



Infocus Wealth Management Limited

ABN 28 103 551 015

**Interim condensed consolidated financial statements for the
half-year ended 31 December 2021**

Infocus Wealth Management Limited
Directors' report
For the half-year ended 31 December 2021

The directors present their report, together with the interim financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Infocus Wealth Management Limited (referred to hereafter as the 'company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The names of the directors of the company during and since the end of the half-year are:

Roy McKelvie (Chairman)
Darren Steinhardt (Managing Director)
Craig Holland
David Hasib
Jonathan Hubbard

Review of operations and results

The loss for the Group for the half-year after providing for income tax amounted to \$638k (31 December 2020: \$720k profit).

Total revenue for the half-year of \$38,763k was up 7% on the previous corresponding period, driven by continued growth in our B2B (or self-employed) division. The revenue growth in B2B more than offset anticipated revenue reduction in our B2C (or salaried) division and the regulatory driven revenue reduction flowing out of the Hayne Royal Commission (HRC) recommendations. However, and unfortunately, the margin on the B2B growth was not sufficiently high enough to offset the reduction in the much higher margins earned out of B2C and HRC banned revenues.

The reduction in profitability compared to the half-year to 31 December 2020 is primarily as a result of the loss of revenue from investment product providers. This included \$418k of "grandfathered commissions" that were banned and removed as a result of the HRC recommendations coming into effect, and the loss of a further \$493k in distribution fees that although not banned by the HRC were terminated by the product provider counter-parties.

The replacement of this lost revenue will commence once the Group's new investment administration solution "Platformplus WRAP" is operational. PlatformplusWRAP went live in late March 2022

The half-year results also included a \$467k expense for client claims and remediation expenses (31 December 2020: \$350k). This included \$200k on previously closed claims relating to advice dating back to 2011 and earlier, which the new financial industry ombudsman (Australian Financial Complaints Authority) allowed to be re-opened as a result of the HRC recommendations. The balance of the claims and remediation expense was primarily for refunds to clients on ongoing service arrangements who did not receive all of the services promised, or who did not receive a written Statement of Advice in the prescribed period. Addressing and resolving fee refunds for all clients who may have not received all prescribed services is ensuring Infocus meets its regulatory obligations in accordance with ASICs 'fee for no service' remediation project.

Other operating expenses were 14% higher than the corresponding prior period with increased employee costs (up by \$669k or 15% to \$5,046) with all staff back on full contracted hours this half-year (most staff were on 80% and then 90% of contracted hours during 2020 in response to COVID-19).

The business generated operating cash flows of \$970k (31 December 2020: \$3,305k). On the statement of financial position, net assets have decreased by \$673k (5%) over the half-year, with net increase in borrowings of \$173k (1.4%).

Rounding of amounts

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and therefore the amounts contained in this report and in the half-year financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Events after the reporting period

On 10 March 2022 the Company received notification from Westpac that they had approved a 10-year \$5 million loan facility under the Australian Government's SME Recovery Loan Scheme. The directors have resolved to apply these funds to the early redemption of the \$4.082 million in Convertible Notes currently on issue. In addition to reducing the Company's interest expense, the new facility will provide access to additional funding (over and above what is required to redeem the Convertible Notes after taking into account any Noteholders choosing to convert to ordinary shares).

Infocus Wealth Management Limited
Directors' report
For the half-year ended 31 December 2021

Other than as disclosed above, no matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page of this half-year financial report and forms part of this Directors' Report.

This report is made in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Roy McKelvie', with a long horizontal stroke extending to the right.

Roy McKelvie
Chairman

Maroochydore
30 March 2022



Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To the Directors of Infocus Wealth Management Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Infocus Wealth Management Limited for the half-year ended 31 December 2021, there have been:

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

KPMG

KPMG

B E Lovell
Partner

Brisbane
30 March 2022

Infocus Wealth Management Limited
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For the half-year ended 31 December 2021

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General information

Infocus Wealth Management Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 2 Cnr Maroochydore Rd & Evans St
Maroochydore QLD 4558

