTI structure has been in place since FY21 and applies to Prime Team members that have been with Prime for at least twelve months. Upon the firm achieving the required performance criteria, the LTI program provides eligible team members the right to acquire, at nil price, an allocation of performance rights. The Board implemented a level of minimum acceptable growth in Underlying EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) and Share Price Increase (SPI) as these performance criteria.

The Performance and Vesting conditions include the following;

- Cumulative 8% compound growth in underlying EBITDA (members/shareholders) over a two or three year period;
- Cumulative 20% compound growth in Prime's share price over a two or three year period; and
- Being a continuing employee or contractor of Prime at the time of vesting

Each year the Prime Remuneration Committee will nominate a percentage of staff members remuneration available as an LTI. The allocation will then be determined based on a manager's assessment of the staff members' performance against the nominated Key Performance Indicators (KPIs) in their Balanced Scorecard. This is completed as part of their Annual Performance Review.

Overview of the Group's financial performance over the last five years

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee have regard to Underlying EBITDA for members/shareholders and profit attributable to owners of the company, dividends paid and change in share price. Underlying EBITDA for members/shareholders is considered one of the main and key financial performance targets in setting short-term and long-term incentives. The table below sets out information about earnings and movements in shareholder wealth for the past five years up to and including the current financial year.

	2023	2022	2021	2020	2019
Underlying EBITDA to members/shareholders of the parent entity ($,000's)*	8,619	7,770	6,778	5,533	4,099
Reported Profit/(loss) after tax attributable to members/shareholders of the parent entity ($,000's)	4,409	3,814	3,074	2,132	1,315
Basic earnings per share (cents)	2.22	1.93	1.69	1.21	0.77
Dividend per share (cents)	1.50	1.10	0.70	0.45	0.40
Share price at the end of the financial year ($)	0.200	0.170	0.097	0.070	0.065

*Excluding the impact of AASB-16 lease standard for 2019.

Overview of Non-executive Director Remuneration

The Group's Non-executive Director remuneration is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity.

Non-executive Directors receive fees only and do not participate in any performance related incentive awards. Non-executive Directors fees reflect the demands and responsibilities of the directors awards.

Non-executive Directors are paid their fees within the maximum aggregate amount approved by shareholders for the remuneration of Non-executive Directors. The maximum aggregate amount for the remuneration of Non-executive Directors, which has been approved by Shareholders, is $375,000. During the 2023 Financial Year, $nil was paid to Non-executive Directors.

The Board will not seek an increase to the aggregate Non-executive Director fee pool limit at the 2023 Annual General Meeting (AGM).

KMP Remuneration for the years ended 30 June 2023 and 30 June 2022

The below scorecards are the basis for both the STI and LTI for all awards.

Mr S Madder's Balanced Scorecard is weighted 80% financial and 20% non-financial.

Financial KPI's		
Metric	**Commentary**	**Result**
Underlying EBITDA (members/shareholders)	Increase in Underlying EBITDA (members/shareholders)	Outperform
Underlying EBITDA (members/shareholders)	Cumulative 8% compound growth in underlying EBITDA (members/shareholders) over a three year period	Outperform
Share Price	Cumulative 20% compound growth in Prime's share price over a three year period	Outperform
Revenue	Revenue Growth - Consecutive years of growth	Outperform
Dividend	Dividend Growth	Outperform
Non-Financial KPI's		
Metric	**Commentary**	**Result**
Business Strategy	Execution of Business Strategy including 'OneConnected' approach	Outperform
Team Engagement	Team engagement, retention and safety, including a move to flexible work arrangements	Outperform
Compliance & Risk Management	Adoption and improvement of system, structure and no material client complaints	In-line
Client Service	High client retention, additional services for existing clients and top quartile Net Promoter Score (NPS)	In-line
Increased Scope	Increased Scope of roles, including addition of Wealth Management (MD) and Finance Function (CFO Successor and support)	Outperform

Mr M Murphy's Balanced Scorecard is weighted 50% financial and 50% non-financial.

Financial KPI's		
Metric	**Commentary**	**Result**
Underlying EBITDA - Prime Accounting & Business Advisory	Increase in Underlying EBITDA	In-line
Underlying EBITDA - Prime (members/shareholders)	Cumulative 8% compound growth in underlying EBITDA (members/shareholders) over a three year period	Outperform
Share Price	Cumulative 20% compound growth in Prime's share price over a three year period	Outperform
Revenue	Revenue Growth	Outperform
Non-Financial KPI's		
Metric	**Commentary**	**Result**
Divisional Strategy	Execution of divisional business strategy, including new clients, cross delivery of services structure and business continuity	Outperform
Team Engagement	Team engagement, retention, management and people development	In-line
Compliance & Risk Management	Introduction of enhanced systems and technology and no material client complaints	In-line
Client Service	High client retention, additional services for existing clients and top quartile Net Promoter Score (NPS)	Outperform

Mr T Bennett's Balanced Scorecard is weighted 80% financial and 20% non-financial.

Financial KPI's		
Metric	**Commentary**	**Result**
Underlying EBITDA - Capital & Corporate Advisory	Increase in Underlying EBITDA	Outperform
Underlying EBITDA - Prime (members/shareholders)	Cumulative 8% compound growth in underlying EBITDA (members/shareholders) over a three year period	Outperform
Share Price	Cumulative 20% compound growth in Prime's share price over a three year period	Outperform
Revenue	Revenue Growth - Consecutive years of growth (Since commencement of the division)	Outperform
Non-Financial KPI's		
Metric	**Commentary**	**Result**
Divisional Strategy	Execution of divisional business strategy growth, new team members and business continuity	Outperform
Team Engagement	Team growth, retention, management and development	Outperform
Compliance & Risk Management	Further development of systems, structure and processes as division scales	In-line
Client Service	New client engagements and high level of client satisfaction and testimonials	Outperform

KMP Remuneration FY23

	Short-Term			Post-employment		Long-Term	Share Based Payments			
	Salary/ Fees	Cash bonus	Non-Monetary	Super	Retirement benefits	Annual Leave/ Long Service leave	Short-Term Incentive (STI)	Long-Term Incentive (LTI)	Total	Total Performance Related
Executive Directors	$	$	$	$	$	$	$	$	$	%
Mr S Madder	471,296	200,000	-	27,500	-	12,349	-	328,161	1,039,306	51
Mr T Bennett	360,000	120,000	-	-	-	-	-	221,186	701,186	49
Mr M Murphy	243,181	72,000	-	20,942	-	22,329	-	49,306	407,758	30
Total	**1,074,477**	**392,000**	**-**	**48,442**	**-**	**34,678**	**-**	**598,653**	**2,148,250**	**46**

	FY21 Short Term Incentives	FY21 Long Term Incentives Tranche 1 Share Price Hurdle	FY21 Long Term Incentives Tranche 2 EBITDA Hurdle	FY22 Long Term Incentives Tranche 1 Share Price Hurdle	FY22 Long Term Incentives Tranche 2 EBITDA Hurdle
Grant Date	29 Oct 20	29 Oct 20	29 Oct 20	26 Nov 21	26 Nov 21
Fair Value at Grant Date (Cents)	7.1	2.9	6.1	11.7	14.7
Exercise Price (Cents)	6.4	6.4	6.4	6.4	6.4
Vesting Date	29 Oct 21	29 Oct 23	29 Oct 23	26 Nov 23	26 Nov 23
Weighting	100%	50%	50%	50%	50%

	FY23 Long-Term Incentives Tranche 1 Share Price Hurdle	FY23 Long-Term Incentives Tranche 2 EBITDA Hurdle
Grant Date	25 Nov 22	25 Nov 22
Fair Value at Grant Date (Cents)	16.8	21.3
Exercise Price (Cents)	9.5	9.5
Vesting Date	25 Nov 24	25 Nov 24
Weighting	50%	50%

KMP Remuneration for the years ended 30 June 2023 and 30 June 2022 (continued)

KMP Remuneration FY22

	Short-Term			Post-employment		Long-Term	Share Based Payments			
	Salary/ Fees	Cash bonus	Non-Monetary	Super	Retirement benefits	Annual Leave/ Long Service leave	Short-Term Incentive (STI)	Long-Term Incentive (LTI)	Total	Total Performance Related
Executive Directors	$	$	$	$	$	$	$	$	$	%
Mr S Madder	470,673	430,000	-	28,125	-	-	-	94,465	1,023,263	51%
Mr T Bennett	360,000	120,000	-	-	-	-	19,887	91,360	591,247	39%
Mr M Murphy	350,000	90,000	-	27,500	-	-	13,258	26,066	506,824	26%
Total	**1,180,673**	**640,000**	**-**	**55,625**	**-**	**-**	**33,145**	**211,891**	**2,121,334**	**42%**

KMP Options awarded, vested and lapsed during the year

Mr M Murphy and Mr T Bennett were awarded Short-Term Incentives in the form of equity-settled share-based payment transactions under the performance rights plan, vesting on 29 October 2021, these are yet to be exercised. If not exercised, the incentive is to be forfeited at 30 June 2024.

All three directors were also awarded Long-Term Incentives in the form of equity-settled share-based payment transactions under the performance rights plan, vesting on 26 November 2023. Mr Murphy also has similar Long-Term Incentives vesting on 29 October 2023 and Mr S Madder and Mr T Bennett have similar Long-Term Incentives vesting on 25 November 2024. The Remuneration Committee has exercised discretion in not awarding Matt Murphy any Long Term Incentives in FY23. These are all shown on the KMP table on the previous pages.

FY23 Performance Rights holdings of KMP

							Total Performance Rights at year end	
Director	Performance Rights held at 30 June 2022	Granted	Exercised	Lapsed	Vested	Performance Rights held at 30 June 2023	Vested/ exercisable	Not vested/ Not exercisable
Mr S Madder	3,101,964	3,163,623	-	-	-	6,265,587	-	6,265,587
Mr T Bennett	3,000,000	761,099	-	-	703,125	3,761,099	703,125	3,057,974
Mr M Murphy	781,250	-	-	-	468,750	781,250	468,750	312,500
Total	**6,883,214**	**3,924,722**	**-**	**-**	**1,171,875**	**10,807,936**	**1,171,875**	**9,636,061**

FY22 Performance Rights holdings of KMP

							Total Performance Rights at year end	
Director	Performance Rights held at 30 June 2021	Granted	Exercised	Lapsed	Vested	Performance Rights held at 30 June 2022	Vested/ exercisable	Not vested/ Not exercisable
Mr S Madder	-	3,101,964	-	-	-	3,101,964	-	3,101,964
Mr T Bennett	781,250	3,000,000	-	-	-	3,781,250	781,250	3,000,000
Mr M Murphy	703,125	781,250	-	-	-	1,484,375	703,125	781,250
Total	**1,484,375**	**6,883,214**	**-**	**-**	**-**	**8,367,589**	**1,484,375**	**6,883,214**

Shareholdings of KMP

FY23

Executive Directors	Balance 1 July 2022	Received as remuneration	Options exercised	Net change other	Balance 30 June 2023
Mr S Madder	29,107,008	-	-	-	29,107,008
Mr M Murphy	13,628,571	-	-	-	13,628,571
Total	**42,735,579**	**-**	**-**	**-**	**42,735,579**

FY22

Executive Directors	Balance 1 July 2021	Received as remuneration	Options exercised	Net change other	Balance 30 June 2022
Mr S Madder	29,107,008*	-	-	-	29,107,008
Mr M Murphy	13,628,571**	-	-	-	13,628,571
Total	**42,735,579**	**-**	**-**	**-**	**42,735,579**

* Shares issued to Mr S Madder includes shares legally issued to him under the loan share scheme
** Mr M Murphy acquired these shares in August 2016

Loans to KMP and their Related Parties

On 5 August 2021, Mr S Madder received a loan funded share scheme with an initial value of $800,356. At the date of settlement $301,200 of Mr S Madder's Short-Term Incentive was settled against the loan, $330,000 was settled in October 2021. During the year ended 30 June 2023 the interest accrued on the loan was $11,571. The loan balance of $193,994 was fully repaid by Mr S Madder before 30 June 2023.

