



Infocus Wealth Management Limited

ABN 28 103 551 015

**Interim condensed consolidated financial statements for the
half-year ended 31 December 2022**

Infocus Wealth Management Limited
Directors' report
For the half-year ended 31 December 2022

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 2022.

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 \$1,332k (31 December 2021: \$638k).

Total revenue for the half-year of \$37,645k was up 2% on the previous corresponding period, as a result of higher financial advisory fees. The decrease in infrastructure services revenue is from discontinuance of platform distribution fees from external parties, which is yet to be fully replaced by revenues from PlatformplusWRAP, the Group's proprietary Superannuation, Pension and IDPS investment platform that went live in March 2022.

The increase in net loss compared to the half-year ended 31 December 2021 arises mainly from the discontinuation of the final amounts of platform distribution and other conflicted revenues as a result of change emanating from the Hayne Royal Commission. The result for the half-year was also impacted by decrease in professional fees, increase in marketing, advertising and conference costs in relation to iCON22 held in October 2022, decrease in legal claims and remediation costs, higher amortisation expenses associated with the investment in our IT software -Platformplus AMS and PlatformplusWRAP, and a relatively higher tax expense.

The business generated operating cash flows of \$1,594k (31 December 2021: \$970k). On the statement of financial position, net assets have decreased by \$1,356k (12%) over the half-year, with a net decrease in borrowings of \$431k (3.5%).

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

No matter or circumstance has arisen since 31 December 2022 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:



Roy McKelvie
Chairman
Maroochydore
10 March 2023



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 2022, 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

A handwritten signature in black ink, appearing to read 'B E Lovell'.

B E Lovell
Partner

Brisbane
10 March 2023

Infocus Wealth Management Limited
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For the half-year ended 31 December 2022

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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 2022

	Note	31 Dec 2022 \$'000	31 Dec 2021 Restated* \$'000
Advice and services revenue*	2	37,645	36,845
Rental and dividend income		61	98
Interest income		11	27
Advice and services fees and commissions paid*		(30,843)	(29,149)
Employee benefits		(4,888)	(5,046)
Professional fees		(310)	(587)
Marketing, advertising and conference costs		(398)	(35)
Occupancy costs		(248)	(219)
Technology costs		(235)	(245)
Re-assessment of the net present value of mortgage trail commissions		(115)	(213)
Other expenses		(606)	(1,113)^
Operating profit		<u>74</u>	<u>363</u>
Depreciation and amortisation expenses		(976)	(813)
Finance costs		(418)	(418)
(Loss) before income tax (expense)/benefit		<u>(1,320)</u>	<u>(868)</u>
Income tax (expense)/benefit		(12)	230
(Loss) for the half-year		<u>(1,332)</u>	<u>(638)</u>
Total comprehensive (loss) for the half-year		<u>(1,332)</u>	<u>(638)</u>
(Loss) for the half-year is attributable to:			
Non-controlling interest		24	44
Owners of Infocus Wealth Management Limited		<u>(1,356)</u>	<u>(682)</u>
		<u>(1,332)</u>	<u>(638)</u>
Total comprehensive (loss) for the half-year is attributable to:			
Non-controlling interest		24	44
Owners of Infocus Wealth Management Limited		<u>(1,356)</u>	<u>(682)</u>
		<u>(1,332)</u>	<u>(638)</u>

*The comparative information has been restated due to reclassification of revenue and expense lines as discussed in Note 1(f).

^ Other expenses includes client legal claims and remediation costs of \$467k.

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 2022

	Note	31 Dec 2022 \$'000	30 June 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	929	381
Term deposits		385	385
Trade and other receivables		6,685	8,533
Current tax assets		2	-
Total current assets		<u>8,001</u>	<u>9,299</u>
Non-current assets			
Other receivables		705	824
Investments		29	27
Property, plant and equipment		552	619
Intangibles		22,992	23,351
Right-of-use assets		1,131	1,541
Deferred tax		693	785
Total non-current assets		<u>26,102</u>	<u>27,147</u>
Total assets		<u><u>34,103</u></u>	<u><u>36,446</u></u>
Liabilities			
Current liabilities			
Trade and other payables		8,527	7,928
Borrowings	9	12,051	12,482
Lease liabilities		812	865
Current tax liabilities		-	4
Provisions		697	849
Total current liabilities		<u>22,087</u>	<u>22,128</u>
Non-current liabilities			
Trade and other payables		500	1,000
Lease liabilities		413	787
Provisions		160	135
Deferred tax		866	963
Total non-current liabilities		<u>1,939</u>	<u>2,885</u>
Total liabilities		<u>24,026</u>	<u>25,013</u>
Net assets		<u><u>10,077</u></u>	<u><u>11,433</u></u>
Equity			
Share capital		16,240	16,240
Reserves		(513)	(513)
Accumulated losses		(5,654)	(4,298)
Equity attributable to the owners of the parent		<u>10,073</u>	<u>11,429</u>
Non-controlling interest		4	4
Total equity		<u><u>10,077</u></u>	<u><u>11,433</u></u>