Principal place of business

Level 2 Cnr Maroochydore Rd & Evans St
Maroochydore QLD 4558

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

Infocus Wealth Management Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Advice and services revenue		38,763	36,353
Rental and dividend income		98	96
Interest income		27	69
Advice and services fees and commissions paid		(31,067)	(28,102)
Employee benefits		(5,046)	(4,377)
Professional fees		(587)	(816)
Occupancy costs		(219)	(118)
Marketing, advertising and conference costs		(35)	(10)
Technology costs		(245)	(248)
Client legal claims and remediation costs		(467)	(350)
Other expenses		(859)	(579)
Operating profit		363	1,918
Depreciation and amortisation expenses		(813)	(874)
Finance costs		(418)	(415)
Gain on sale of client portfolios		-	250
(Loss)/profit before income tax benefit/(expense)		(868)	879
Income tax benefit/(expense)		230	(159)
(Loss)/profit for the half-year		(638)	720
Total comprehensive (loss)/income for the half-year		(638)	720
(Loss)/profit for the half-year is attributable to:			
Non-controlling interest		44	42
Owners of Infocus Wealth Management Limited		(682)	678
		(638)	720
Total comprehensive (loss)/ income for the half-year is attributable to:			
Non-controlling interest		44	42
Owners of Infocus Wealth Management Limited		(682)	678
		(638)	720

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

Infocus Wealth Management Limited
Condensed consolidated statement of financial position
As at 31 December 2021

	Note	31 Dec 2021 \$'000	30 Jun 2021 Restated* \$'000
Assets			
Current assets			
Cash and cash equivalents*	4	449	538
Term deposits*	11	385	383
Trade and other receivables		7,501	8,683
Assets held for sale	2	164	-
Total current assets		<u>8,499</u>	<u>9,604</u>
Non-current assets			
Other receivables		940	1,143
Investments		20	-
Property, plant and equipment		420	406
Intangibles		21,434	21,295
Right-of-use assets		1,951	2,379
Deferred tax		1,256	1,008
Total non-current assets		<u>26,021</u>	<u>26,231</u>
Total assets		<u>34,520</u>	<u>35,835</u>
Liabilities			
Current liabilities			
Trade and other payables		6,390	5,835
Borrowings	9	8,224	8,647
Lease liabilities		844	833
Current tax liabilities		19	31
Provisions	10	956	2,031
Total current liabilities		<u>16,433</u>	<u>17,377</u>
Non-current liabilities			
Borrowings	9	4,082	3,486
Lease liabilities		1,225	1,652
Provisions	10	216	83
Total non-current liabilities		<u>5,523</u>	<u>5,221</u>
Total liabilities		<u>21,956</u>	<u>22,598</u>
Net assets		<u>12,564</u>	<u>13,237</u>
Equity			
Share capital		14,195	14,195
Reserves		(513)	(513)
Accumulated losses		(1,138)	(456)
Equity attributable to the owners of the parent		<u>12,544</u>	<u>13,226</u>
Non-controlling interest		20	11
Total equity		<u>12,564</u>	<u>13,237</u>

* The comparative information has been restated as a result of the prior period error relating to the reclassification of some term deposits which are greater than 90 days and less than or equal to 12 months maturity from Cash and cash equivalents to a separate line item as Term deposits as discussed in note 11.

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

Infocus Wealth Management Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2021

	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total controlling interest \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2020	14,189	(513)	203	13,879	16	13,895
Total comprehensive income for the half-year	-	-	678	678	42	720
Transactions with owners in their capacity as owners:						
Issue of shares on vesting of employee performance rights	6	-	-	6	-	6
Dividends paid (note 8)	-	-	-	-	(40)	(40)
Balance at 31 December 2020	14,195	(513)	881	14,563	18	14,581

	Issued capital \$'000	Reserves \$'000	(Accumulated losses) \$'000	Total controlling interest \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2021	14,195	(513)	(456)	13,226	11	13,237
Total comprehensive (loss)/income for the half-year	-	-	(682)	(682)	44	(638)
Transactions with owners in their capacity as owners:						
Dividends paid (note 8)	-	-	-	-	(35)	(35)
Balance at 31 December 2021	14,195	(513)	(1,138)	12,544	20	12,564