The following provides a summary of the loan during the period:

	Balance of loan at the beginning of the period	Amounts advanced during period	Interest accrued on loan	Loan repayments	Loan modification expense	Balance of loans at the end of the period
Year ended 30 June 2022	-	800,356	13,267	(631,200)	-	182,423
Year ended 30 June 2023	182,423	-	11,571	(193,994)	-	-

The loan agreements among other things includes the following terms:

- full recourse loan supported by a General Securities Agreement over Domain Investment (Melbourne) Pty Ltd supported by a personal guarantee from Simon Madder;
- interest accruing at 0.75% p.a. above the lenders rate; and
- full loan is repaid before 30 June 2023.

Loans to KMP and their Related Parties (continued)

The Group, through the Prime Financial Group Ltd Employee Share Plan (PFG ESP), has provided Mr P Madder (through a nominee Madder Corporate Pty Ltd) full recourse loans to purchase 6,224,156 Shares (30 June 2022: 6,224,156 Shares) in Prime Financial Group Ltd.

The loan will be offset against the loan of outstanding entitlements including Long-Term Incentives and the Consulting Agreement entitlements.

Mr P Madder is a Director of the subsidiary companies and AFS license holding entities of the Group but is not part of Key Management Personnel.

	Balance of loan at the beginning of the period	Amounts advanced during period	Interest accrued on loan	Loan repayments	Loan modification expense	Balance of loans at the end of the period
Year ended 30 June 2022	1,081,967	-	51,285	-	-	1,133,252
Year ended 30 June 2023	1,133,252	-	71,879	(112,500)	-	1,092,631

The loan agreements among other things includes the following terms:

- full recourse loan supported by a General Securities Agreement over Madder Corporate Pty Ltd supported by a personal guarantee from Peter Madder;
- interest accruing at 0.75% p.a. above the lenders rate as advised by the Trustee from time to time; and
- all loans are repayable on 30 June 2028.

Signed in accordance with a resolution of the Directors:

Simon Madder
Managing Director/CEO & Chairman
Melbourne, 22 August 2023

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Auditor's Independence Declaration to the Directors of Prime Financial Group Limited

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

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

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

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

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

Ernst & Young

John MacDonald
Partner
22 August 2023

Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Revenue			
Wealth Management & SMSF		15,220,717	11,280,466
Accounting & Business Advisory plus Capital		18,313,528	14,917,835
Total Revenue from contracts with customers		**33,534,245**	**26,198,301**
Interest Income		94,736	73,176
Service Income		114,266	57,300
Total Revenue		**33,743,247**	**26,328,777**
Expenses			
Non-share based payments employee benefits	6	(17,556,562)	(13,766,594)
Share based payment benefit/(expense)	24	(1,128,103)	(779,192)
Depreciation	6	(71,401)	(48,853)
Amortisation	6	(1,695,500)	(1,545,939)
Finance costs	6	(789,006)	(386,209)
IT and communication expenses		(2,163,444)	(1,270,452)
Insurance		(484,900)	(495,672)
Occupancy	6	(89,751)	(22,688)
Professional fees		(620,029)	(291,923)
Other expenses		(2,840,361)	(1,240,841)
Total operating expenses		**(27,439,057)**	**(19,848,363)**
Fair value movement on financial assets	15	145,781	2,872
Fair value movement on contingent consideration		474,797	-
Credit Loss Expense	9	(247,391)	(112,527)
Loss on derecognition of ROU Asset		-	(515,880)
Profit before tax from continuing operations		**6,677,377**	**5,854,879**
Attributable to:			
- Members/shareholders of the parent entity		5,912,108	5,010,201
- Non-controlling interests		765,269	844,677
Income tax expense	7	(1,694,485)	(1,407,298)
Profit after tax from continuing operations		**4,982,892**	**4,447,580**
Attributable to:			
- Members/shareholders of the parent entity		4,408,941	3,814,072
- Non-controlling interests		573,951	633,508
Total comprehensive income		**4,982,892**	**4,447,580**
Earnings per share attributable to ordinary members/shareholders of the parent			
Basic earnings/(loss) per share (cents)	26	2.22	1.93
Diluted earnings/(loss) per share (cents)	26	2.21	1.92

Consolidated Statement of Financial Position

For the year ended 30 June 2023

	Notes	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Cash and cash equivalents	8	1,043,303	128,699
Trade and other receivables	9	4,844,631	4,511,393
Financial assets	15	225,000	1,315,675
Lease receivable	14	184,062	195,437
Contract assets and other current assets	10	8,124,215	5,325,514
Total current assets		**14,421,211**	**11,476,718**
Non-current assets			
Property, plant and equipment	11	204,619	121,474
Lease receivable	14	-	184,987
Right-of-use asset	13	306,488	823,667
Financial assets	15	1,920,027	906,614
Intangible assets	16	50,284,945	46,253,593
Total non-current assets		**52,716,079**	**48,290,335**
Total assets		**67,137,290**	**59,767,053**
Current liabilities			
Payables	17	2,504,546	2,540,835
Lease liabilities	18	781,492	1,030,162
Current tax payable	7	84,385	1,287,147
Employee benefits	19	893,174	783,250
Borrowing – bank facility	20	1,699,613	1,000,000
Balance outstanding on acquisition of investments	21	704,395	327,525
Total current liabilities		**6,667,605**	**6,968,919**
Non-current liabilities			
Borrowings – bank facility	20	8,814,060	4,355,511
Lease liabilities	18	-	761,950
Employee benefits	19	260,077	165,801
Deferred tax liabilities	7	2,060,995	865,892
Total non-current liabilities		**11,135,132**	**6,149,154**
Total liabilities		**17,802,737**	**13,118,073**
Net assets		**49,334,553**	**46,648,980**
Equity			
Contributed equity	22	67,624,594	67,621,062
Treasury shares	22	(150,907)	(150,907)
Share-based payment Reserve	22	1,432,763	609,443
Accumulated losses		(20,203,785)	(22,045,843)
Equity attributable to equity holders of the parent		**48,702,665**	**46,033,755**
Non-controlling interests		631,888	615,225
Total equity		**49,334,553**	**46,648,980**

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Treasury Shares	Contributed equity	Share-based Payment Reserve	Retained earnings/ Accumulated Losses	Non-controlling interest	Total
	$	$	$	$	$	$
Balance at 1 July 2021	**(1,461,088)**	**67,500,652**	**106,849**	**(23,291,045)**	**800,424**	**43,655,792**
Total comprehensive income for the period	-	-	-	3,814,072	633,508	4,447,580
Transactions with equity holders in their capacity as equity holders:						
Movement in treasury shares	1,310,181	-	-	(509,825)	-	800,356
Share based payments	-	-	502,594	-	-	502,594
Share capital issued	-	793,878	-	-	-	793,878
Share capital cancelled - Buyback	-	(673,468)	-	-	-	(673,468)
Dividends paid	-	-	-	(1,786,417)	(727,019)	(2,513,436)
Transactions with non-controlling interests in their capacity as equity holders	-	-	-	(272,628)	(91,688)	(364,316)
Total transactions with equity holders in their capacity as equity holders	**1,310,181**	**120,410**	**502,594**	**(2,568,870)**	**(818,707)**	**(1,454,392)**
Balance at 30 June 2022	**(150,907)**	**67,621,062**	**609,443**	**(22,045,843)**	**615,225**	**46,648,980**
Balance at 1 July 2022	**(150,907)**	**67,621,062**	**609,443**	**(22,045,843)**	**615,225**	**46,648,980**
Total comprehensive income for the period	-	-	-	4,408,941	573,951	4,982,892
Transactions with equity holders in their capacity as equity holders						
Movement in treasury shares	-	-	-	-	-	-
Share based payments	-	-	823,320	-	-	823,320
Share capital issued from exercise of performance rights	-	304,782	-	-	-	304,782
Share capital cancelled - Buyback	-	(301,250)	-	-	-	(301,250)
Dividends paid	-	-	-	(2,581,364)	(557,288)	(3,138,652)
Transactions with non-controlling interests in their capacity as equity holders	-	-	-	14,481	-	14,481
Total transactions with equity holders in their capacity as equity holders	**-**	**3,532**	**823,320**	**(2,566,883)**	**(557,288)**	**(2,297,319)**
Balance at 30 June 2023	**(150,907)**	**67,624,594**	**1,432,763**	**(20,203,785)**	**631,888**	**49,334,553**

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Receipts from customers		33,683,180	26,045,796
Payments to employees and suppliers		(26,985,153)	(19,075,783)
Other income from sub-lease		114,266	57,230
Interest received		9,563	8,535
Interest paid		(509,873)	(386,209)
Income tax paid		(2,094,536)	(507,026)
Net cash provided by operating activities	**25**	**4,217,447**	**6,142,543**
Cash flows from investing activities			
Payments for business acquisitions		(2,080,582)	(449,500)
Lease payments received		196,362	108,293
Payments for intangible assets		(1,588,641)	(163,372)
Payments for plant and equipment		(154,547)	(121,722)
Net cash provided by/(used in) investing activities		**(3,627,408)**	**(626,301)**
Cash flows from financing activities			
Dividends paid		(2,581,364)	(1,786,416)
Dividends paid to non-controlling interests		(607,656)	(662,602)
Other transactions with non-controlling interests		(313,165)	(347,907)
Repayment of lease liabilities		(1,030,162)	(956,919)
Proceeds from Share Capital issued		-	793,878
Share Buyback		(301,250)	(673,468)
Repayment of borrowings		-	(2,298,342)
Drawdown of borrowings		5,158,162	478,508
Net cash provided by/(used in) financing activities		**324,565**	**(5,453,268)**
Net increase in cash and cash equivalents		914,604	62,974
Cash and cash equivalents at beginning of the year		**128,699**	**65,725**
Cash and cash equivalents at end of the year		**1,043,303**	**128,699**

Notes to the Financial Statements

1. Corporate information

The consolidated financial statements of Prime Financial Group Ltd ('Prime' or 'the Company') and its controlled entities ('the Group') for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 22 August 2023.

Prime Financial Group Ltd is a for profit company limited by shares and incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange ('ASX').

2. Basis of the preparation of the financial report

2.1 Basis of preparation

The consolidated financial statements for the year ended 30 June 2023 have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements are presented in Australian dollars and have been prepared on a historical cost basis. It complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

During the period, comparative information has been re-classified to align with current year disclosures.

2.2 Basis of consideration

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

(a) Revenue recognition

Under AASB 15, revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Wealth Management & SMSF Revenue

Wealth Management revenue predominantly consists of ongoing investment advisory services relating to invested funds and fee for service for administration. The Group has determined that

2. Basis of the preparation of the financial report – continued

revenue associated with this service should be recognised over time, as the service is provided by the Group. The Group uses an output method for measuring progress on satisfying the performance obligation.

Accounting & Business Advisory plus Capital Revenue

Accounting & Business Advisory plus Capital services generally involves one performance obligation, relating to the provision of specific services, e.g. bookkeeping or tax services. The Group has determined that revenue associated with this service should also be recognised over time, as the service is provided by the Group. The Group uses an input method to measure progress in satisfying the performance obligation.

Contract Assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. For goods and services, the Group performs for customers before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration. The Group's contract assets are from work in progress earned for the Group and are initially recognised for revenue from services provided to Accounting & Business Advisory as well as Capital clients. Upon completion and acceptance from the customer, there is a reclassification from contract assets (note 10) to trade receivables (note 9).

Disaggregated Revenue

The Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors, being Wealth Management & SMSF revenue and Accounting & Business Advisory plus Capital revenue.

(b) Cash and cash equivalent

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions.

(c) Plant and equipment

All classes of plant and equipment are stated at cost less depreciation and any accumulated impairment losses. The carrying amount of plant and equipment is reviewed for impairment annually by Directors for events or changes in circumstances that indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognised in the statement of profit and loss and other comprehensive income.

The depreciable amounts of all other fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The assets' residual value and useful lives are reviewed and adjusted as appropriate at the end of the reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included within the profit or loss.

Office equipment	3 to 5 years
Software	1 to 3 years
Plant & machinery	3 to 5 years
Leasehold improvements	3 to 5 years

(d) Leases

AASB 16 'Leases' has introduced a single accounting model for recognising and measuring lease arrangements. The standard requires all leases to be recognised on the Balance sheet, unless the underlying asset is of low value or a term of 12 months or less. The income statement includes depreciation of the right-of-use asset and interest expense on the lease liability over the lease term.