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 2022

	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) 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

	Issued capital \$'000	Reserves \$'000	(Accumulated losses) \$'000	Total controlling interest \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	16,240	(513)	(4,298)	11,429	4	11,433
Total comprehensive (loss) for the half-year	-	-	(1,356)	(1,356)	24	(1,332)
Transactions with owners in their capacity as owners:						
Dividends paid (note 8)	-	-	-	-	(24)	(24)
Balance at 31 December 2022	16,240	(513)	(5,654)	10,073	4	10,077

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 2022

	Note	31 Dec 2022 \$'000	31 Dec 2021 Restated* \$'000
Cash flows from operating activities			
Receipts from customers*		42,231	43,453
Payments to suppliers and employees*		(40,244)	(42,056)
Interest received		11	27
Interest and other finance costs paid		(381)	(401)
Dividends received		-	18
Income taxes paid		(23)	(71)
		<hr/>	<hr/>
Net cash provided by operating activities		1,594	970
Cash flows from investing activities			
Proceeds from sale of client portfolios		253	-
Payments for investments		(2)	(20)
Payments for property, plant and equipment		(67)	(102)
Payments for intangibles		(311)	(600)
		<hr/>	<hr/>
Net cash (used in) investing activities		(127)	(722)
Cash flows from financing activities			
Proceeds from borrowings		810	602
Repayment of borrowings		(1,300)	(1,600)
Payments of lease liabilities		(464)	(474)
Dividends paid	8	(24)	(35)
		<hr/>	<hr/>
Net cash (used in) financing activities		(978)	(1,507)
Net increase /(decrease) in cash and cash equivalents		489	(1,259)
Cash and cash equivalents at the beginning of the half-year		(1,440)	(408)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	4	(951)	(1,667)

*The comparative information has been restated due to reclassification of revenue and expense lines as discussed in Note 1(f).

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 2022

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 2022 annual consolidated financial report for the year ended 30 June 2022, 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 10 March 2023.

(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 2022.

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2022

Note 1. Significant accounting policies (continued)

(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 2022 of \$1,332k (2021: \$638k). The Group has an excess of current liabilities over current assets at reporting date of \$14,086k (30 June 2022: \$12,829k).

It should be noted that the Group had undrawn borrowing facilities at reporting date of \$2,947k (30 June 2022: \$3,817k), and bank borrowings of \$11,605k (30 June 2022: \$11,154k). All bank borrowings have been included as current liabilities at 31 December 2022. The same applied at 30 June 2022.

The financial performance of the Group for the half-year ended 31 December 2022 was not in compliance with all of the covenants required under the loan facilities with Westpac and as such the bank has the right to call in the debt if it so chooses. However, the bank has indicated an intention to continue to roll existing facilities. The directors consider this should provide the Company the necessary ongoing funding to enable it to implement its growth strategies.

Included in bank borrowings at 31 December 2022 were two term loans totalling \$5,845k (30 June 2022: \$6,263k) which were scheduled for repayment in January and March 2023. The scheduled repayment date on these loans has been extended to 1 October 2023 and it is the intention of the Company that these facilities will be renegotiated prior to this date.

Also included in bank borrowings at 31 December 2022 was \$3,880k (30 June 2022: \$3,070k) which had been drawn down against the \$5 million 10-year SMERLS (Australian Government SME Recovery Loan Scheme) loan facility provided by the bank in March 2022.

The Company continues to take the necessary steps to manage its cash position, and the latest board approved forecasts show net positive operating cash flows for the 2023/24 financial year.

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 2022 (including drawn overdraft balance) totalled \$11,605k (30 June 2022: \$11,154k), there is a material uncertainty surrounding the Group's ability to continue as a going concern.