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

Infocus Wealth Management Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 Restated* \$'000
Cash flows from operating activities			
Receipts from customers*		43,645	40,706
Payments to suppliers and employees*		(42,248)	(37,043)
Interest received		27	56
Interest and other finance costs paid		(401)	(375)
Dividends received		18	29
Income taxes paid		(71)	(68)
		<hr/>	<hr/>
Net cash provided by operating activities		970	3,305
Cash flows from investing activities			
Payments for investments		(20)	-
Payments for property, plant and equipment		(102)	(15)
Payments for intangibles		(600)	(341)
		<hr/>	<hr/>
Net cash (used in) investing activities		(722)	(356)
Cash flows from financing activities			
Proceeds from borrowings		602	-
Repayment of borrowings		(1,600)	(1,385)
Payments of lease liabilities		(474)	(535)
Dividends paid	8	(35)	(40)
		<hr/>	<hr/>
Net cash (used in) financing activities		(1,507)	(1,960)
Net (decrease) /increase in cash and cash equivalents		(1,259)	989
Cash and cash equivalents at the beginning of the half-year*		(408)	(1,149)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year*	4	(1,667)	(160)

* The comparative information has been restated as a result of the prior period error relating to the reclassification of some term deposits which are greater than 90 days and less than or equal to 12 months maturity from Cash and cash equivalents to a separate line item as Term deposits. In addition, cash flows have been grossed up for GST, impacting receipts from customers and payments to suppliers and employees as discussed in note 11.

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

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 1. Significant accounting policies

(a) Statement of compliance

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

(b) Basis of preparation

The consolidated half-year financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and therefore the amounts contained in the half-year financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2021 annual consolidated financial report for the year ended 30 June 2021, except for the impact of any new and revised Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The consolidated half-year financial statements have been approved and authorised for issue by the Board of Directors on 30 March 2022.

(c) New or amended accounting standards and interpretations

The Group has adopted all of the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are mandatory for the current reporting period and these standards do not have any impact on the Group's accounting policies.

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

(d) Use of judgement, estimates and assumptions

When preparing consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the consolidated interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the company's annual consolidated financial report for the year ended 30 June 2021, except as described below:

(i) Coronavirus (COVID-19) pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of these consolidated financial statements.

The estimation uncertainty is associated with:

- The extent and duration of the disruption to business arising from the actions by governments, businesses and consumers to contain the spread of the virus, and
- The extent and duration of the expected economic downturn and the impact on world stock markets.

(ii) Client Legal Claims and Client Remediation provisions

Client legal claims provisions

On 18 June 2019, ASIC (Australian Securities and Investments Commission) announced that it had approved a change in AFCA (Australian Financial Complaints Authority) rules to allow it to investigate certain complaints dating back to 1 January 2008. The AFCA extension period ended on 30 June 2020. Open legacy claims during the half-year have been assessed and the Group continues to provide for known obligations at 31 December 2021.

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 1. Significant accounting policies (continued)

Client remediation provisions

The Group had made provisions in prior years and also during the half year for the cost of remedial compensation payable to financial advice clients who may not have received all of the services they should have under ongoing client service agreements, and in the case of one former self-employed adviser, may have been inappropriately overcharged for up-front advice. These provisions have been paid out by 31 December 2021.

(e) Going concern

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The ability of the Company to continue as a going concern including meeting operating cash requirements and paying debts as and when they fall due is dependent on:

- achieving profitability and generating sufficient operating cash inflows;
- continued financial support from its financiers; and
- securing additional capital investment where required.

The Group has a loss after tax for the half-year ended 31 December 2021 of \$638k (2020: \$720k profit) and generated net operating cash flows of \$970k for the half year (2020: \$3,305k). The Group has an excess of current liabilities over current assets at reporting date of \$7,934k (30 June 2021: \$7,773k).

It should be noted that the Group had undrawn borrowing facilities at that date of \$2,648k (30 June 2021: \$3,518k), and \$4,388k of term loans from Westpac have been included as current borrowings at 31 December 2021 despite this amount not being scheduled as due for repayment until the first quarter of 2023.