The Group became a lessor for the first time in FY22 due to its sub-lease arrangement. The Group has classified the lease as a financing lease. Rental and operational income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the lease receivable asset and recognised over the lease term on the same basis as the associated income.

Intangibles

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date.

If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The Group's goodwill has been allocated between two operating segments (1) Wealth Management & SMSF and; (2) Accounting & Business Advisory plus Capital, and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development costs

Expenditure during the research phase is expensed and expenditure incurred in development is recognised as an intangible asset and amortised over the useful life of the asset.

A summary of the policies applied to the Group's intangible assets is as follows:

- Customer relationships – amortised on a straight-line basis over 5-10 years;
- Development costs – amortised on a straight-line basis over 3-5 years.

(e) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested at least annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Taxes

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

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

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in 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.

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

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

Tax consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered into a tax funding agreement where applicable to those companies in the group, to contribute to the income tax payable in proportion to their contribution to net profit before tax of the tax consolidated group. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. Assets or liabilities arising under the tax funding agreements with the applicable tax consolidated entities are recognised amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of the applicable tax consolidated group member, resulting in neither a contribution by the parent

2. Basis of the preparation of the financial report – continued

entity to that subsidiary nor a distribution by that subsidiary to the parent entity.

(g) Employee benefits

Wages and salaries and annual leave

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

Other long-term employee benefits

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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(h) Investments

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems it has significant influence if it has more than 20% of the voting rights, but does not have control of the entity.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(i) Financial instruments

Initial recognition and measurement

In December 2014, the AASB issued the final version of AASB 9 Financial Instruments that replaces AASB 139 Financial Instruments: Recognition and Measurement and all previous versions of AASB 9. AASB 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting.

Classification and subsequent measurement

The adoption of AASB 9 has not had a significant impact on the balance sheet or equity on applying the classification and measurement requirements of AASB 9. Trade receivables and Loans are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under AASB 9. Therefore, reclassification for these instruments is not required. There has been a change to the valuation of the unquoted equity instruments, measured at fair value through profit and loss resulting in a profit of $170,774.

Impairment

AASB 9 requires the Group to record expected credit losses on all its trade receivables and loans, either on a 12-month or lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on all trade receivables. As trade receivables are short-term in nature i.e. repayment terms are typically 30-90 days, the previous method of recognising credit impairment is not materially different to the simplified approach adopted under AASB 9.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Loans to Directors

The Group recognises a loss allowance for expected credit losses on loans using the general approach. If the credit risk on the loan has increased significantly since initial recognition, an amount equal to the lifetime loss is recognised. Specific to this loan, there has been no change in credit risk since initial recognition.

(k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(m) 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 acquired 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. It is the discounted value of the expected future consideration. Subsequent changes in the fair value of 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 identifiable 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 acquiree.

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.

(n) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of Prime, 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 is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of dilutive potential ordinary shares.

(p) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Assets classified as held for sale are not amortised or depreciated. Assets classified as held for sale and any associated liabilities are presented separately from the other assets in the consolidated balance sheet.

2. Basis of the preparation of the financial report – continued

(s) Share based payments accounting policy

Equity-settled share-based payment transactions

Directors and employees also receive remuneration in the form of share-based payments whereby they are granted Performance rights that vest into shares after a set vesting period. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date of granting. The fair value was determined by management using the Binomial and Monte Carlo Model, further details of which are given in Note 24.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity (Retained-Earnings), over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date the relevant employees are awarded the shares (the vesting date).

2.4 New and amended standards and interpretations

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

New accounting standards issued but not effective

There were no relevant Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements which are applicable to the consolidated financial statements.

3. Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following critical accounting estimates and judgements, and taken the following matters into consideration:

Consolidation of wealth management entities

Prime has determined it controls certain wealth management entities for which it owns 40-50% of the voting shares of. The determination was made due to Prime holding the required Australian Financial Services License and controlling cash flows and the relevant activities which includes business development, marketing initiatives and staffing and preparing the financial statements of the entities.

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The Group tests its intangible assets, goodwill and investments accounted for using the equity method for impairment on at least an annual basis using a discounted cash flow (DCF) model. The methodology and key assumptions used to determine the recoverable amount for operating segments and test for impairment are disclosed in Note 16.

Contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Share option valuations

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in profit and loss. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The Group calculates the fair value of the share options at each reporting date using the Black-Scholes model.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on shared credit risk characteristics and on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include past default experience of the debtor profile and an assessment of the historical loss rates.

The Group has continued to review outstanding invoices and the trade receivable balance for indicators of impairment and if upon this impairment assessment there is no reasonable expectation on recovery, the Group have applied a credit against the profit & loss and the amount is written off.

Forward looking credit factors, including global and Australian economic conditions, and factors relevant to the client base, continue to be assessed in conjunction with historical performance and specific considerations on individual debtor balances.

The allowance for expected credit loss on the lease receivable has been considered for the financial year ending 30 June 2023, under the same approach discussed above and is considered immaterial.

The Group have concluded that the existing Expected Credit Losses (ECL) methodology remain appropriate in current environment.

4. Business combinations and acquisition of non-controlling interest

Intello Pty Ltd

On 4 October 2022, Prime acquired a 100% ownership of Intello Pty Ltd for a mixture of consideration payable at completion and deferred contingent consideration. This was comprised of $3,159,899 cash consideration paid at completion (inclusive of a client management portal), $118,786 cash consideration paid in January based upon its first quarter post completion performance, and a further cash consideration amount estimated to be $723,104 which is payable in October contingent upon revenue performance to the first anniversary following completion. Contingent consideration is calculated based upon collected revenue in the first year following completion at an applicable multiple. Total cash consideration is expected to be $2,601,699 based upon the anticipated financial performance of Intello. This has been recorded at its present value of $2,583,080 in the statement of Financial Position.

Through the acquisition, Prime obtained assets and liabilities detailed below of a fair value of $1,426,386, with the balance ($1,575,400) comprised of goodwill. The intangibles including goodwill were allocated to the Wealth & SMSF CGU.

Cash	148,103
Accounts Receivable	174,585
Work in Progress	130,134
Customer Relationship Intangible Asset	1,536,215
Deferred Tax Asset	87,258
Total Assets	**2,076,295**
Payables	242,448
Employee Benefits	67,565
Deferred Tax Liability	339,896
Total Liabilities	**649,909**
Fair Value of Net Assets	**1,426,386**

As part of the business combination, Prime also obtained an enhanced SMSF query and client management portal that is to be used by the existing SMSF service line as well as Intello. The fair value of this was $1,400,000 and is amortised over a 5-year period.

Prime is looking to increase group revenue through four key levers, with Intello aligning with the fourth one below being through acquisitions.

- Organically
- New Revenue Contributors
- New Service Lines
- Acquisitions

In Intello, the Group have gained a complementary and capable team to continue to enhance its services for B2B Accounting & Financial Adviser clients.

Transaction costs in relation to the Intello Acquisition of approximately $150,000 (Legal, Due Diligence and once-off travel expenditures) have been included in the Statement of Profit & Loss. Since date of Acquisiition, the profit before tax included in the Statement of Profit & Loss was circa $500,000.

Stapleford Park Pty Ltd

On 23 March 2023, Prime executed a Business Transfer Deed with Stapleford Park Investments Pty Ltd to acquire its Business Name and Business Systems in relation to Debt Capital Market products, including Private Debt.

This business will significantly expand Prime's Debt Financing Advisory capability and was purchased for a total cash consideration of $350,000.

Through the purchase, Prime obtained a customer relationship intangible asset valued at $252,252 which will be amortised over 5-years, recognised a Deferred Tax Liability of $63,063, with the balance ($160,811) comprised of goodwill.

Revenue included in the Statement of Profit & Loss was circa $400,000.

5. Group Information

Information about subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2:

	Country of Incorporation	2023 % Owned	2022 % Owned
Parent Entity:			
Prime Financial Group Ltd	Australia		
Subsidiaries of Prime Financial Group Ltd continued			
ACN 097 206 874 Pty Ltd	Australia	100	100
Altezza Partners Pty Ltd	Australia	100	100
Altezza Wealth Management Pty Ltd	Australia	100	100
Beksan Pty Ltd	Australia	100	100
Bishop Collins Wealth Management Pty Ltd	Australia	50	50
CP Financial Planners Pty Ltd	Australia	50	50
Crispin & Jeffery Financial Services Pty Ltd	Australia	50	50
David Hicks and Co Financial Services Pty Ltd	Australia	50	50
DM Financial Planners Pty Ltd	Australia	80	80
ExpertSuper Pty Ltd	Australia	100	100
Green Taylor Financial Services Pty Ltd	Australia	50	50
Intello Pty Ltd	Australia	100	-
Madder & Co Financial Services Pty Ltd	Australia	50	50
MPR Accountants & Advisors Pty Ltd	Australia	100	100
MVA Bennett Financial Services Pty Ltd	Australia	50	50
NP Wealth Management Pty Ltd	Australia	100	100
ORD Financial Services Pty Ltd	Australia	100	100
Pacifica Financial Services Pty Ltd	Australia	80	80
PFG (NTH QLD) Pty Ltd	Australia	80	80
PFG Employee Share Plan Trust	Australia	100	100
Prime Accounting & Business Advisory Pty Ltd	Australia	100	100
Prime Accounting & Wealth Management Pty Ltd	Australia	100	100
Prime Corporate Advisory Pty Ltd	Australia	100	100
Prime Corporate Pty Ltd	Australia	100	100
Prime Development Fund Pty Ltd	Australia	100	100
Prime ESG Advisory Pty Ltd	Australia	100	-
Prime Finance Specialists Pty Ltd	Australia	100	-
Prime Innovation Pty Ltd	Australia	100	100
Prime International Leaders Pty Ltd	Australia	100	-
Prime Management Services Pty Ltd	Australia	100	100
Prime Property & Capital Pty Ltd	Australia	100	-
Prime Venture & Capital Pty Ltd	Australia	100	100
Primestock Financial Planning Pty Ltd	Australia	100	100
Primestock Superannuation Services Pty Ltd	Australia	100	100
Primestock Wealth Management Pty Ltd	Australia	100	100
Primestock Securities Ltd	Australia	100	100
R&D Tax Consultants Pty LTD	Australia	100	100
RJS Financial Solutions Pty Ltd	Australia	50	50

5. Group Information - continued

	Country of Incorporation	2023 % Owned	2022 % Owned
RMM Financial Services Pty Ltd	Australia	50	50
Rundles Financial Planning Pty Ltd	Australia	40	40
Signum Business Advisors Financial Services Pty Ltd	Australia	50	50
Tricor Financial Services Pty Ltd	Australia	40	40

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

2023 Controlled Entities Name	Rundles Financial Planning Pty Ltd	Green Taylor Financial Services Pty Ltd	PFG (Nth Qld) Pty Ltd
Country of incorporation	Australia	Australia	Australia
Percentage owned by non-controlling interests	60%	50%	20%
Current assets	43,634	176,700	168,308
Non-Current assets	586,887	550,418	90,813
Current liabilities	(73,594)	(62,006)	(153,697)
Non-Current liabilities	-	-	-
Net assets	556,927	665,112	105,424
Revenue	793,264	747,256	630,832
Profit/(loss) before tax	406,256	308,781	195,666

2022 Controlled Entities Name	Rundles Financial Planning Pty Ltd	Green Taylor Financial Services Pty Ltd	PFG (Nth Qld) Pty Ltd
Country of incorporation	Australia	Australia	Australia
Percentage owned by non-controlling interests	60%	50%	20%
Current assets	43,634	148,313	171,114
Non-Current assets	542,108	538,203	240,988
Current liabilities	(72,696)	(67,195)	(152,192)
Non-Current liabilities	-	-	-
Net assets	513,046	619,321	259,910
Revenue	828,650	741,027	796,897
Profit/(loss) before tax	458,227	329,890	291,611

6. Expenses

	2023 $	2022 $
Finance Costs		
Financial Liabilities measures at amortised cost		
Interest on bank overdrafts and loans	746,485	310,879
Interest on lease liabilities	42,521	75,330
Total finance costs	**789,006**	**386,209**
Other expenses		
Other occupancy-related costs	89,751	22,688
Total Occupancy-related costs	**89,751**	**22,688**
Depreciation and amortisation		
Depreciation	71,401	48,853
Amortisation – Other	1,158,779	841,785
Amortisation – Right of Use Assets	536,721	704,154
Total depreciation and amortisation	**1,766,901**	**1,594,792**
Employee benefits expense		
Salaries and wages expense	15,025,280	11,666,961
Superannuation expense	1,114,165	881,437
Other employee expenses	1,417,117	1,218,196
Total employee benefits expense	**17,556,562**	**13,766,594**