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 this financial report. This 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 2022

Note 1. Significant accounting policies (continued)

(f) Restated disclosures – prior period

Amounts have been reclassified from advice and services revenue into advice and services fees and commissions paid by \$1,918k relating to an internal re-classification which was mis-coded in the prior period when preparing the financial statements.

Cash flows have also been reduced for GST by \$192k, impacting receipts from customers and payments to suppliers and employees in the statement of cash flows.

The following table summarises the impact on the comparative financial year and the below amounts have been restated:

	31 Dec 2021
	\$'000
Consolidated statement of profit or loss	
Decrease in advice and services revenue	(1,918)
Decrease in advice and services fees and commissions paid	<u>(1,918)</u>
	31 Dec 2021
	\$'000
Consolidated statement of cash flows	
Decrease in receipts from customers	(192)
Decrease in payments to suppliers and employees	<u>(192)</u>

Note 2. Advice and services revenue

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	Restated*
	\$'000	\$'000
Financial advisory services	36,124	34,765
Infrastructure services	945	1,483
Investment management services	<u>576</u>	<u>597</u>
Total advice and services revenue	<u>37,645</u>	<u>36,845</u>

*The comparative information has been restated due to reclassification of revenue and expense lines as discussed in Note 1(f) above.

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.

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

	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Cash and cash equivalents	929	449
Bank overdraft (included in borrowings, refer Note 9)	<u>(1,880)</u>	<u>(2,116)</u>
Balance as per statement of cash flows	<u>(951)</u>	<u>(1,667)</u>

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2022

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 2022.

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 2022	Half-year ended 31 Dec 2021
	\$	\$
Employment costs – D Steinhardt	227,646	224,280
Employment costs – S Steinhardt	36,234	33,830
Payment for services – related entity for rental premises	262,409	256,238
Total	526,289	514,348

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. These client relationships are on normal commercial terms and conditions. The Group earned income from J. Hubbard of \$3,500 for half-year ended 31 December 2022 (31 December 2021 \$3,500) and earned income from D. Steinhardt of \$1,640 for half-year ended 31 December 2022 (31 December 2021 \$1,199).

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 is unaware of any material contingent liabilities or contingent assets at the date of this report.

Note 7. Capital commitments

There were no material capital commitments at 31 December 2022.

Note 8. Dividends

	Half year ended 31 Dec 2022	Half year ended 31 Dec 2021
	\$'000	\$'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	24	35
Total dividends paid	24	35

Infocus Wealth Management Limited
Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2022

Note 9. Borrowings

	Consolidated	
	31 Dec 2022	30 June 2022
	\$'000	\$'000
Current		
Bank overdraft	1,880	1,821
Secured bank term loans ^(a)	5,845	6,263
Secured bank- SMERLS ^(b)	3,880	3,070
Unsecured corporate loans	446	1,328
	<hr/>	<hr/>
Total current borrowings	12,051	12,482

(a) The Group has classified its bank loans as current liabilities as it was not in compliance with all of the covenants required under the term loan facilities with the Bank. For further information refer to the Going concern note 1 (e).

(b) The Group entered into a ten-year, \$5m loan facility offered by the Bank under the Australian Government's SME Recovery Loan Scheme (SMERLS). The first year is interest only, with principal and interest repayments on an amortising basis over the remaining 9 years. The Group has classified this loan facility as a current liability as it forms an integral part of the total bank facilities for the purpose of calculating covenant compliance, and as such is technically at call whilst covenants are not being fully met. \$1,120k of the SMERLS loan remained undrawn at 31 December 2022.

Assets pledged as security

The bank facilities are secured by a fixed and floating charge over the Group's assets and a guarantee from a major shareholder and director.

	Consolidated	
	31 Dec 2022	30 June 2022
	\$'000	\$'000
<i>Financing arrangements</i>		
Total facilities available from the bank	14,552	14,971
Facilities used at balance date	(11,605)	(11,154)
	<hr/>	<hr/>
Facilities available from bank at balance date	2,947	3,817

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 2022

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 2022 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
10 March 2023



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 2022 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 2022;
- 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 10 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 Infocus Wealth Management Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Review Report.



Material Uncertainty Related to Going Concern

We draw attention to Note 1(e) "Going Concern" in the Half-year Financial Report. The events or 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
14 March 2023