The financial performance of the Group for the year ended 30 June 2021 was not in compliance with all of the covenants required under the term loan facilities with Westpac and the bank has issued the Company with a notice confirming this to be the case. However, the bank is accepting of this position and continues to work with the Company by providing the necessary ongoing funding to enable it to implement its growth strategies and generate strong operating cash surpluses in future periods.

The Company continues to take the necessary steps to achieve these requirements, as demonstrated by the following:-

- Revised forecasts show net operating cash flows in excess of \$2.5million for the 2022/23 financial year;
- Westpac has demonstrated its continued financial support of the Company by recently approving \$5 million in additional funding under the Australian Government SME Recovery Loan Scheme (“SMERLS”); and
- The Company will use these funds to retire the more expensive debt funding provided by the existing Convertible Note program, and expects that some Noteholders will elect to convert their Notes to ordinary shares as part of this early redemption process.

The directors are of the opinion the Group will continue normal business activities and be able to realise its assets and settle its liabilities in the ordinary course of business. The Group has taken appropriate action and steps to manage its cash flows and bank covenants going forwards and continues to receive the support of Westpac. However, in view of the fact that the bank is legally entitled to call in the debts owing to it if the Group continues to trade outside of the requirements of the covenants, and that the Group’s bank borrowings at 31 December 2021 (including drawn overdraft balance) totalled \$7,704k (30 June 2021: \$7,134k), the directors feel obliged to point out to users of this half-year financial report that there is a material uncertainty surrounding the Group’s ability to continue as a going concern.

In view of the current position regarding bank covenants, all borrowings from Westpac at 31 December 2021 and 30 June 2021 have been included in current liabilities on the balance sheet.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the half-year financial report. This half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts or classification of liabilities, nor other appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 2. Assets held for sale

Subsequent to year end, the Group sold a portion of its client portfolio to an ex- staff adviser who has set up his own business and this is disclosed as held for sale at 31 December 2021. The Group has also provided finance to this adviser of \$277k in relation to this transaction.

Note 3. Fair value of financial assets and financial liabilities

Fair value reflects the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date.

Financial instruments measured at fair value are categorised under a three-level hierarchy as outlined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has assessed its financial instruments recorded at fair value and these are categorised under the fair value hierarchy.

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 4. Reconciliation to cash and cash equivalents per statement of cash flows

	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Cash and cash equivalents	449	519
Bank overdraft (included in borrowings)	(2,116)	(679)
Balance as per statement of cash flows	<u>(1,667)</u>	<u>(160)</u>

Note 5. Related party transactions

Key management personnel compensation

Remuneration arrangements of key management personnel are disclosed in the company's annual consolidated financial report for the year ended 30 June 2021.

Transactions with related parties

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

The Group has paid employment costs to a director, Mr D. Steinhardt and his spouse Mrs S. Steinhardt and rented premises in Maroochydore from a company related to Mr and Mrs Steinhardt.

	Half-year ended 31 Dec 2021	Half-year ended 31 Dec 2020
	\$	\$
Employment costs – D Steinhardt	224,280	182,549
Employment costs – S Steinhardt	33,830	31,467
Payment for services – related entity for rental premises	256,238	248,349
Total	<u>514,348</u>	<u>462,365</u>

The Group has issued convertible notes to key management personnel as follows:

	31 Dec 2021	30 June 2021
	\$	\$
Convertible notes	<u>930,000</u>	<u>880,000</u>

The notes held at 31 December 2021 are convertible into ordinary shares of the Company, at the option of the holder, or repayable on 7 June 2024 with a coupon rate of 9% per annum paid semi-annually. The conversion rate is 2.38 shares for each note held and each conversion request from a noteholder must be for a minimum of \$10k worth of notes.

Terms and conditions

All related party transactions were made on normal commercial terms and conditions and at market rates.

J. Hubbard and D. Steinhardt are clients of a controlled entity within the Group, this relationship is on normal commercial terms and conditions. The Group has earned income from J. Hubbard of \$3,500 for half-year ended 31 December 2021 (31 December 2020 \$3,509). The Group has earned income from D. Steinhardt of \$1,199 for half-year ended 31 December 2021 (31 December 2020 \$1,172).

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 6. Contingent liabilities and contingent assets

The nature of the financial advice business is such that from time-to-time advice given by the Group or its Authorised Representatives results in claims by clients for compensation.