7. Income tax

	2023 $	2022 $
(a) The components of tax expense		
Current tax	891,774	1,526,035
Deferred tax	802,711	(51,137)
Other adjustments	-	(67,600)
Total income tax expense	**1,694,485**	**1,407,298**
(b) The prima facie tax on profit differs from the Income tax provided in the financial statements as follows:		
Total Profit/(Loss) before income tax	6,677,377	5,854,879
At the Australian statutory income tax rate of 25% (2022: 25%)	1,669,344	1,463,720
Add: Tax effect of:		
Permanent differences	253,762	274,118
Franking credits	(228,621)	(262,940)
Adjustments in respect of current income tax of previous year	-	(67,600)
Income tax expense attributable to ordinary activities	**1,694,485**	**1,407,298**

(c) Deferred tax

Deferred tax relates to the following:	30 June 2023 $	30 June 2022 $
Deferred tax assets/(liabilities)		
Employee provisions	288,311	237,263
Unrealised losses on investments	72,997	109,442
Lease receivable	(46,016)	(95,106)
Provision for expected credit losses	103,013	68,233
Right of Use asset	(76,622)	(205,917)
Lease liability	195,373	448,028
Intangible Assets – Customer Relationships	(630,241)	(372,707)
Accrued Revenue	(1,774,304)	(1,114,558)
Other	(193,506)	59,430
Net deferred tax liabilities	**(2,060,995)**	**(865,892)**

8. Cash and cash equivalents

	30 June 2023 $	30 June 2022 $
Current		
Cash at bank	1,043,303	128,699
Total cash and cash equivalents	**1,043,303**	**128,699**

9. Trade and other receivables

	30 June 2023 $	30 June 2022 $
Current		
Trade receivables	5,256,683	4,784,323
Provision for expected credit losses	(412,052)	(272,930)
Total current trade and other receivables	**4,844,631**	**4,511,393**
Provision for expected credit losses		
Reconciliation of changes in the provision for expected credit loss		
Balance at beginning of the year	272,930	152,126
Additional expected credit loss provision recognised (P&L Charge)	247,391	112,527
Provision used	(110,869)	(4,473)
Recovery of Bad Debts previously written off	2,600	12,750
Balance at end of the year	**412,052**	**272,930**
Aged Analysis		
The ageing analysis of receivables is as follows:		
0 - 30 days	3,176,031	3,195,982
31 - 60 days	133,273	66,538
61 - 90 days	132,860	281,671
91+ days	1,814,519	1,240,132
Total	**5,256,683**	**4,784,323**

The Group applies the simplified approach and records lifetime expected losses on all trade receivables. As a result, the Group does not monitor change in credit risk but recognises a provision based on lifetime expected credit losses (ECL) at each reporting date.

The trade receivable balance represents the Group's unconditional right to receive the cash.

Current trade receivables are generally on 30 days credit terms. However, the Group's Accounting & Business Advisory service line offers a grant and R&D tax incentive service to customers that are eligible for the Australian Government incentive funding. The payment terms for this service line (due to subsequent Australian Tax Office review) is likely to be greater than the standard credit terms given. The Group continues to perform an extensive review on the outstanding trade receivable balance at each reporting period, which includes an invoice by invoice assessment basis. Additionally, the unbiased probability-weighted matrix reflects the various segment groupings, which is described further below. The Group continue to write-off the uncollectable trade receivables which the Group do not expect to obtain from the relevant customers and continue to take this approach at every reporting date. The indicators the Group consider includes confirmation of non-payment, financial difficulties, credit ratings, customer industry and/or delinquency of payments. A credit is applied against the profit & loss if an amount is written off.

The Group utilised a provision matrix to calculate its ECL and provision for its trade receivables balance at 30 June 2023. The unbiased probability-weighted matrix reflects the various segment groupings based both upon the Group's debtor ageing, service line, and various customer segment groupings with similar loss patterns.

This included Geography (notably Melbourne and Brisbane for the Accounting & Business Advisory service line), product type and customer profile. This generated a historical credit loss experience which was adjusted for in the ECL for The Group. At every reporting date the historical rates used within the Groups provision matrix to calculate the ECL is updated for trade and other receivables.

Forward looking credit factors, including the global and Australian economic conditions, and factors relevant to the client base continue to be assessed in conjunction with historical performance and specific considerations on individual debtor balances as specified above.

Please refer to note 10 for commentary on contract assets.

10. Contract assets and other current assets

	30 June 2023 $	30 June 2022 $
Current		
Contract assets	7,097,218	4,459,205
Distributions advanced to non-controlling interests	711,397	660,055
Prepayments	103,223	60,913
Other assets	212,377	145,341
Total contract assets and other current assets	**8,124,215**	**5,325,514**

Contract assets

Consistent with the approach for trade and other receivables, the Group applies a simplified approach to recognising expected credit losses for contract assets as the Group do not contain a significant financing component for its trade receivables or contract assets. Contract assets are initially recognised for revenue earned through work in progress, predominantly for the accounting and business advisory services as well as the capital advisory service line and monitored on both a monthly and ongoing basis. Upon completion of sale and acceptance by the customer and the provider, invoices are issued to the provider for the amount receivable and reclassified from contract assets to trade receivables. The trade receivable balance represents the Group's unconditional right to receive the cash (note 9).

11. Property, plant and equipment

	Office equipment $	Plant and machinery $	Leasehold improvements $	Total $
Cost				
At 30 June 2021	986,441	528,004	528,115	2,042,560
At 30 June 2022	1,103,684	528,004	532,595	2,164,283
Additions	154,545	-	-	154,545
At 30 June 2023	1,258,229	528,004	532,595	2,318,828
Depreciation and impairment				
At 30 June 2021	955,428	528,004	510,524	1,993,956
At 30 June 2022	994,524	528,004	520,281	2,042,809
Depreciation charge for the year	68,545	-	2,855	71,401
At 30 June 2023	1,063,069	528,004	523,136	2,114,209
Net book value				
At 30 June 2023	195,160	-	9,459	204,619
At 30 June 2022	109,160	-	12,314	121,474

12. Leases

Recognition, measurement and classification:

The Group has applied AASB 16 using the modified retrospective approach. The impact of changes are disclosed in note 2.4.

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset; throughout the period of use, and;
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights

that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:

- The Group has the right to operate the asset;
- The Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group recognises a Right of Use (ROU) asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The determination of the incremental borrowing rate requires the use of judgement.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee, and;
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

The Group's existing lease for its Sydney office expired on 29 June 2023. The Group obtained a new lease for its Sydney office for 2 years from 1 July 2023. No Lease Liability or Right-of-use Asset related to the new lease were disclosed on this report as at 30 June 2023.

As at 30 June 2023, the existing lease agreement for the Brisbane office that had been in effect has now reached its conclusion. Subsequently, the Group has extended this lease by an additional month. This extension was granted by mutual agreement between the lessor and the Group. As a result of this extension, the Group will continue to recognise the ROU asset and lease liability related to this lease in accordance with AASB16 Leases for the extended period. The extension of the lease is duly disclosed to provide clarity regarding the lease's continuity and its financial implications on the Group's financial statements.

The Group has options to renew their two leases for periods of 5 years each. The potential cash outflows over these renewal periods would be $5.78m.

	30 June 2023 $	30 June 2022 $
Maturity analysis – contractual undiscounted cash flows		
Not later than 1 year	793,299	1,072,682
Later than 1 year and not later than 5 years	-	773,704
Balance at 30 June	**793,299**	**1,846,386**

13. Right-of-use Asset

	30 June 2023 $	30 June 2022 $
Right of Use Asset		
Balance at 1 July	823,667	2,532,418
Additions during period	19,542	-
Derecognition of ROU Asset	-	(1,004,597)
Less: Accumulated depreciation	(536,721)	(704,154)
Balance at 30 June	**306,488**	**823,667**

The consolidated entity leases land and buildings for its offices under agreements of between three to five years with, in some cases, options to extend. As these options are not reasonably certain to be taken up, they have not been included. On renewal, the terms of the leases are renegotiated. The determination of the lease term requires the use of judgement. For the Group's accounting policy on leases, refer to Note 12.

Beginning on 6 December 2021, the Group entered into a sub-lease for approximately half of the Melbourne office space due to no longer requiring this based on on-going work from home (WFH) arrangements. The Group has classified the sub-lease as a finance lease, because it is for the whole of the remaining term of the head lease, expiring in May 2024. Service income recognised by the Group during the year is $114,266.

14. Lease Receivable

	30 June 2023 $	30 June 2022 $
Lease receivable		
Balance as at 1 July	380,424	-
Additions	-	488,717
Add: Interest	9,563	8,535
Less: receipts	(205,000)	(116,828)
Less: expected credit losses	(925)	-
Balance at end of the period	**184,062**	**380,424**
Less than one year	186,992	205,000
One to two years	-	187,917
Total undiscounted lease payments receivable	186,992	392,917
Unearned finance income	(2,930)	(12,493)
Net investment in the lease	184,062	380,424
Current	184,062	195,437
Non-current	-	184,987
Total lease receivable	**184,062**	**380,424**

15. Financial assets

The financial assets at the period end are as follows:

	30 June 2023 $	30 June 2022 $
Loan receivable – Mr P Madder	225,000	1,133,252
Loan receivable – Mr S Madder	-	182,423
Total current financial assets	**225,000**	**1,315,675**
Financial Asset - Crispin & Jeffery – SMSF	565,746	590,739
Other unquoted equity instruments	486,650	315,875
Loan receivable – Mr P Madder	867,631	-
Total non-current financial assets	**1,920,027**	**906,614**
Total financial assets	**2,145,027**	**2,222,289**

The loan receivable relates to a loan to Madder Corporate Pty Ltd, a nominee company of Mr P Madder. The loan was provided by the PFG ESP to fund the allocation of 6,224,156 Shares (30 June 2022: 6,224,156 Shares) in Prime.

During the year ended 30 June 2023 the interest accrued on the loan was $71,879. This loan was extended under a new terms of settlement, payable by 30 June 2028.

The loan receivable (Mr S Madder) relates to the loan funded share scheme received on 5 August 2021 with an initial value of $800,356. At this settlement date, $301,200 of Mr S Madder's Short-Term Incentive was settled against the loan, an amount of $330,000 settled on 1 October 2021. During the year ended 30 June 2023 the interest accrued on the loan was $11,571. The loan balance of $193,994 was fully repaid by Mr S Madder before 30 June 2023.

Crispin & Jeffery is classified as a Level 3 financial asset and is measured at fair value through profit and loss. The fair value technique used was an earning multiple approach. The key inputs in this valuation were earnings generated by the investment and the earnings multiple. The fair valuation of Crispin & Jeffery – SMSF at 30 June 2023 resulted in a loss through the profit and loss of $24,993.

The fair value of unquoted equity securities – financial services sector, consists of an investment purchased in FY18. The asset is measured based on a revenue multiple as a best practice for measuring Early-Stage entities. The key inputs in this valuation were revenue and the revenue multiple. The fair valuation of this unquoted equity instrument at 30 June 2023 resulted in a profit through the profit and loss of $170,774.

16. Intangible assets

Cost	Goodwill $	Customer relationships $	IT Development & Software costs $	Total $
At 1 July 2021	55,198,509	4,470,720	3,624,386	63,293,615
Additions	-	-	163,373	163,373
Acquisition/(disposal) of a subsidiary	-	576,000	-	576,000
At 30 June 2022	55,198,509	5,046,720	3,787,759	64,032,988
Additions	160,811	252,252	188,640	601,703
Acquisition/(disposal) of a subsidiary	1,652,211	1,536,215	1,400,000	4,588,426
At 30 June 2023	57,011,531	6,835,187	5,376,399	69,223,117
Amortisation and impairment				
At 1 July 2021	11,293,889	2,370,011	3,273,709	16,937,609
Amortisation	-	609,887	231,899	841,786
At 30 June 2022	11,293,889	2,979,898	3,505,608	17,779,395
Amortisation	-	758,328	400,449	1,158,777
At 30 June 2023	11,293,889	3,738,226	3,906,057	18,938,172
Net book value				
At 30 June 2023	45,717,642	3,096,961	1,470,342	50,284,945
At 30 June 2022	43,904,620	2,066,822	282,151	46,253,593

There is $2,003,219 of software that has been fully amortised but still in use, not included in the table above.

16. Intangible assets (continued)

The Group performed impairment tests for the financial year in December 2022 and June 2023. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. While at 30 June 2023, the market capitalisation was below the book value of its equity, indicating a potential impairment of goodwill, the consolidated entity has performed a detailed impairment assessment and concluded that no impairment is required in the current year (2022: none). As noted, the consolidated entity has considered many factors in determining that no impairment is required.

The Group has two operating segments. One segment relates to Accounting & Business Advisory plus Capital and the other to Wealth Management and Self-Managed Superannuation (SMSF).

Prime determines key assumptions based on the historical and expected future performance of assets that make up the segments. The recoverable amounts of the segment are based on value in use calculations using cash flow projections from financial projections approved by the Board. Prime's determination of cash flow projections are based on past performance and its expectation for the future. The split of goodwill is shown in the table below:

	Goodwill $
Net book value	
Wealth Management & SMSF	25,026,928
Accounting & Business Advisory plus Capital	20,690,714
Total Goodwill at 30 June 2023	**45,717,642**

Key assumptions used in value in use calculations and sensitivity to changes in assumptions: The calculation of value in use is most sensitive to the following assumptions:

- Revenue growth;
- Expenses growth;
- Discount rate; and
- Terminal growth rate (2.5%).

For the Group, the present value of future cash flows has been calculated using a post-tax discount rate of 11.9% (2022: 11.2%).

Based on sensitivity analysis completed there was no reasonable possible change in inputs that could lead to an impairment.

The Group have used the FY23 performance, the FY24 budget and FY25-27 business plan approved by the Board as the base point for the future cashflows.

17. Payables

	30 June 2023 $	30 June 2022 $
Trade creditors	682,635	480,616
Other creditors and accruals	1,052,158	960,662
GST payable	769,753	1,099,556
Total payables	**2,504,546**	**2,540,835**

18. Lease liabilities

	30 June 2023 $	30 June 2022 $
Balance at 1 July	**1,792,112**	**2,749,031**
Additions during period	19,542	-
Add: Interest	42,521	75,330
Less: Payments	(1,072,683)	(1,032,249)
Balance at 30 June	**781,492**	**1,792,112**

	2023 $	2022 $
Current Liability		
Office Premises – Lease liability	781,492	1,030,162
Non-Current Liability		
Office Premises – Lease liability	-	761,950
Total Lease Liabilities	**781,492**	**1,792,112**

19. Provisions

	2023 $	2022 $
Annual and Long service leave		
Balance at the beginning of the year	949,051	867,050
Arising during the year	981,894	745,480
Utilised	(777,694)	(663,479)
Balance at the end of the year	**1,153,251**	**949,051**

	2023 $	2022 $
Current Liability		
Provisions	893,174	783,250
Non-Current Liability		
Provisions	260,077	165,801
Provisions	**1,153,251**	**949,051**

20. Capital Management

For the purpose of the Group's capital management, capital includes issued capital, interest bearing loans and borrowings and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In FY23, Prime paid dividends of $2,581,364 (FY22: $1,786,417). The Board's policy for dividend payments is typically a payout ratio of 50-70% of the reported and maintainable earnings.

As at 30 June 2023, the Group met its bank facility covenant requirements.

Lease liabilities are not included as part of net debt as this is not a requirement of the Group's bank covenants.

The Board monitors capital through the gearing ratio (net debt/ total capital). The target for the Group's gearing ratio is between 10% - 25%. The gearing ratios based on operations at 30 June 2022 and 30 June 2023 were as follows:

	30 June 2023 $	30 June 2022 $
Borrowings – bank facility	10,513,673	5,355,511
Less: cash and cash equivalents	(1,043,303)	(128,699)
Net debt	9,470,370	5,226,812
Total equity attributable to members/shareholders of the parent entity	48,702,664	46,033,755
Total equity attributable to members/shareholders of the parent entity and net debt	58,173,034	51,260,567
Gearing ratio	16.3%	10.2%

Westpac Bank has in place an agreement with the Group to provide facilities amounting to $9,713,345 ($10,713,337: 30 June 2022). From 9 August 2020, the facility has and will be reduced by $83,333 per month. The agreement expires on 9 July 2025. At the end of the reporting period those facilities have been utilised to the amount of $4,633,112. The unused amount is $5,080,233. The facility is to assist with working capital, future investments and for general purposes. At 30 June 2023 the effective interest rate was 5.89% per annum. There is an additional 1.00% line fee for the total facility.

On 3 October 2022, Westpac Bank has in place a new agreement with the Group to provide facilities amounting to $10,000,000 ($nil: 30 June 2022). This facility is to fund acquisitions of complementary business with the term two years from the date of the first drawdown. The effective interest rate is 5.58% per annum plus an additional 1.00% line fee on the total facility. The first drawdown was made on 4 October 2022 as consideration for Intello Pty Ltd (refer to note 4). At the end of the reporting period, the amount utilised was $5,880,561 with an unused amount of $4,119,439.

21. Balance outstanding on acquisition of investments

	30 June 2023 $	30 June 2022 $
Current	704,395	327,525
Non-current	-	-
Total	**704,395**	**327,525**

	30 June 2023 $	30 June 2022 $
Balance at the beginning of the year	327,525	328,615
Additions	4,509,900	838,264
Settlements	(3,658,233)	(839,354)
Movement in fair value	(474,797)	-
Balance at the end of the year	**704,395**	**327,525**

Intello Pty Ltd

On 4 October 2022, Prime acquired a 100% ownership of Intello Pty Ltd for a mixture of consideration payable at completion and deferred contingent consideration. This was comprised of $3,159,899 consideration paid at completion, with deferred contingent consideration not exceeding $1,350,000 payable in two tranches (January 2023 and October 2023) contingent upon revenue performance to the first anniversary following completion. Based upon management forecasts of revenue performance, total Deferred Consideration of $841,800 is now anticipated to be paid. This is comprised of $118,786 paid in January 2023 and $723,014 estimated to be paid in October 2023, discounted to a present value of $704,395 at the reporting date.

22. Issued capital and reserves

Ordinary shares issued

	Note	30 June 2023 $	30 June 2022 $
Ordinary shares fully paid	(a)	67,605,734	67,602,202
Ordinary share partly paid	(b)	18,860	18,860
Total		**67,624,594**	**67,621,062**

(a) Fully paid ordinary shares carry one vote per share and carry the right to dividends and the proceeds on winding up of the parent entity in proportion to the number of shares issued.

(b) The 2,095,560 partly paid ordinary shares are partly paid to $0.009 with $0.891 to pay. Any or all of the partly paid shares may be paid in full or in part at the election of the holder at any time. The partly paid shares will confer fractional voting rights and dividend entitlements in accordance with and subject to the Listing Rules of Australian Securities Exchange.

Movements in shares on issue

	2023		2022	
	No. of shares	$	No. of shares	$
Beginning of the financial year	**201,689,096**	**67,621,062**	**197,418,000**	**67,500,652**
Issued during the year				
- Shares Issued	1,948,738	304,782	8,106,013	793,881
Cancelled during the year				
- Shares cancelled through Buyback	(1,508,076)	(301,250)	(3,834,917)	(673,471)
End of the financial year	**202,129,758**	**67,624,594**	**201,689,096**	**67,621,062**

22. Issued capital and reserves – continued

Treasury shares

	2023		2022	
	No. of shares	$	No. of shares	$
Beginning of the financial year	**974,476**	**150,907**	**9,434,895**	**1,461,088**
Issued during the year				
- Purchase of treasury shares for the PFG ESP	-	-	-	(509,825)
- Sale of treasury shares from PFG ESP	-	-	(8,460,419)	(800,356)
End of the financial year	**974,476**	**150,907**	**974,476**	**150,907**

Movements in reserves

	2023 $	2022 $
Opening balance	609,443	106,849
Fair Value of Performance Rights Shares during the period	1,128,103	1,296,472
Transfer to Contributed Equity due to Performance Rights being exercised during the period	(304,783)	(793,878)
Closing Balance	**1,432,763**	**609,443**

23. Dividends

	2023 $	2022 $
(a) Dividends paid during the year		
(i) Current year interim - Fully franked dividend of 0.70 cents per share *(2022 Interim: 0.50 cents per share)*	1,394,755	997,941
(ii) Previous year final - Fully franked dividend of 0.60 cents per share *(2022 Final: 0.40 cents per share)*	1,186,609	787,476
	2,581,364	**1,785,417**
(b) Proposed dividend		
Proposed dividend as at the date of this report at 0.80 cents per share *(2022: 0.60 cents per share)* not recognised as a liability		
Proposed dividend payment	1,592,325	1,191,714
(c) Franking credit balance		
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and after deducting franking credits.	4,813,671	4,947,389
Impact on the franking account of dividends recommended by the Directors since the year end but not recognised as a liability at year end	(530,775)	(397,238)
	4,282,896	**4,550,151**

24. Share-based payments

Prime wishes to reward team members for their contribution to the growth of the firm, while also aiming to attract and retain employees with the skills and passion to best serve clients and uphold the firm's values. Therefore a Performance Rights Plan involving a Short-Term Incentive (STI) and Long-Term Incentive (LTI) Share Program was implemented to continue rewarding staff through the ESP. Under AASB-2 (Para 10) these are defined as Equity-settled share-based payment transactions.

24a. Types of share-based payment plans Equity-settled share-based payment transactions - Performance Rights Plan

A transaction will be classified as share-based compensation where the Group receives services from employees or contractors and pays for these in shares.

The cost of these equity-settled transactions with employees or contractors is measured by reference to the fair value of the

24a. Types of share-based payment plans Equity-settled share-based payment transactions - Performance Rights Plan - continued

equity instruments at the date at which they were granted. The fair value was determined by management using the Binomial and Monte Carlo Models. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date the relevant employees or contractors are awarded the shares (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to profit or loss is the product of:

(i) grant date fair value of the award;
(ii) current best estimate of the number of awards that will vest, taking into account the likelihood of employee turnover during the vesting period, estimated staff performance score and the likelihood of non-market performance conditions being met; and
(iii) expired portion of the vesting period.

The charge to profit or loss for the period is the cumulative amount as calculated above, less the amounts already charged in previous periods where there is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so due to the failure to meet a service or non-market vesting condition. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The key terms of the Performance Rights Plans are as follows:

- The Performance Rights Plan allows the Group to issue rights to employees, contractors and Directors. The number of Performance Rights issued is determined by dividing the remuneration value by the 30 day VWAP prior to the grant date;
- The Performance Rights Plan will only vest upon satisfaction of certain conditions which are set by the Board at the time of the offer;
- If the conditions are met and the Performance Rights vest, each participant is entitled to an ordinary share for each Performance Right which vests;
- Until the Performance Rights vest and ordinary shares are issued, the participant is not entitled to exercise any voting rights attached to the Performance Rights and is not entitled to any dividend payments; and
- In general, if the conditions are not satisfied by the relevant testing date for those conditions, or if the participant ceases employment before the Performance Rights Plan Shares vest, the participant forfeits all interest in the Performance Rights.

Offer under Performance Rights Plan

The Performance Rights Plan rights granted are subject to the achievement of the performance measure, which is tested once at the end of the two or three year performance period. The Performance Rights will be measured against two performance measures – Underlying EBITDA for members/shareholders and Share Price.

These two performance measures require the Performance Rights to be measured under separate valuations;

Tranche 1 – Long-Term Incentives based on Share Price performance hurdle (Valued using Monte Carlo Model) - Cumulative 20% compound growth in Prime's share price over a three year period;

Tranche 2 – Long-Term Incentives based on EBITDA performance hurdle (Valued using Binomial Model is used to inform probability) - Cumulative 8% compound growth in underlying EBITDA (members/shareholders) over a three year period.

The Performance Rights that do not vest after testing of the relevant performance measure, lapse without retesting.