The Group has received claims and is defending these claims, and is unable to assign a value to these claims with any certainty and has not provided for them.

Except as per above, there were no material contingent liabilities or contingent assets at the date of this report.

Note 7. Capital commitments

At 31 December 2021, the Group had committed to spend approximately \$1,500k with an external party over the next 24 months on the development of wealth and superannuation platform solutions that will be fully integrated to the Group's bespoke financial advice delivery and management system Platformplus. There were no other capital commitments at balance date.

Note 8. Dividends

	Half year ended 31 Dec 2021 \$'000	Half year ended 31 Dec 2020 \$'000
Dividends paid during the half-year		
<i>On ordinary shares to owners of Infocus Wealth Management Limited:</i>		
Dividends paid during the half-year to owners of Infocus Wealth Management Limited	-	-
<i>Dividends paid to non-controlling interests:</i>		
Dividends provided for or paid during the half-year to non-controlling interests	35	40
Total dividends paid	<u>35</u>	<u>40</u>

Note 9. Borrowings

The Group has continued repaying its bank borrowings in the half-year to 31 December 2021 which have decreased by \$600k and increased its borrowings on convertible notes by \$602k as per the consolidated statement of financial position.

Note 10. Provisions

The Group has paid provisions relating to client remediation by 31 December 2021 as disclosed per note 1(d)(ii). The provisions remaining at 31 December 2021 relate to client claims on inappropriate advice provided in prior periods of \$392k. The remaining provisions at 31 December 2021 relate to employee entitlements.

Note 11. Prior period error

The prior period error relates to the following:

- reclassification of term deposits which are greater than 90 days and less than or equal to 12 months maturity as term deposits as a separate line item on the condensed consolidated statement of financial position and deducted from Cash and cash equivalents line item.

The following table summarises the impact of the prior period error on the financial statements:

	30 June 2021 \$'000
Condensed consolidated statement of financial position	
Decrease in cash and cash equivalents	(383)
Increase in term deposits	<u>383</u>

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2021

Note 11. Prior period error (continued)

	Half year ended 31 Dec 2020 \$'000
Condensed consolidated statement of cash flows	
Increase in payments to suppliers and employees	4
Decrease in cash and cash equivalents at the beginning of the year	(379)
Decrease in cash and cash equivalents at the end of the year	<u>(383)</u>

- Cash flows have been grossed up for GST, impacting receipts from customers and payments to suppliers and employees in the statement of cash flows.

The following table summarises the impact of the prior period error on the financial statements:

	Half year ended 31 Dec 2020 \$'000
Condensed consolidated statement of cash flows	
Increase in receipts from customers	3,701
Increase in payments to suppliers and employees	<u>3,701</u>

Note 12. Events after the reporting period

On 10 March 2022 the Company received notification from Westpac that they had approved a 10year \$5 million loan facility under the Australian Government's SME Recovery Loan Scheme. The directors have resolved to apply these funds to the early redemption of the \$4.082 million in Convertible Notes currently on issue. In addition to reducing the Company's interest expense, the new facility will provide access to additional funding (over and above what is required to redeem the Convertible Notes after taking into account any Noteholders choosing to convert to ordinary shares).

Other than as disclosed above, no matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Infocus Wealth Management Limited
Directors' declaration
For the half-year ended 31 December 2021

In the opinion of the Directors of Infocus Wealth Management Limited:

- (a) The interim condensed consolidated financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
- (i) Giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting*, and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Roy McKelvie
Chairman

Maroochydore
30 March 2022



Independent Auditor's Review Report

To the shareholders of Infocus Wealth Management Limited

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Infocus Wealth Management Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Infocus Wealth Management Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2021;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Note 1 to 12 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Infocus Wealth Management Limited (the Company) and the entities it controlled at the end of the half year or from time to time during the half-year.

Basis for Conclusion

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

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Group, would be in the same terms if given to the Directors at the time of this review report.



Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) in the Half-year Financial Report. The conditions disclosed in Note 1(e), indicate material uncertainties exist that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Half-year financial report. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- The preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

KPMG

B E Lovell
Partner

Brisbane
31 March 2022