Cessation of employment

Except where the Board determines otherwise in a specific instance, where a participant ceases employment with Prime prior to any conditions attaching to Performance Rights Plan Shares issued under the Performance Rights Plan being satisfied, their Performance Rights will be forfeited and the participant will have no further interest in the Performance Rights. However the Board has discretion to approve the reason for a participant ceasing employment before Performance Rights have vested in appropriate circumstances. Such circumstances may include ill health, death, redundancy or other circumstances approved by the Board.

Where the Board has approved the reason for ceasing employment, it has discretion to determine any treatment in respect of the unvested Performance Rights it considers appropriate in the circumstances – for example, that a pro-rata number of Performance Rights are eligible to vest, having regard to time worked during the performance period and the extent the performance condition has been satisfied at the time of cessation.

24b. Recognised share-based payment expenses/(benefits)

The expense/(benefit) recognised during the year is shown in the following table:

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Expense/(benefit) arising from cash-settled share-based payment transactions	-	-
Expense/(benefit) arising from equity-settled share-based payment transactions	1,128,103	779,192
Total expense arising from share-based payment transactions	**1,128,103**	**779,192**

24c. Movements during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the year ended 30 June 2023:

Equity-settled share-based payments Long-Term Incentives (2020-21 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**2,761,976**	**6.4**	**2,849,179**	**6.4**
Granted during period	-	-	-	-
Forfeited during period	(190,316)	6.4	(87,203)	6.4
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**2,571,660**	**6.4**	**2,761,976**	**6.4**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Long-Term Incentives (2021-22 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**9,653,681**	**6.4**	**-**	**-**
Granted during period	-	-	9,768,376	6.4
Forfeited during period	(292,242)	6.4	(114,695)	6.4
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**9,361,439**	**6.4**	**9,653,681**	**6.4**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Long-Term Incentives (2022-23 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**-**	**-**	**-**	**-**
Granted during period	7,026,583	9.5	-	-
Forfeited during period	(257,190)	9.5	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**6,769,393**	**9.5**	**-**	**-**
Exercisable at 30 June	-	-	-	-

24c. Movements during the year - continued

Equity-settled share-based payments Short-Term Incentives (2020-21 STIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**1,171,875**	**6.4**	2,117,969	**-**
Granted during period	-	-	-	-
Forfeited during period	-	-	-	-
Exercised during period	-	-	(946,094)	6.4
Expired during period	-	-	-	-
Outstanding at 30 June	**1,171,875**	**6.4**	**1,171,875**	**6.4**
Exercisable at 30 June	1,171,875	6.4	1,171,875	6.4

Equity-settled share-based payments Short-Term Incentives (2021-22 STIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**1,948,738**	**6.4**	**-**	**-**
Granted during period	-	-	1,948,738	6.4
Forfeited during period	-	-	-	-
Exercised during period	1,948,738	6.4	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**-**	**-**	**1,948,738**	**6.4**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Revenue Based Long-Term Incentives (2021-22 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**1,000,000**	**18.0**	**-**	**-**
Granted during period	-	-	1,000,000	18.0
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**1,000,000**	**18.0**	**1,000,000**	**18.0**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Revenue Based Long-Term Incentives (2021-22 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**750,000**	**18.0**	**-**	**-**
Granted during period	-	-	750,000	18.0
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**750,000**	**18.0**	**750,000**	**18.0**
Exercisable at 30 June	-	-	-	-

24c. Movements during the year - continued

Equity-settled share-based payments Revenue Based Long-Term Incentives (2021-22 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**500,000**	**18.5**	**-**	**-**
Granted during period	-	-	500,000	18.5
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**500,000**	**18.5**	**500,000**	**18.5**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Revenue Based Long-Term Incentives (2021-22 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**250,000**	**17.9**	**-**	**-**
Granted during period	-	-	250,000	17.9
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**250,000**	**17.9**	**250,000**	**17.9**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Revenue Based Long-Term Incentives (2021-22 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**1,000,000**	**18.1**	**-**	**-**
Granted during period	-	-	1,000,000	18.1
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**1,000,000**	**18.1**	**1,000,000**	**18.1**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Revenue Based Long-Term Incentives (2022-23 LTIs)	Number Year ended 30 June 2023	WAEP (cents) Year ended 30 June 2023	Number Year ended 30 June 2022	WAEP (cents) Year ended 30 June 2022
Outstanding at 1 July	**-**	**-**	**-**	**-**
Granted during period	1,000,000	17.0	-	-
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Outstanding at 30 June	**1,000,000**	**17.0**	**-**	**-**
Exercisable at 30 June	-	-	-	-

24c. Movements during the year - continued

Equity-settled share-based payments Revenue Based Long-Term Incentives	Number	WAEP (cents)	Number	WAEP (cents)
(2022-23 LTIs)	Year ended 30 June 2023	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2022
Outstanding at 1 July	**-**	**-**	**-**	**-**
Granted during period	650,000	24.0	-	-
Forfeited during period	(250,000)	24.0	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Expired during period	**400,000**	**24.0**	**-**	**-**
Exercisable at 30 June	-	-	-	-

Equity-settled share-based payments Revenue Based Long-Term Incentives	Number	WAEP (cents)	Number	WAEP (cents)
(2022-23 LTIs)	Year ended 30 June 2023	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2022
Outstanding at 1 July	**-**	**-**	**-**	**-**
Granted during period	204,677	24.0	-	-
Forfeited during period	-	-	-	-
Exercised during period	-	-	-	-
Expired during period	-	-	-	-
Expired during period	**204,677**	**24.0**	**-**	**-**
Exercisable at 30 June	-	-	-	-

24d. Share option valuation model

The fair value of the share options are calculated at each reporting date using the Black-Scholes, Binomial or Monte Carlo model. The following table lists key inputs to the models used for the plans at 30 June 2022 and 30 June 2023:

Equity-settled share-based payment

	Long-Term Incentives			
	Share based payments granted in 2020 - 2021		Share based payments granted in 2021 - 2022	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
	Share Price Hurdle	EBITDA Hurdle	Share Price Hurdle	EBITDA Hurdle
Grant date	29 Oct 20	29 Oct 20	26 Nov 21	26 Nov 21
Vesting/loan repayment date	29 Oct 23	29 Oct 23	26 Nov 23	26 Nov 23
Expected life of share options (years)	0.33	0.33	0.41	0.41
Exercise price at vesting (cents)	6.4	6.4	6.4	6.4
Share price at Grant date (cents)	7.7	7.7	16.6	16.6
Share price at reporting date (cents)	20.0	20.0	20.0	20.0
Fair value at Grant date (cents)	2.9	6.1	11.7	14.7
Risk-free interest rate	0.1%	0.1%	0.6%	0.6%
Dividend yield	8.0%	8.0%	6.0%	6.0%
Expected Volatility	60%	60%	55%	55%

The WAEP in the above table is based on the expected exercise price at the vesting / loan repayment date.

24d. Share option valuation model (continued)

Share based payments granted in 2020 - 2021	Long Term Incentives Tranche 1 Share Price Hurdle	 Tranche 2 Share Price Hurdle
Grant date	29 Oct 20	29 Oct 20
Vesting/loan repayment date	29 Oct 24	29 Oct 24
Expected life of share options (years)	1.33	1.33
Exercise price at vesting (cents)	6.4	6.4
Share price at Grant date (cents)	7.7	7.7
Share price at reporting date (cents)	20.0	20.0
Fair value at Grant date (cents)	2.7	5.6
Risk-free interest rate	0.2%	0.2%
Dividend yield	8.0%	8.0%
Expected Volatility	60%	60%

Share based payments granted in 2022 - 2023	Long Term Incentives Tranche 1 Share Price Hurdle	 Tranche 2 Share Price Hurdle
Grant date	25 Nov 22	25 Nov 22
Vesting/loan repayment date	25 Nov 24	25 Nov 24
Expected life of share options (years)	1.4	1.4
Exercise price at vesting (cents)	9.5	9.5
Share price at Grant date (cents)	24.0	24.0
Share price at reporting date (cents)	20.0	20.0
Fair value at Grant date (cents)	16.8	21.3
Risk-free interest rate	3.3%	3.3%
Dividend yield	6.0%	6.0%
Expected Volatility	55%	55%

Equity-settled share-based payment

		Long-Term incentives			
		Tranche 1	Tranche 2	Tranche 1	Tranche 2
Share based payments granted in 2020 - 2021	Short-Term Incentives	Share Price Hurdle	EBITDA Hurdle	Share Price Hurdle	EBITDA Hurdle
Grant date	29 Oct 20	29 Oct 20	29 Oct 20	29 Oct 20	29 Oct 20
Vesting/loan repayment date	29 Oct 21	29 Oct 23	29 Oct 23	29 Oct 24	29 Oct 24
Expected life of share options (years)	-	3.0	3.0	4.0	4.0
Exercise price at vesting (cents)	6.4	6.4	6.4	6.4	6.4
Share price at Grant date (cents)	7.7	7.7	7.7	7.7	7.7
Share price at reporting date (cents)	17.0	20.0	20.0	20.0	20.0
Fair value at Grant date (cents)	7.1	2.9	6.1	2.7	5.6
Risk-free interest rate	0.05%	0.12%	0.12%	0.21%	0.21%
Dividend yield	8.00%	8.00%	8.00%	8.00%	8.00%
Expected Volatility	60%	60%	60%	60%	60%

24d. Share option valuation model – continued

Share based payments granted in 2021 - 2022	1m Performance Rights	Revenue Hurdle 750k Performance Rights	500k Performance Rights	250k Performance Rights	1m Performance Rights
Grant date	12 Jan 22	12 Jan 22	2 Feb 22	10 Feb 22	1 April 22
Vesting/loan repayment date	28 Nov 25	26 Nov 27	28 Nov 25	28 Nov 25	28 Nov 25
Expected life of share options (years)	3.88	5.87	3.82	3.80	3.66
Exercise price at vesting (cents)	18.0	18.0	18.5	17.9	18.1
Share price at Grant date (cents)	19.0	19.0	18.0	18.0	18.0
Share price at reporting date (cents)	20.0	20.0	20.0	20.0	20.0
Fair value at Grant date (cents)	15.2	13.5	14.0	14.4	14.5
Risk-free interest rate	1.31%	1.57%	1.42%	1.63%	2.50%
Dividend yield	6.0%	6.0%	6.0%	6.0%	6.0%
Expected Volatility	55%	55%	55%	55%	55%

The WAEP in the above table is based on the expected exercise price at the vesting / loan repayment date.

Share based payments granted in 2022 - 2023	Revenue Hurdle 1m Performance Rights	250k Performance Rights	400k Performance Rights	205k Performance Rights
Grant date	1 Jul 22	25 Nov 22	25 Nov 22	25 Nov 22
Vesting/loan repayment date	25 Nov 25	25 Nov 26	25 Nov 25	25 Nov 25
Expected life of share options (years)	3.41	3.00	3.00	3.00
Exercise price at vesting (cents)	17.0	24.0	24.0	24.0
Share price at Grant date (cents)	17.0	24.0	24.0	24.0
Share price at reporting date (cents)	20.0	20.0	20.0	20.0
Fair value at Grant date (cents)	13.9	18.9	20.0	20.0
Risk-free interest rate	2.99%	3.25%	3.24%	3.24%
Dividend yield	6.0%	6.0%	6.0%	6.0%
Expected Volatility	55%	55%	55%	55%

25. Cash flow information

	2023 $	2022 $
Reconciliation of the net profit after tax to the net cash flows from operations		
Net profit	4,982,892	4,447,580
Non-cash items		
Depreciation	71,401	48,853
Amortisation	1,695,500	1,545,939
Credit Loss Expense	247,391	112,527
Finance Costs	56,088	-
Interest income on loans	(11,571)	(64,552)
Fair value movement in Financial Assets	(145,781)	(2,872)
Fair value movement in contingent consideration	(474,797)	-
Share based payments (benefit)/expense	1,128,103	779,192
Changes in assets and liabilities		
Loss on Derecognition of ROU Asset	-	515,880
(Increase)/decrease in trade and other receivables	(406,044)	(1,670,449)
(Increase)/decrease in other assets excluding amounts advanced to non-controlling interests	(2,383,583)	(652,053)
Increase/(decrease) in deferred tax liabilities	840,551	(51,136)
(Decrease)/increase in payables	(278,737)	100,225
(Decrease)/increase in employee benefit provisions	136,636	82,001
(Decrease)/increase in current tax payable	(1,240,602)	951,408
Net cash flows from operating activities	**4,217,447**	**6,142,543**

26. Earnings/(loss) per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus an adjustment for the weighted average number of ordinary shares issued to Directors and employees for no consideration when they exercise their rights under the share option plan.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2023 $	2022 $
Profit/(loss) from continuing operations attributable to members/shareholders of the parent entity:	4,408,941	3,814,072

	2023 Thousands	2022 Thousands
Weighted average number of ordinary shares for basic EPS*	198,637	197,604
Effects of dilution from:		
- Share options	1,172	786
Weighted average number of ordinary shares adjusted for the effect of dilution*	199,809	198,390

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year and excludes the unpaid portion of partly paid shares.

26. Earnings/(loss) per share (EPS) – continued

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Options where exercise price is currently in the money and those where performance conditions have not been satisfied have not been included.

27. Auditors remuneration

The auditor of Prime Financial Group Ltd and its controlled entities is Ernst & Young.

	2023 $	2022 $
Amounts received or due and receivable by the auditor for:		
Auditing or reviewing the financial report	245,000	175,000
	245,000	**175,000**

There were no non-audit related services provided in FY23 or FY22.

28. Related party disclosures

On the 5 August 2021, Mr S Madder received a loan funded share scheme with an initial value of $800,356. At the date of settlement $301,200 of Mr S Madder's Short-Term Incentive was settled against the loan, $330,000 was settled in October 2021, during the year ended 30 June 2023 the interest accrued on the loan was $11,571. The loan balance of $193,994 was fully repaid by Mr S Madder before 30 June 2023.

The following provides a summary of the loan during the period:

	Balance of loan at the beginning of the period	Amounts advanced during period	Interest accrued on loan	Loan Repayments	Balance of loans at the end of the period
Year ended 30 June 2022	-	800,356	13,267	(631,200)	182,423
Year ended 30 June 2023	182,423	-	11,571	(193,994)	-

The loan agreements among other things includes the following terms:

- full recourse loan supported by a General Securities Agreement over Domain Investment (Melbourne) Pty Ltd supported by a personal guarantee from Simon Madder;
- interest accruing at 0.75% p.a. above the lenders rate; and
- full loan is repaid before 30 June 2023.

28. Related party disclosures – continued

The Group, through the Prime Financial Group Ltd Employee Share Plan (PFG ESP), has provided Mr P Madder (through a nominee Madder Corporate Pty Ltd) full recourse loans to purchase 6,224,156 Shares (30 June 2022: 6,224,156 Shares) in Prime Financial Group Ltd.

The loan will be offset against the loan of outstanding entitlements including Long-Term Incentives and the Consulting Agreement entitlements.

Mr P Madder is a Director of the subsidiary companies and AFS license holding entities of the Group but is not part of Key Management Personnel.

	Balance of loan at the beginning of the period	Interest accrued on loan	Loan repayments	Balance of loans at the end of the period
Year ended 30 June 2022	1,081,967	51,285	-	1,133,252
Year ended 30 June 2023	1,133,252	71,879	(112,500)	1,092,631

The loan agreements among other things includes the following terms:

- full recourse loan supported by a General Securities Agreement over Madder Corporate Pty Ltd supported by a personal guarantee from Peter Madder;
- interest accruing at 0.75% p.a. above the lenders rate as advised by the Trustee from time to time; and
- all loans are repayable on 30 June 2028.

Compensation for key management personnel

	2023 $	2022 $
Short-term employment benefits	1,466,477	1,853,818
Post-employment benefits	48,442	55,625
Other long-term benefits	34,678	-
Share based Payments benefit	598,653	211,891
	2,148,250	**2,121,334**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period.

29. Segment information

To better report on the progress of the company strategy, Prime classifies its financial accounts into two reporting segments, the two segments are, ‘Wealth Management & SMSF’ and ‘Accounting & Business Advisory plus Capital’. This reporting structure provides current and prospective shareholders with a more detailed understanding of the drivers of performance of those segments and the cost of operating centralised services and the corporate office. Operating in two reporting segments comprising of providing integrated advice solely in Australia. These segments are consistent with the way the Managing Director/CEO (who is the chief operating decision-maker) monitors and assesses the business with regard to resource allocation and performance assessment.

29. Segment information – continued

	Wealth & SMSF $	ABA & Capital $	Corporate $	Consolidated $
2023				
Segment revenue	15,220,717	18,313,528	-	33,534,245
Interest Income	-	-	94,736	94,736
Service Income	-	-	114,266	114,266
Total Segment Revenue	**15,220,717**	**18,313,528**	**209,002**	**33,743,247**
Deduct				
Segment expenses	(10,422,480)	(11,841,623)	(1,490,944)	(23,755,047)
Segment Profit	4,798,237	6,471,905	(1,281,942)	9,988,200
Depreciation	-	-	(71,401)	(71,401)
Right of Use Asset Amortisation	(149,434)	(318,647)	(68,640)	(536,721)
Amortisation	-	-	(1,158,779)	(1,158,779)
Finance costs	(14,032)	(19,985)	(754,989)	(789,006)
Share Based Payment Expense/(Benefit)	(160,265)	(547,900)	(419,938)	(1,128,103)
Fair value movement on Financial Assets	-	-	145,781	145,781
Fair value movement on Contingent Consideration	-	-	474,797	474,797
Credit loss expense	(34,281)	(99,396)	(113,714)	(247,391)
Reported Profit Before Tax	**4,440,225**	**5,485,977**	**(3,248,825)**	**6,677,377**
Attributable to:				
Members/Shareholders of the parent entity	3,674,956	5,485,977	(3,248,825)	5,912,108
Non-controlling interests	765,269	-	-	765,269
Reported Profit Before Tax	**4,440,225**	**5,485,977**	**(3,248,825)**	**6,677,377**
Tax	-	-	(1,694,485)	(1,694,485)
Reported Profit After Tax	**4,440,225**	**5,485,977**	**(4,943,310)**	**4,982,892**
Attributable to:				
Members/Shareholders of the parent entity	3,866,274	5,485,977	(4,943,310)	4,408,941
Non-controlling interests	573,951	-	-	573,951
Reported Profit After Tax	**4,440,225**	**5,485,977**	**(4,943,310)**	**4,982,892**
Segment Assets	32,191,445	31,670,647	3,275,198	67,137,290
Total Assets	**-**	**-**	**-**	**67,137,290**
Segment Liabilities	(1,850,287)	(2,998,501)	(12,953,949)	(17,802,737)
Total Liabilities	**-**	**-**	**-**	**(17,802,737)**
Segment Net Assets	30,341,158	28,672,146	(9,678,751)	-
Total Net Assets				**49,334,553**

29. Segment information – continued

	Wealth & SMSF $	ABA & Capital $	Corporate $	Consolidated $
2022				
Segment revenue	11,280,466	14,917,835	-	26,198,301
Other Income	-	-	73,176	73,176
Interest Income	-	-	57,300	57,300
Total Segment Revenue	**11,280,466**	**14,917,835**	**130,476**	**26,328,777**
Deduct				
Segment expenses	(6,689,212)	(8,965,592)	(1,433,366)	(17,088,170)
Segment Profit	4,591,254	5,952,243	(1,302,890)	9,240,607
Depreciation	-	-	(48,853)	(48,853)
Right of Use Asset Amortisation	(219,225)	(388,836)	(96,093)	(704,154)
Amortisation	-	-	(841,785)	(841,785)
Finance costs	(24,859)	(35,405)	(325,945)	(386,209)
Share Based Payment Expense/(Benefit)	(228,084)	(371,494)	(179,614)	(779,192)
Fair value movement on Financial Assets	-	-	2,872	2,872
Fair value movement on Contingent Consideration	-	-	-	-
Credit loss expense	(21,965)	(90,562)	-	(112,527)
Loss on lease modification	-	-	(515,880)	(515,880)
Reported Profit Before Tax	**4,097,121**	**5,065,946**	**(3,308,188)**	**5,854,879**
Attributable to:				
Members/Shareholders of the parent entity	3,252,443	5,065,946	(3,308,188)	5,010,201
Non-controlling interests	844,677	-	-	844,677
Reported Profit Before Tax	4,097,120	5,065,946	(3,308,188)	5,854,878
Tax	-	-	(1,407,298)	(1,407,298)
Reported Profit After Tax	**4,097,120**	**5,065,946**	**(4,715,486)**	**4,447,580**
Attributable to:				
Members/Shareholders of the parent entity	3,463,612	5,065,946	(4,715,486)	3,814,072
Non-controlling interests	633,508			633,508
Reported Profit After Tax	**4,097,120**	**5,065,946**	**(4,715,486)**	**4,447,580**
Segment Assets	27,982,640	28,902,980	2,881,433	59,767,053
Total Assets	**-**	**-**	**-**	**59,767,053**
Segment liabilities	(1,312,270)	(2,138,844)	(9,666,959)	(13,118,073)
Total Liabilities	**-**	**-**	**-**	**(13,118,073)**
Segment Net Assets	26,670,370	26,764,136	(6,785,256)	-
Total Net Assets				**46,648,980**

30. Financial assets and financial liabilities

30a. Financial assets

	30 June 2023 $	30 June 2022 $
Financial assets at fair value through profit and loss		
Unquoted equity instruments	486,650	315, 875
Financial asset - Crispin & Jeffery - SMSF	565,746	590,739
Total Financial assets at fair value through profit and loss	**1,052,396**	**906,614**
Financial assets at amortised costs		
Cash and cash equivalents	1,043,303	128,699
Trade and other receivables	4,844,631	4,511,393
Loans receivable	1,092,631	1,315,675
Lease receivable	184,062	380,424
Total financial assets	**8,217,023**	**7,242,805**
Total current	6,296,996	6,151,204
Total non-current	1,920,027	1,091,601
Total financial assets	**8,217,023**	**7,242,805**

30b. Financial liabilities

	Interest rate %	Maturity	30 June 2023 $	30 June 2022 $
Current interest-bearing loans and borrowings				
Lease Liabilities	3.1% - 6.0%	30/06/2024	781,492	1,030,162
Borrowings – Bank Facility	5.0 - 6.7%	30/06/2024	1,699,613	1,000,000
Total current interest-bearing loans and borrowing			**2,481,105**	**2,030,162**
Non-Current interest-bearing loans and borrowings				
Lease Liabilities	6.0%	30/06/2025	-	761,950
Bank facility	6.7%	09/07/2025	8,814,060	4,355,511
Total non-current interest-bearing loans and borrowings			**8,814,060**	**5,117,461**
Other financial liabilities				
Payables			2,504,546	2,540,835
Balance outstanding on acquisitions			704,395	327,525
Total other financial liabilities			**3,208,941**	**2,868,360**
Total financial liabilities			**14,504,106**	**10,015,983**
Total current financial liabilities			4,990,433	4,898,522
Total non-current financial liabilities			9,513,673	5,117,461
Total financial liabilities			**14,504,106**	**10,015,983**

30c. Fair values

Set out below is a comparison by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	2023		2022	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Unquoted equity instruments	486,650	486,650	315,875	315,875
Financial asset - Crispin & Jeffery - SMSF	565,746	565,746	590,739	590,739
Loan receivable	1,092,631	1,092,631	1,315,675	1,315,675
Lease receivable	184,062	184,062	380,424	380,424
Total	**2,329,089**	**2,329,089**	**2,602,713**	**2,602,713**
Financial liabilities				
Interest-bearing loans and borrowings				
- Bank facility	10,513,673	10,513,673	5,355,511	5,355,511
Balance outstanding on acquisitions	704,395	704,395	327,525	327,525
Total	**11,218,068**	**11,218,068**	**5,683,036**	**5,683,036**

It has been assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, obligations under hire purchase and other contracts and the balance outstanding on acquisition of investments approximate their carrying amounts largely due to the short-term maturities of these instruments. It has also been assessed that the fair values of loan receivables and obligations under the bank facility approximate their carrying amounts largely due to the fact they are linked to a floating rate of interest.

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant observable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Unquoted equity securities	30 June 2023	486,650	-	-	486,650
Financial asset - Crispin & Jeffery - SMSF	30 June 2023	565,746	-	-	565,746
Liabilities measured at fair value:					
Balance outstanding on acquisitions	30 June 2023	704,395	-	-	704,395

30c. Fair values – continued

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant observable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Unquoted equity securities	30 June 2022	315,875	-	-	315,875
Financial asset - Crispin & Jeffery - SMSF	30 June 2022	590,739	-	-	590,739
Liabilities measured at fair value:					
Balance outstanding on acquisitions	30 June 2022	327,525	-	-	327,525

Unquoted Equity Security	30 June 2023 $	30 June 2022 $
Balance at the beginning of the year	**315,875**	**259,582**
Movement in Fair value	170,774	56,293
Balance at the end of the year	**486,649**	**315,875**

Financial Asset - Crispin & Jeffery - SMSF	30 June 2023 $	30 June 2022 $
Balance at the beginning of the year	**590,739**	**644,160**
Movement in Fair value	(24,993)	(53,421)
Balance at the end of the year	**565,746**	**590,739**

Balance Outstanding on Acquisitions	30 June 2023 $	30 June 2022 $
Balance at the beginning of the year	**327,525**	**328,615**
Additions	4,509,900	838,264
Settlements	(3,658,233)	(839,354)
Movement in Fair value	(474,797)	-
Balance at the end of the year	**704,395**	**327,525**

30c. Fair values – continued

Unquoted equity securities – financial services sector

The fair value of unquoted equity securities – financial services sector consists of an investment purchased in FY18. The asset is measured based on a revenue multiple as a best practice for measuring Early-Stage entities. The key inputs in this valuation were revenue and the revenue multiple. Unquoted equity securities – financial services sector are classified as a Level 3 financial asset and are measured at fair value through profit and loss. A 10% increase (decrease) in the share price in the valuation of these securities would result in an increase (decrease) in fair value of $48,665.

Financial Asset

Crispin & Jeffery is classified as a Level 3 financial asset and is measured at fair value through profit and loss. The fair value technique used was an earning multiple approach. The key inputs in this valuation were earnings generated by the investment and the earnings multiple. The earnings multiple used in the valuation at 30 June 2023 was 5.5 times. A 10% increase (decrease) in the earnings multiple or underlying earnings would result in an increase (decrease) in fair value of $56,575. The fair valuation of Crispin & Jeffery – SMSF at 30 June 2023 resulted in a loss through the profit and loss of $24,993.

Balance outstanding on acquisitions

Please see note 21 for details of the balance outstanding on acquisition of investments.

30d. Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables, balances outstanding on the acquisition of investments and financial liabilities relating to share-based payments. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, unquoted equity investments, trade and other receivables, and cash and cash equivalents.

The Group is exposed to credit risk and liquidity risk. The Group's Board oversees the management of these risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank facility which has a floating interest rate. The Group monitors interest rates to assess the impact of changes in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of cash and cash equivalents, loans and borrowings affected. All interest bearing instruments have been included within this sensitivity. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate cash and cash equivalents and borrowings, as follows:

	Effect on Group/ (loss) before tax
2023	
1.00% increase in interest rates	(94,704)
1.00% decrease in interest rates	94,704
2022	
1.00% increase in interest rates	(53,555)
1.00% decrease in interest rates	53,555

Equity risk

The unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through holding a relatively small proportion of its assets in unlisted equity securities. The acquisitions of any unlisted equity securities are required to be approved by the Board.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. Credit risk is managed primarily by monitoring receivables and the credit ratings of relevant banks and financial institutions. The credit risk relating to the loan to Directors was assessed by the Board when the related loans were entered.

Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group does not have any significant concentrations of credit risk except for the loan to Director.

30d. Financial instruments risk management objectives and policies – continued

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Years ended 30 June 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	-	227,650	565,649	-	-	793,299
Interest-bearing loans and borrowings	-	176,964	530,892	11,238,985	-	11,946,841
Balance outstanding on acquisition of investments	-	704,395	-	-	-	704,395
Trade and other payables	2,504,546	-	-	-	-	2,504,546
	2,504,546	**1,109,009**	**1,096,541**	**11,238,985**	**-**	**15,949,081**

Years ended 30 June 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Lease liabilities	-	264,368	808,314	773,704	-	1,846,386
Interest-bearing loans and borrowings	-	302,083	906,249	4,777,877	-	5,986,209
Balance outstanding on acquisition of investments	-	253,167	74,357	-	-	327,524
Trade and other payables	2,540,835	-	-	-	-	2,540,835
	2,540,835	**819,618**	**1,788,920**	**5,551,581**	**-**	**10,700,954**

	1 July 2022	Coupon Cash flows	Interest	Changes in fair values	Other	30 June 2023
Lease liabilities	1,792,112	(1,072,682)	42,521	-	19,542	781,492
Interest-bearing loans and borrowings	5,355,511	4,529,542	628,620	-	-	10,513,673
Total liabilities from financing activities	**7,147,623**	**3,456,860**	**671,140**	**-**	**19,542**	**11,295,165**

31. Parent entity disclosures

	30 June 2023 $	30 June 2022 $
(a) Statement of financial position		
Current assets	18,681,521	18,687,881
Non-current assets	38,846,173	38,918,785
Total assets	**57,527,694**	**57,606,666**
Current liabilities	16,881,898	13,916,981
Non-current liabilities	-	-
Total liabilities	**16,881,898**	**13,916,981**
Net assets	**40,645,796**	**43,689,685**
Contributed equity	67,473,686	67,470,155
Accumulated losses	(26,827,890)	(23,780,470)
Total equity	**40,645,796**	**43,689,685**
(b) Statement of profit or loss and other comprehensive income		
Profit/(Loss) for the year	332,301	(47,677)
Total comprehensive income	**332,301**	**(47,677)**

Parent entity financial information - investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Prime. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

32. Significant events after balance date

On 22 August 2023, the Directors of Prime Financial Group Ltd declared a final dividend on ordinary shares in respect of the FY23 financial year. The total amount of the dividend is $1,592,325 which represents a fully franked dividend of 0.80 cents per share. The dividend has not been provided for in the 30 June 2023 financial statements.

During the reporting period the Group entered into a new lease agreement subsequent to the conclusion of its previous lease arrangement for its Sydney office. The lease has a fixed term of two years with no option to renew. As per the terms of the lease agreement, the lessor provided a lease incentive in the form of a rent reduction, which will be phased over the course of the lease term. The new agreement is not effective until 1 July 2023. The ROU and Lease Liability at inception will be $465,678.

Except for the items above, there are no matters or circumstances which have arisen since the end of the financial period, that have significantly affected, or may significantly affect the operations of the Group, or the state of affairs of the Group in future periods.

Director’s Declaration

1 The Financial Statements and Notes, as set out on pages 32 to 70, are in accordance with the Corporations Act 2001 and;

(a) comply with Accounting Standards, the Corporation Act 2001, and other mandatory professional reporting requirements;

(b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated group; and

(c) the attached financial statements are in compliance with international Financial Reporting Standards, as stated in Note 2 to the financial statements.

2. The Managing Director and Chief Executive Officer, and Company Secretary have each declared that:

(a) The financial records of the company for the financial year have been properly maintained in accordance with s286 of the Corporations Act 2001;

(b) The Financial Statements and Notes for the financial year comply with the Accounting Standards; and

(c) The Financial Statements and Notes for the financial year give a true and fair view.

In the Directors’ opinion there are reasonable grounds to believe that Prime Financial Group Ltd will be able to pay its debts as and when they become due and payable.

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

Simon Madder
Managing Director/CEO & Chairman
Melbourne, 22 August 2023

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Independent Auditor's Report to the Members of Prime Financial Group Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for Opinion

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

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

Key Audit Matters

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

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

Impairment assessment of goodwill

Why significant	How our audit addressed the key audit matter
As at 30 June 2023, the Group's Goodwill totals $45,717,642 as disclosed in Note 16. Goodwill has been recognised as a result of the Group's previous acquisitions. The Group performs an annual impairment assessment, or more frequently if there is an indicator that goodwill may be impaired. This assessment involves a comparison of the carrying value of the Cash Generating Unit with its recoverable amount. The impairment assessment involves estimates and assumptions based on future performance, forecast cash flows, discount rates and terminal growth rates, as disclosed in Note 2.3(d). These assumptions are subject to estimation uncertainty, with potential changes in assumptions leading to changes in the recoverable value of the asset. Accordingly, we considered this to be a key audit matter.	Our audit procedures, in conjunction with our valuation specialists, included the following: ► Assessed whether managements impairment testing methodology met the requirements of Australian Accounting Standards; ► Tested the mathematical accuracy of the impairment testing model; ► Assessed whether the forecast cash flows were consistent with the most recent Board approved cash flow forecasts; ► Assessed the historical accuracy of the Group's previous forecasts by performing a comparison of historical forecasts to actual results; and ► Assessed the appropriateness of key assumptions, such as the discount rates and long-term growth rates, including performing our own sensitivity analyses around these key assumptions. We assessed the Group's determination of the CGUs to which goodwill is allocated and assessed the adequacy of the disclosures included in the Notes to the financial report.

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Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company’s 2023 Annual Report 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, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 24 of the directors' report for the year ended 30 June 2023.

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

Responsibilities

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

Ernst & Young

John MacDonald
Partner
22 August 2023

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is presented below. This information is current as at 15 August 2023.

(a) Distribution of equity securities

Ordinary share capital – 202,089,758 fully paid ordinary shares are held by 875 individual shareholders. The number of shareholders, by size of holding, in each class of share are:

	Ordinary Shares	
Category (size of holding)	**No. of holders**	**No. of shares**
1 - 1,000	63	26,244
1,001 - 5,000	153	500,230
5,001 - 10,000	135	1,095,614
10,001 - 100,000	344	14,042,615
100,001 over	179	186,524,055
Total	**875**	**202,089,758**

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
	Name	**Number of shares**	**% of ordinary shares**
1	DOMAIN INVESTMENT (MELBOURNE) PTY LTD	22,778,713	11.39
2	KIUT INVESTMENTS PTY LTD <KEPPEL INVESTMENTS UNIT A/C>	10,169,988	5.09
3	GOGORM SUPER PTY LTD <GOGORM SUPER FUND A/C>	10,139,151	5.07
4	SONNING ROAD PTY LTD <PSB SUPERANNUATION FUND A/C>	7,267,142	3.63
5	ASCENSION BUSINESS INVESTMENTS PTY LTD <ASCENSION BUSINESS INV A/C>	6,128,571	3.06
6	WILLOUGHBY CAPITAL PTY LTD <WILLOUGHBY CAPITAL A/C>	5,900,000	2.95
7	CULVERWOOD SUPERANNUATION PTY LTD <CULVERWOOD A/C>	5,102,812	2.55
8	MATTHEW WILLIAM MURPHY & AMANDA JANE MURPHY AS TRUSTEE FOR MURPHY SUPERANNUATION FUND	4,500,000	2.25
9	MR PETER WATSON	4,400,000	2.20
10	ARQ CONSULTING PTY LTD <ARQ CONSULTING TRUST17 A/C>	4,016,666	2.01
11	BROWN EYE PTY LTD <BROWN FAMILY>	3,539,579	1.77
12	DRAKEVALE PTY LTD <JOANNE&PETER KENNEDY S/F A/C>	3,337,296	1.67
13	HISHENK PTY LTD	3,300,000	1.65
14	MR SIMON MADDER	3,198,651	1.60

(b) Twenty largest shareholders – continued

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
	Name	Number of shares	% of ordinary shares
15	LOCH VENTURES PTY LTD <LOCH VENTURES FAMILY A/C>	3,171,428	1.59
16	MR MATTHEW SHAYNE KEOHAN SMITH & MS SASHA KIMBERLEY SMITH <THE SMITH FAMILY S/F A/C>	3,157,546	1.58
17	EMERALD SHARES PTY LIMITED <EMERALD UNIT A/C>	3,125,000	1.56
18	MR WILLIAM MARK OLSEN & MRS JANET THERESE OLSEN	2,635,000	1.31
19	FENNING COURT PTY LTD <SCOBLE FAMILY A/C>	2,475,000	1.24
20	MR PAUL SAMUEL COWAN + MRS BELINDA CAROLINE COWAN <PS COWAN SUPER FUND A/C>	2,324,489	1.16

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Corporate Information

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M. Murphy, Executive Director
T. Bennett, Executive Director

Company Secretary

A. Sanders

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